

Export Development Act

Minister of Finance would think about it. Then he was worried what his colleagues would think about it. Then he worried what he thought about it himself, and we went through eight weeks of committee hearings, and we never did see the Canadian Bankers' Association submission.

The Canadian Bankers' Association agreed for us to see it. They said, "If the government agrees for you to see it, it is fine with us." But then the minister said no, he didn't think the Canadian Bankers' Association did agree for us to see it, and he had not had time to call Mr. Frazee to see if Mr. Frazee agreed that we could see he. He didn't even believe that, and he never did get around to checking it, so we haven't seen it.

Now, Mr. Speaker, the bankers of this country made a submission to the government about the EDC, and we are considering legislation about the EDC, with a gigantic increase in its loan limits and guarantee limits, and no member of this House except maybe somebody in the cabinet—there might be one or two of them interested, or the Minister of Finance or the Minister of IT and C has seen what the Canadian Bankers' Association have suggested, so we are being asked to approve these huge increases in ignorance of that.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but I must inform him that his time has expired. Nevertheless, he may continue if there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Crosbie: I will be only a minute.

The Acting Speaker (Mr. Ethier): I heard some hon. members say no.

Mr. Crosbie: We have a lot of motions coming up, and we have lots of time to speak.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I think it is significant that the first speaker on this side has been the hon. member for St. John's West (Mr. Crosbie) and the second will be myself. I am from Vancouver Quadra, and that indicates the Canada-wide concern which we think is being shown about this bill.

I think it would be useful on motions Nos. 1 and 3 to go through some of the history of the limits which have been set for the Export Development Corporation. This corporation is not even as old as the present administration under the present Prime Minister (Mr. Trudeau). The Export Development Corporation was established by an act of parliament on October 1, 1969. In less than nine years the corporation has shown the voracious appetite of the government for increasing figures. During this fiscal year the government will produce a larger deficit than the total budget for 1968, which was the first year the Prime Minister was in office.

● (1612)

When the cautious little corporation, EDC, was set up in 1969, the authorized capital was \$25 million. At this point that capital has been increased to \$400 million. Now the government is proposing to increase that authorized capital from \$400 million to \$1 billion, which is more than double. I mention only the authorized capital because the proposal of the government, and therefore the amendments proposed, are named as multipliers of the authorized capital of the corporation. Similar increases are proposed in the insurance limits. They will be increased approximately four times, from \$2,500 million to \$10,000 million. The initial limits set in 1969 were \$250 million. From 1969 to 1977 the initial limits were increased ten times, and now they are requesting an increase which would amount to another four times. Thus, 40 times the initial limits are being sought at this time. There has been a similar increase in the insurance on the government sector. The loans in the corporate sector have increased from \$600 million in 1969 to the proposed \$10,000 million, or ten times the \$1 billion shared capital.

Why do we need these changes? I should like to refer hon. members to the list presented before the committee. It indicates the insured volume, and it is detailed by country. I will not bore the House with the list, but it is an impressive one. It consists of approximately five pages of countries, and the present insurance volume. During 1977 the total insurance in force was \$1.445 billion, which is less than \$1.5 billion. At that point the Export Development Corporation had a limit of \$2.5 billion which was passed in 1977. Now they want us to increase that to \$10 billion. It has taken all this time for them to reach \$1.5 billion. Why do they now need to increase the limit from \$2.5 billion to \$10 billion? No evidence was adduced in the House or before the committee to justify that huge increase.

The other motion deals with the loans balances. I refer hon. members to page 30 of the Annual Report of the Export Development Corporation. It lists all of the export financing agreements signed from 1969 to 1977 under the authority of the board of directors. The signed agreements for those years total \$4.3 billion. Only \$2.5 billion has been paid out, and there have been repayments of approximately \$700 million. The balance outstanding on these agreements and guarantees, at the end of 1977, was \$1.8 billion. We are being asked to increase that limit. The existing limit is \$4,250 million, but that is not adequate. With \$1.8 billion outstanding, the increase being requested is up to \$10 billion. So that anyone reading the motions will not be disturbed, the \$10 billion is not referred to—it refers only to ten times the authorized capital, which is a nice way of soft-peddalling the enormity of the figures.

Repeatedly in committee the officials, the government and the minister were asked why the government, which is the sole shareholder, did not take up more of its shareholders' equity. Why does the government not buy some more shares, in other words? The current authorized capital is \$400 million. According to the current annual report, the capital stock, of which