

Export Development Act

These are some of the distortions in the marketplace to which we have to react. The Export Development Corporation is a tool that could be used intelligently and innovatively to help our industries compete. Unfortunately, according to the record, large corporations are helped by the EDC. Usually such corporations are totally integrated. As my colleague indicated earlier, they are of a size which literally prevents them from going broke because the failure of any of these large corporations impacts on the total economy and because of the heavy exposure of the banks to them. Quite often throughout the debate we have expressed our concern about corporate takeovers or corporate cannibalism, as I like to call it. As a result of the bail-out business in which the Government has been involved over the last couple of years, large corporate entities are literally dictating and controlling the economic fortunes of the country. If they get into difficulty, they simply come to Government and say, "You cannot afford politically to let us go down because of the impact on the total economy". In some cases banks are coming to the Government together with their clients and saying, "One of us might have to go down with this company, so we have no choice but to bail it out".

We do not wish the EDC to be a lender of last resort instead of companies being bailed out in the normal fashion where Ministers have to come before the House to bare their souls. We do not want behind the scenes dealings involving the Export Development Corporation which, as I said earlier, does not report to Parliament; we would never know of the bail-out.

I am concerned with the incredible contingent liability which the corporation is permitted to chalk up on behalf of Canadian taxpayers. I am concerned for my children because they may have to pay back some of these liabilities some day. That should be of concern to us all. The average listener to today's debate should know that the measures in the Bill increase the high risk transactions of the corporation from \$3.5 billion to \$10 billion and loan guarantees from \$2.5 billion to \$10 billion. I want the Government to understand that this must be a concern to us. We would prefer to have these measures properly studied and discussed with the private industry, which deserves a larger role in deciding the activities of the EDC. This is not built into the Bill. We do not think the private sector has a large enough say in what the corporation does. Quite frankly, average Canadian citizens would prefer a measure such as this being brought in by a government in which they have more trust and confidence than the present Government.

Mr. Huntington: Mr. Speaker, in view of the fact that there is only one minute remaining, I wonder if I might call it six o'clock.

The Acting Speaker (Mr. Blaker): It is understood that the Hon. Member for Capilano (Mr. Huntington) has been recognized for debate and therefore will be automatically recognized tomorrow at eleven o'clock. Is that agreed?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

ENERGY—FLUCTUATIONS IN ONTARIO GASOLINE PRICES. (B) IMPACT OF TAXES ON PRICES

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I welcome this opportunity to address the House again on the subject of the negative impact of federal taxation on Canadian oil prices.

When I first raised this matter before the summer recess I was told by the Minister of Energy, Mines and Resources (Mr. Chrétien) that the federal Government does not control the price of gasoline at the pumps. I would suggest that it has much more control over the retail price of gasoline than it has over the many Crown corporations it has established over the past few years. I was also told that gasoline pricing agreements are not negotiated with a view to what taxes provincial Governments place on gasoline. In other words, the decisions on pricing and federal taxation are made without consideration of the end cost to Canadian consumers.

● (1800)

Recently it was revealed by a combines branch lawyer that Imperial Oil took complete control over the retail prices charged by Suny's Limited, one of its agents, last Spring to end the gasoline wars in Ontario. In August of this year, another price hike took place. The industry maintained that a shortage of gasoline was behind this increase.

The director of the combines branch investigated this increase and found no evidence of price fixing or of the industry's claim of a shortage. Both instances were investigated by officials of the federal Government. Obviously the Government felt it had the authority to investigate. If it has no ability to control prices, then why is it trying to do so?

It is obvious the producers and retailers are not making undue profits from gas wars and general price fluctuations. On September 15, the Toronto *Star* quoted Rick Hallisey of First Manhattan Securities Limited as saying, and I quote:

It's so bad that I think by the end of the year, Canada's chartered banks will collectively become the largest owners of drilling rigs in the country, directly through foreclosures or indirectly by becoming shareholders in troubled companies.

With only a few cents per gallon profit, the retailer is doing little better. The largest share of the price of a gallon is still going to Government taxes. This being the case, the federal Government must acknowledge its share of the blame for unduly high prices and price discrepancies across the country.

A look at the immense damage done to our tourist industry this summer alone by the high cost of gasoline should be enough to cause a review of the oil taxing policies. I understand that in eastern Ontario the number of tourists was down