

Export Development Act

putting our children into hock every time we allow unrestrained and unaccountable spending in Crown corporations.

Also the Auditor General indicated in his report for the fiscal year ended March 31, 1982 that the time for reports and discussions had passed and that the time had come for meaningful action to be taken to increase the accountability and control of Crown corporations. We have continually seen reports tabled in the House of Commons over the past ten years, urging all Members to get accountability of Crown corporations into the House. We are not doing it. We are derelict in our duty. The Government brings in Bill C-110 which further erodes accountability. Our two amendments, if accepted, would move toward accountability. They are small steps in that direction because it cannot be done overnight. Is it too much for the Government to accept?

● (1640)

I will close with a brief summary of the management of the corporation. On the surface, the EDC appears to be doing something right. After all, it is one of a few Crown corporations that actually declared a profit last year. It earned a profit in spite of being a highly inefficient organization.

In 1982, the EDC had 613 employees, loan transactions with 62 companies and slightly in excess of 900 insurance policies. Can any Member of this House who is familiar with business name a bank which has ten employees for every loan that it makes? Of course not.

Mr. Bradley: The Small Business Development Bank.

Mr. Shields: That may be. I have not looked at that one. Can anyone on the Government benches name an insurance company in the private sector that issues insurance policies at an annual rate of 1.5 policies per employee? Can anyone on the Government benches name a bank or insurance company with so few customers and so many offices across this country?

The Government makes money on its export insurance coverage, but fails to market that insurance adequately. Only a small handful of corporations receive the benefit of an EDC subsidy. Little is being done to expand this circle. Let us look at the actual profit of EDC. It has unlimited financing. With every debt that it incurs, it delves into the pocket of the taxpayer. Last year the actual profit was \$1 million on capital of \$961 million, a rate of return of 1 per cent.

I hope that I have made my case to the Members of this House. We must get accountability back where it belongs, with the voters of this country. The closest link to the voters is the House of Commons, the Members here. We must listen to and take heed of the warnings of Auditors General and reports commissioned by this Government on accountability. We must get accountability back in Parliament. The two amendments that we proposed are a small step toward reaching that goal. I urge Members on all sides of the House, regardless of Party affiliation, to move toward getting accountability back into the House of Commons where it belongs.

Mr. Jack Murta (Lisgar): Mr. Speaker, I want to pick up on the theme which has been discussed by the Hon. Member for Athabasca (Mr. Shields). The Hon. Member has really zeroed on the most important aspect of the Bill. We are not just debating Motions Nos. 3 and 5 which the Progressive Conservative Party has put forward at report stage and which would control the borrowing of Crown corporations, but, more important, the whole question of accountability of Crown corporations. This was focused on by the Hon. Member for Athabasca. I want to pick up that theme because it comes close to hitting at the base of why we are here in Parliament to represent our constituents. When Members of Parliament return to their ridings, they find that their constituents are frustrated and unhappy with the system and also quite often with our performance here in the House of Commons. Our constituents feel removed from what is taking place here, the spending that goes on.

When Parliament was set up, a major role envisaged for it by the drafters of the Constitution must surely have been that of a sounding board where problems could be discussed by those elected to this place, people from different occupations and backgrounds, and where they could have some say with regard to Government spending. That has not happened. That is why there is so much frustration. The people have no input. As a Member of Parliament, I am frustrated because I do not have the input which I believe I should have.

This Bill highlights the fact that a Crown corporation can increase the amount of money it can borrow, spend, lend or guarantee without coming to Parliament. The Auditor General is the only real safeguard which the taxpayers have over Government spending. He has the authority to take a good look at Government spending, regardless of which Party is in power. Last fall he indicated the depth of the concern that is being expressed in my riding. He said, and I quote:

Parliament is becoming further isolated from an increasing portion of Government activities. The growing practice of using Crown-owned corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

That really hits at what we are discussing today. Unfortunately, little has been done. When a Crown corporation like EDC asks Parliament for greater authority, we must certainly look closely at the request. That is not the right direction. It is making things worse. It will only increase the sense of alienation and frustration in this country. The Export Development Corporation is certainly not all bad. It has a place. It does do some very positive things in the context of the guidelines set down for it. We all know that. The spending of the Export Development Corporation is not adequately scrutinized by Parliament, and it never has been. It is not required to table an operating budget, a capital budget for information on the size of its payroll. Who, including yourself, Mr. Speaker, could go to the bank and borrow a substantial amount of money without telling the bank manager what it was for? Who could ask the bank for what is, in effect, a blank cheque and receive money to use as he wanted, without showing any cash flow or