

Export Development Act

four million shares are authorized, consists of one million issued shares which have a par value of \$100 each. Simply that totals \$100 million. Why does the owner of this corporation not subscribe the other \$300 million? Why should it expect to increase its financing or request increases in other limits when the owner of this business is not willing to put forth the rest of the money it promised to invest?

The committee received some very fancy explanations, none of which made any sense to me as an accountant and businessman. For example, one explanation was that the government, under the rules of its association with EDC, was allowed only to make certain purchases in relation to a certain formula. It would be easier to change the formula. The government should show faith in this corporation and its business by increasing its shares and its investment.

I should like to deal with the value of EDC as far as jobs are concerned. The hon. member for St. John's West told the House a few minutes ago that the government continually referred to this 200,000 job figure. We asked and asked, but could not find out how the government justified the 200,000 jobs. Finally, the government produced a two page document entitled "The Method of Estimating the Number of Man-Years of Employment Maintained and Created, Directly and Indirectly as a Result of EDC Support". Apparently this document was drawn up on the spur of the moment. It bears no authentication of having been produced by the corporation or any of its members or employees.

I should like to refer to some of the terms used by the government in arriving at the 200,000 figure. How does the government justify its claim that 200,000 jobs are created in Canada by EDC? The introduction of this paper refers to 200,000 man-years of employment. There is a definition of "man-year" which reads as follows:

A man-year is a measure of employment which is the equivalent of one person working for one calendar year.

The hon. member for St. John's West pointed out that man-years does not necessarily equal jobs. At times there can be more jobs than there are man-years. If a man receives a job for less than a year, it is not that much good to him. The pièce de résistance of this document is the method of calculation, which reads:

The total number of man-years is determined as follows: the initial analysis is based upon labour generation shown by the exporter in the loan or insurance application.

Anyone requesting financing from EDC is bound to err on the generous side in order to make his application more acceptable to the government which hands over the goodies.

● (1622)

The next paragraph states:

The sub-suppliers' contribution is based on the value of Canadian goods and services reported as part of the Canadian content assessment conducted by EDC staff prior to consideration of the particular transaction by the board of directors. In cases when information is not readily available from sub-suppliers, a factor involving various industrial indices is estimated on the basis of the professional judgment of the Engineering Advisory staff of the corporation. This in turn is founded upon experience and knowledge of the particular sectors

[Mr. Clarke (Vancouver Quadra).]

involved. The factor can vary, of course, by province, region and company. A further estimate is made of the indirect employment (measured in man-years) that is created by the transaction. The method employed is to multiply the value of the exporter's commercial contract by a job factor. These factors are obtained from a report prepared by the Government of Canada "Employment and Occupational Impacts Using the Version III Interprovincial Input-Output Model". These in turn are tested against other information provided.

I hope the House has some better success than I did in trying to figure out what that paragraph says. I want to point out to members opposite, in case they thought they understood what was said, that there are so many indefinites and so many variables included in this paragraph that reliance on the figures produced by these arithmetic gymnastics would be questionable, indeed.

Here are some of the words I read a minute ago, and I will just repeat them to indicate the variables the government is relying on in coming up with this 200,000 figure which we question. First of all it says it "is based on the value... reported as part of the Canadian content". It states that if "information is not readily available... a factor involving various industrial indices is estimated on the basis of the professional judgment". That is another indefinite. Then it says "This in turn is founded upon experience and knowledge of the particular sectors involved. The factor can vary, of course, by province, region and company". There are three variables in the one sentence there. It goes on to state that "A further estimate is made of the indirect employment", and then they "multiply the value of the... contract by a job factor".

I suggest to the House that with all of those variables we come out with a complete guess. The witnesses at the committee were unable, anywhere along the line, to say they could put a hard line in respect of the 200,000 jobs claimed. When the minister, who used to be a reasonable man, in my view, was questioned about this, and he had not been there when it was first presented, and when I pointed out to him all the problems there were with this method of calculation, he said that no further information would be coming forward and that we, as the opposition, were free to draw our own conclusions from the information tabled. The conclusion we draw on this side is that there will be nothing like 200,000 jobs created by the gymnastics going on over there in the building of this monstrosity of a government-owned corporation.

I know we are going to have other motions and other debates. There are other factors which properly belong to other portions of the debate, so at this time I will let the debate on Motions Nos. 1 and 3 be continued by other members of the House.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I listened with a great deal of attention and concern to the figures produced by the speaker who proceeded me, the hon. member for Vancouver Quadra (Mr. Clarke). He outlined the degree to which the Export Development Corporation has been expanding over the years from 1971; in the last seven or eight years. I was not making notes of the actual figures, so I would not dare quote them. I recall one being the increase from 1971 to 1978 as 1,600 per cent. Whether that had reference to