

Export Development Act

That qualification is made after the Auditor General describes a certain transaction involving the Canadian Commercial Corporation. To show you how arrogant this corporation, the minister and this government is, the chairman of that board has the audacity to then state that the Auditor General has misinterpreted the facts. The board does not even believe the Auditor General who has been empowered by this parliament to check on what they are doing.

When I ask what the rush is all about, I think it is significant to realize that the Auditor General's report for 1972 is still not before parliament. Members of this parliament will be extremely interested when they read the description of this transaction in the Auditor General's report. This bill should not be ramrodded through this House before we have an opportunity to review what the Auditor General has to say in his report about this fancy transaction. I would point out that, while the country of destination in this deal is Venezuela, the Bank of Nova Scotia is involved with a company, BNS International Bahamas Limited, which is the actual borrower. I would also point out that of the \$28 million involved in the deal, \$25 million has been advanced, and that over 25 per cent of the total amount of money put out by this corporation in 1972 under section 29.

• (1640)

Perhaps one of the most interesting things which transpired in the committee hearings was that when asked what, under the new formula, would be the total amount of contracts they could sign if this bill should be passed, the president of the corporation admitted it would be \$2 billion. They have roughly \$1 billion signed now. If this act should go through they will have roughly a \$2 billion capability so far as signed contracts are concerned. I have indicated that there are very few companies in Canada receiving the benefit of this money. The majority of the companies are actually foreign controlled. So, one would ordinarily expect that after the quack-quack-quacking Mr. David Lewis did during the last campaign concerning corporate welfare bums there would be a strong protest at the committee hearing over the fact the government was getting ready to give \$1 billion of extra financing to a few corporations which were lucky enough to have the inside track.

Here is what happened. While the Export Development Corporation witnesses were in attendance there was not one question from an NDP representative. Their financial critic sat through the entire hearing doing nothing but his daily crossword puzzle. There was not a question. So, here you have it. In his book the leader of that party, at page 116, lists what he calls various rip-offs totalling \$955 million. At other places he lists various rip-offs, LIP grants and things like that, and yet when members of that party have an opportunity to do something of a concrete nature they just do nothing. I feel that the people of Canada should understand this and should note the insincerity of their position, and also the insincerity of the minister's position when he indicated that he seriously intended to deal with the foreign ownership question in Canada with his Bill C-132, yet at the same time he allows a corporation to give, with absolutely no reference to ownership, tremendous financial assistance to such corpo-

[Mr. Stevens.]

rations as General Motors, MLW-Worthington and many others.

In dealing with the question of risk, during the committee hearing the question was asked of the president if, for example, he wished to sell the \$17½ million worth of paper the corporation had placed in Argentina, what price would they get. I must admit that the president was very candid. He did not think there would be a market. So I asked him, if he could find a buyer what would be the likely discount. He indicated that they had a deal in respect of financing in Turkey and they were offered 33 cents on the dollar. This is the type of paper the corporation has been signing to hand out hundreds of millions of dollars.

I should like to list, in summation, ten positive things which should be done before this corporation is allowed to continue with its champagne exploits. First, we believe that the administration of the corporation should be thoroughly reviewed. There are very nasty rumblings of tremendous frictions within the ranks of the corporation, including senior personnel. We believe that under this heading there should be a thorough investigation as to the security which is actually being taken with regard to each deal the corporation ends up financing.

We believe there should be a review of the effect this type of financing is having on the underdeveloped countries or the other countries to which we are giving the financial assistance.

We believe that the corporation should be required to report to a standing committee of this House of Commons at least twice a year. The United States counterpart is required to report to the Congress in the United States twice yearly. Surely, it is not too much to expect that there be the formality of this corporation appearing before a committee of this House in a similar manner twice a year.

We believe that the corporation has only given lip service to raising a relatively large portion of its financing from the private sector. At the present time there is less than \$50 million in short-term loans. The United States counterpart, on the other hand, has been able to raise every 90 days substantial debenture money from the private sector rather than relying on the treasury of the United States.

We believe the corporation should have more offices in order to assist exporters to deal properly with the corporation across this country.

We further believe there should be a sector set up within the corporation with a ceiling of perhaps \$1 million per deal which would be designed to assist small businesses to get into, and remain competitive in, the world export markets. The United States counterpart has a very successful sector in this line at the present time. They tell me they anticipate it will be the largest sector in their entire operation. At the present time they are able to give financing in amounts of less than \$1,000 in over 100 countries in the world in respect of exporters who wish the facility.

We believe there should be guidelines established for the corporation concerning how high the ceiling should be in respect of financing in any country. There should be guidelines concerning some privilege to be given to companies in Canada which are not foreign controlled and