

Export Development Act

terial control, with proper guidelines to cover all aspects of our economy. As I say, it should be redirected along the lines that the minister and his staff redirected the Industrial Development Bank and set up the Federal Business Development Bank.

I should also like to see the officials of the EDC closely examined by the Standing Committee on Finance, Trade and Economic Affairs. I am not talking about occasions when the estimates or a bill is before the committee. We should involve ourselves with the operations of this corporation outside the House, not just inside the House. I see no reason why the board of directors of the EDC should not come before the standing committee. I do not mean all the "figure filberts" that the president brings with him, but the guys who are making the final decisions.

If that were done, then any concerns we have about their personal involvement or potential conflicts of interest would be out in the open, and we would hear their side of the story. If the minister wants to clear the air as far as the EDC is concerned, then why does he not arrange such a meeting between the standing committee and the board of directors and officials of EDC? When the new president is appointed we would be able to meet and talk with him, and see in what way we as members can help the EDC. If we continue the refrain of the last parliament and this charade that takes place before the committee, with the aid and assistance of the Exporters Association, then I am afraid we will have to continue to dig and dig and do everything we can to make public the information we are trying to elicit.

As a person who has been involved in business for a number of years, I am not very impressed with intrigue. I like to see things out in the open, and where public funds are involved things should be out in the open. When I find people before a committee being very evasive on matters involving millions and millions of dollars, and when I see the government financing multinational corporations that have net assets greater than those of the EDC itself, which means we are acting as a sort of private finance company for them, then I become suspicious. I agree with my colleague from York-Simcoe (Mr. Stevens) that we must clear the air in this regard.

We are passing this bill with grave reservations on this side. We are not happy with the present operations of EDC, and in some cases we cannot justify the large sums that are lent to a handful of large corporations, the bulk of which are foreign owned and many of which have millions, and in some cases billions of dollars worth of assets. We finance their operations and exports at a very low rate, while other small businesses which make tremendous contributions to the economy of this country have to pay much higher rates.

We believe that the Minister of Industry, Trade and Commerce has an obligation to the House of Commons and the people of Canada to redirect the Export Development Corporation, to tie its objectives and directives to an industrial strategy that will ensure that, in the long run, our economy does not suffer the dips and valleys being experienced at the present time by other western economies. I say that the ball is in his court. We hope he does do something about it. We wish him well and extend to him

[Mr. Kempling.]

the compliments of the season. On that happy note, Mr. Speaker, I conclude my remarks.

• (1520)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, several of the members of this party who are not here have taken a considerable interest in this matter. I have listened with interest to hon. members of the standing committee express apprehension about some of the operations of the EDC. I share many of their concerns and reservations.

It appears to me that this corporation over the years has met a certain need, which I suppose most countries meet in one way or another. Under this legislation loans are provided to assist in the development within the country of products for export. We appear to have lost to a great extent the ability to do this. In fact we have done a number of things that, in my opinion, have not been to our advantage. One of those things is the interest the EDC has taken in respect of the shipbuilding industry.

Through this corporation we have provided money to build ships for other countries, yet we have kept only one or two very large shipbuilding operations in existence in Canada. We have done very little to keep shipbuilding operations in existence for the benefit of Canadians. We have been able to loan money at the relatively low interest rate of 7 per cent or 8 per cent to companies that really do not need this kind of financing. This has been a windfall to large operations, but has not provided Canadians with the shipbuilding industry we require.

If we can loan money to Cuba to buy ships that we produce in Canada, would it not be wise to loan money to Canadians to buy ships for Canadians so that we could at least have a bit of a merchant navy? It certainly seems odd to me that Canada, one of the largest exporting countries in the world, and with the largest sea coast, in effect has no merchant navy. We are willing to loan money, at very low interest rates, to a number of shipbuilding companies in this country to build ships for other countries which then transport Canadian export goods.

Another thing that bothers me is the threshold in respect of these loans offered. It has been pointed out that 50 per cent of EDC loans are made to multinational corporations. This corporation provides guarantees to companies such as INCO to carry out business someplace else in the world. I think we would be wise to ask ourselves just what we are doing. For instance, were we supplying money to the CIA to go into Chile? I suggest that in fact we did do that, or we gave money just as though we had given it to the United States government in support of the CIA. We provided loans to help destroy the government of that country. We did that just as though we had sent soldiers there.

Modern wars in this industrial world are not fought with guns; they are fought with trade and the manipulation of the business community. We might as well have supported the CIA directly. I am sure the minister was well aware of what was taking place. If he says he was not aware of that, obviously that is an even greater disgrace, because he should have been aware of the situation.

Let us not make any mistake about it, many of the original purposes of the Export Corporation were valu-