

Export Development Act

● (1720)

Mr. Speaker, it is a privilege to stand again and speak to this Bill. Yesterday we debated Motion No. 1, presented by the Hon. Member for Mississauga South (Mr. Blenkarn) and today we are debating Motion Nos. 3 and 5. Ironically, Motion No. 4 was ruled out of order, or not in order. I make no comment on the Speaker's ruling because the main motion did not involve an amendment or that section in particular. With great respect, Mr. Speaker, I am going to discuss in terms of Motions Nos. 3 and 5 the relevant section in the Bill, not an amendment to the section, because it is critical to understanding why our feelings are so strong about Motions Nos. 3 and 5.

Perhaps it would be appropriate, in terms of discussing what is essentially a dry subject, to try to put some face on the numbers which are involved. If one reads the annual report of the Export Development Corporation one will find the following paragraph, which is useful to the argument today, Mr. Speaker. It reads:

Retained earnings, thus, accounted for \$186.1 million of shareholder's equity at the close of 1982. The Government of Canada increased its paid-in share capital during the year by \$115.0 million bringing that total to \$465.0 million. Accordingly, total shareholder's equity at the end of the year was \$651.1 million which maintained the debt to equity ratio of approximately 7:1 which has prevailed for some time.

I make that reference, Mr. Speaker, because I believe it is important to understanding this Bill, exactly what powers lie in the hands of the Minister and what powers lie in the hands of the Export Development Corporation, given where it stands. The law, as it is now, creates an authorized capital for the corporation of a billion dollars. The law, as it is now, creates borrowing approval for the authority of a multiple of ten times that authorized capital. This means that the corporation could today be borrowing up to \$10 billion. As it stands today, the paid-in equity by the Government of Canada, indicated by the corporation itself, is \$465 million, in other words, less than half the authorized capital already in the law. The borrowings of the corporation, Mr. Speaker, are less than \$5 billion as compared to the authorized potential under the existing law of \$10 billion.

The corporation itself in the paragraph I read, Mr. Speaker, indicated it is proud and likes the ratio of 7 to 1. It therefore seems quite clear to me, and should be clear to anyone in this Chamber, that the first question one must ask, when we are being asked to increase numbers, is, "Really, do you need the increases?" Corporations' net borrowings, Mr. Speaker, are growing at a rate of less than \$1 billion a year. The Government of Canada's potential for putting in more equity still remains at something like \$535 million. In other words, there is at least five years more growth of business available to the corporation, as it stands today, without an amendment, without any of the Government's amendments. That, Mr. Speaker, in the face of the section which allows all that borrowing and all that paying up of the capital—and this is the section to which I referred earlier—all of that, is to be done by the Minister in absolute secrecy, without ever coming before Parliament, either for approval of the additional paying of the capital or without any approval for the increased borrowing.

That is why Hon. Members on this side feel so strongly about the debate which is currently taking place. Anyone, I believe, would understand that if the corporation were coming before Parliament annually for the money it takes from the taxpayers through the Governor in Council, and the liabilities it imposes on the taxpayers of Canada through its borrowing, and was saying, "Here is what our track record is. Here is what we did last year on those things, and here is what we are going to do this year on those things", the way departments do, we might have more sympathy for a request for more than when we have no way of knowing until well after the fact what has been done and what liabilities have been incurred on our behalf.

Add to that secrecy the fact that what is already in the law allows the corporation to do twice what it does, it is difficult I suggest, Mr. Speaker, to understand why a further expansion of that authority to use public money and to borrow with public backing in secret, relatively, is necessary or appropriate. The Bill which is before us proposes in the name of the Government that that billion dollars of authorized capital be increased to \$2 billion, which has the effect of allowing the total in borrowings to go up to \$20 billion—and I remind you, Mr. Speaker, that the borrowings currently stand at roughly \$5 billion—and continues the practice of allowing the Governor in Council to pay up that working capital, if necessary, in the Government's view, without ever coming before us. So you have a situation at the moment whereby the corporation has the potential for an additional borrowing of over \$5 billion without a change in the law, and an additional \$500 million without our ever knowing about it. Yet we are being asked to increase the potential borrowing beyond what is currently borrowed by \$15 billion and increase the potential for investment of capital by \$1.5 billion without ever coming to us.

Mr. Lapierre: It is planning.

Mr. Bosley: The Hon. Member opposite, Mr. Speaker, says, "It is planning."

Mr. Munro (Esquimalt-Saanich): What devious plans are those?

Mr. Bosley: Hon. Members on this side, Mr. Speaker, wonder, given the track record of this Government in terms of what the Hon. Member opposite would refer to as "planned" interventions in the Canadian economy and elsewhere, whether in fact it is not now time, simply put, to say Parliament ought to be returned to the position of knowing before the money is spent or approved. Perhaps that way we would avoid some of the fiascos which we get into because not enough people know early enough. Someone else in the system, because he or she does not have to come to Parliament to get approval, says, "Let's do this", and someone else says, "Fine. We have not a lot of time in Cabinet. Approve it by Order in Council." The examples of that are legion.

I do not know how long we are going to have to debate the principle of this. In fact, the tragedy is that we have to debate the principle that Parliament ought to know before the money