

Export Development Act

tions, which are really speaking, although it is not formal, under this amendment, can find ways of using such a clause to obtain money at lower interest rates.

The technique of the small business development bond was mentioned on this side of the House, placed in the budget by the Clark administration. That can be used. The lawyers in Justice say that "by any means" means to include the small business development bond. In the last 17 months, with all the amendments that have been put through the House giving to the Farm Credit Corporation, to Canada Mortgage and Housing Corporation, to the Export Development Corporation, the right to borrow by any means, there has not been an occasion when they have ever used that principle.

● (1600)

What we say in Parliament, and what we can prove by quantitative evidence is workable, is that the people who guide the Government are inhibited by the Department of Finance which says that that technique cannot be used.

There are other techniques for borrowing money at lower rates that have been put forward by Parliament on many occasions. These have obtained the support of Ministers but they never appear in the laws and amendments that are passed by the House. Even though the legislation gives the right to borrow by any means at half interest rates, no one is ever allowed to use that authority. There is always a clause to provide that approval must be given by the Department of Finance.

I think the challenge to the Minister is the same as the challenge to the Minister of Agriculture (Mr. Whelan) and the Minister in charge of Housing, and that is, to grapple with this dragon, the Department of Finance, and show it that Parliament wants the interest rates to come down so that these companies can succeed.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I welcome the opportunity to intervene briefly in the debate to make one or two points. I am pleased that the Minister of State for International Trade (Mr. Regan) is in the Chamber as he will particularly appreciate an example which I would like to draw to the attention of Hon. Members. Many of us have seen occasions when a useful corporation or institutional process was overweighted with Government bureaucrats and appointees.

I want to add emphasis to the comments of the 15 or 16 Members of the Opposition who have spoken on the Bill this afternoon—not a word has been heard from Members on the other side—and draw to the attention of the House a painful experience of which the Minister will be very much aware. I am sure he will recall, with some misgivings, when he was Premier of the Province of Nova Scotia, the actions of the then Premier of the Province of New Brunswick. That gentleman thought that it might be a good idea if his Province, Nova Scotia and Prince Edward Island, took a closer look and got a tighter handle or greater control on the Maritime Transportation Commission. This was one of the finest, near-government,

industrial, institutional tools available to the private sector in the Maritime Provinces. It was run almost exclusively by directors and employees drawn from the private sector. The Minister has not looked at the names of the board of directors since the time of his regime.

Mr. Regan: It did not happen in my day.

Mr. Forrestall: Yes, it did. The Minister should go back and do some homework. It was a finely-tuned, knowledgeable, institutional process at work serving industry, processors and those who had to move goods. It supplied detailed and up-to-date information and took a lead in forming policy. Now it is virtually a dead mechanism and functions only as a clearing house for information. That has been the case for the last eight or ten years and it happened because the institutional process was overweighted with Government bureaucrats and because the Premiers of the day felt that they wanted more than a window on the industry—they wanted control.

That body no longer functions as was the intention when it was set up. It is no longer in a position to take a lead because it reflects only the view of Government and not the view of those who would use it.

As has been said, the Minister of State for International Trade surely cannot be in disagreement with the intent and spirit of the amendment offered by the Hon. Member for Mississauga South (Mr. Blenkarn). Surely he cannot take the position that only Governments can run things. Surely he does need three members of the board of EDP to come from the private sector so that it can have a window on what are essentially issues and processes in place to assist the private sector. Surely the Government does not need 9 of 12 members of the board to provide a window on this process. Surely there is a balance—perhaps 5, 6 and 6, which would make it a 13-member board. Let the board elect a chairman. There is advantage, there is merit and, indeed, long-term wisdom in relying on the developed expertise of the private sector to manage and develop the policy directions of such a vital and massive organization as the Export Development Corporation.

In the annual report of the EDC for 1982, in the left hand column on page 6, there is a discussion of the purpose of its operation as established by Parliament. It exists to develop Canada's export trade through the provision of insurance, guarantee and financing services. At the same time, under the Financial Administration Act there is another facet. The corporation is ordinarily required to conduct its operations without parliamentary appropriations. In practice this means that EDC is expected, in pursuing its purpose, to conduct its affairs in accordance with commercial principles and disciplines and to maintain a sound financial condition. It has been our sad experience that we less frequently trust the private corporate sector to achieve those goals than we do the Government departments and Crown corporations.

As of March 1, 1983, the board of directors included Mr. Cloutier of National Defence fame. Do Hon. Members know how much money we wasted and how many mink hats we bought for 11,000 or 12,000 women in the Canadian Armed