

there should be guidelines concerning the amount of any single deal that will be entertained by this corporation.

We believe the chartered banks should be influenced and guided into more active participation in conjunction with the corporation than has been the fact to the present. The United States, the counterpart, requires in every deal a 50-50 participation with commercial banks. Our institution, the corporation, has shown no desire to do this. This corporation and this act should be reviewed in 1973 in a manner similar to the Gibson review of 1968.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He can continue only with the unanimous consent of the House.

Mr. Stevens: I have one final point, Mr. Speaker.

Mr. Deputy Speaker: Is it agreed that the hon. member continue?

Some hon. Members: Agreed.

Mr. Stevens: I was saying that the United States counterpart enters into a 50-50 financing arrangement in respect of every deal. Finally, we believe the majority of the directors of the Export Development Corporation should not come from the public service but rather from the private sector.

● (1650)

Mr. John Harney (Scarborough West): Now, I have the green light again, Mr. Speaker. There is a certain hazard in having a seat in the "lobby of the Chateau Laurier". It sometimes happens that you are not seen although heard by the people who control the loudspeaking system here.

On this reading of the bill I have a few remarks to make with regard to the future of the Export Development Corporation, and I hope that these remarks will be noted against the time when parliament will be considering the role of this corporation again. We must realize that this particular bill has to do with only one section of the Export Development Corporation Act and not with the whole act. Unless my memory serves me badly, the minister concerned indicated that at some future date we will have a chance to look at the act again and to reconsider the purpose of the Export Development Corporation. It is against this future date, which I hope will not be too far away, that I want to address these remarks.

Before I begin with the Points that I want to make, I would like to make a remark or two in reply to a couple of the comments made by the hon. member who has just completed his speech. The NDP has been accused of being unconcerned with the workings of the Export Development Corporation, particularly with regard to the way in which it aids and abets the encroachment of foreign ownership in Canada. The point was made that the corporation tends to deal with the big companies and that therefore, since it tends to deal with big companies which in Canada are very often in foreign hands, the corporation aids and abets the encroachment of foreign ownership in Canada. This is a rather indirect and tortuous argument. I think it has been pointed out time and time again that it is difficult for the Export Development Corporation under sec-

Export Development Act

tion 29 to advance loans of any significance to Canadian industry through the medium of small companies because small companies are simply not in the business of dealing with capital exports on a large and international scale.

Listening to the speakers from the Progressive Conservative party makes one think sometimes that their view of the productive system of this country is that it is essentially similar to a nineteenth century general store. In other words, all you have to do is to help the little company in a small village and the local chamber of commerce will stop singing Rotarian songs, then somebody will charge off to Brazil or Zambia and take out contracts for capital machinery or what have you. That is not how it works at all. It gives the NDP some comfort at any rate to have to deal with or against members on the government side who are somehow in this century, rather than having to deal with members on your immediate left, Mr. Speaker, who are just beginning to perceive that the world did enter the twentieth century some 73 years ago.

At the very least we would like to tackle the problem where it lies. I am reminded of what Andrew Undershaft, the character in one of George Bernard Shaw's plays, once said about the Salvation Army: "They're great, their souls are in the right place and they are out to fight the devil, but they don't have his right address". In a sense that is what the Progressive Conservative party is up to. They are out to fight the devil, but they are knocking on the wrong door. When we come down to the question of who gets the benefits of the largesse of the Export Development Corporation, we find some homegrown enterprises of our own zeroing in for what they can get, and none more busily and effectively than Brascan Limited which is one of our very old multinational corporations. We know how big it is and we know that it is getting bigger every day.

It was pointed out clearly enough on second reading that the \$26 million loan by the Export Development Corporation to Light-Servicos of Brazil was, in effect, a loan to Brascan, a Canadian owned corporation. What is striking is that Brascan has been availing itself of this relatively cheap money backed by the public of Canada while at the same time it was making rather a lot of money by itself. I want to point out here that we are not helping a small corporation in great need of funds. In the report for the last year we discover that Brascan chalked up a very respectable profit indeed. I quote from the business section of the *Montreal Star*. It might startle some members to my immediate right that some of us socialists over here read that section of the newspaper, but we like to keep up with them and see what they are doing. It reads:

Brascan Limited has chalked up 1972 year net of \$97.4 million or \$3.80 per share, against \$83.8 million or \$3.27 a share a year earlier.

That is not bad. The profit picture of Brascan for 1972 was good. It was better than the profit picture for the year 1971 which was also good. The article goes on to read:

Company said the increased earnings resulted from better utility income. Net electric utility income rose to \$87.1 million from \$70.5 million in 1971.

And where is the better utility operation to be found but in Brazil where it owns the major chunk of the electric generating capacity of that country. They have made a lot of money out of Brazil. Our own form of Canadian imperi-