

today where Canada's high costs—the result of the mismanagement of the economy—is making it extremely difficult for Canadian fish exporters to compete against the fish exports to the United States from Denmark and Norway.

Private businessmen know what we are facing because they have taken knocks in the marketplace. Unfortunately, that same statement cannot be made of the people who have come up through the ranks of the Public Service and who have grown up through Ottawa's bureaucracy.

This corporation simply cannot be all things to all people. Its job should be to expedite the sale of Canadian products by ensuring receivables and assisting, and only where absolutely necessary, the financing of those sales. If the chairman came from the private sector then, in my opinion, there would be better control over the real objectives of the Crown corporation such as I have outlined.

Should the Bill be implemented as proposed, then I submit this Parliament will have lost control over its finances. I say this because it is an obvious fact. Whenever the Minister of Finance (Mr. Lalonde) concurs in a recommendation from the board, the Government can automatically contribute capital to the corporation. What is happening here is that the Government simply puts up the money, while there is no parliamentary control over the amount or where it is to be spent.

If the proposed amendments to the Act now before the House are carried—and Motions Nos. 3 and 5 are defeated—then Parliament, in effect, gives the Minister of Finance carte blanche to subscribe to the capital of the Corporation without any debate in Parliament. Furthermore, the Export Development Corporation, whether it receives money from the Government or not, has the right to borrow on the credit of Canada to the extent of \$20 billion.

Even more serious than that, if these amendments are passed, Mr. Speaker, will be the Government's right to approve up to \$10 billion for unacceptable loans. This type of executive power brings to mind other unauthorized Government loans without the approval of Parliament, such as those made to Maislin, Canadair, de Havilland and Petro-Canada, to name a few.

As a result of the proliferation of Crown corporations and an extension of their powers, it is estimated that governments now control, directly or indirectly, at least one-quarter of the reproducible capital stock of the Canadian economy. Publicly owned firms lack the flexibility to achieve maximization of resource utilization under their control. They also lack specialization in managerial input as well as in risk-taking. Greater difficulties are also experienced in controlling public officials charged with monitoring public entities. Studies have indicated that production efficiency constraints are far more effective in private firms.

This is only one of the big worries in Atlantic Canada today. I suppose it is one of the big ones ever since July 4 when the Minister of Fisheries and Oceans (Mr. De Bané) announced his unilateral federal plan to form one large Newfoundland company by pumping in some \$75 million in federal cash, plus

Export Development Act

a debt conversion of \$80 million in Bank of Nova Scotia equity. The resulting company would be about 80 per cent federally owned as the Canada Development Corporation—another Crown corporation which is 48 per cent federally owned—has 40 per cent ownership of Fishery Products. It is a great mish-mash, Mr. Speaker. The new company would own 16 fish plants and 65 fishing trawlers. Even Liberal Members are worried about this move, as was evidenced by the question asked in this House by the Hon. Member for South West Nova (Miss Campbell).

Privately owned companies are asking how the Government will ensure that the new nationalized Newfoundland company will not compete unfairly with private firms in Atlantic Canada. An even bigger worry is that the Government has not given any assurance that the Newfoundland fishery will never become a Crown corporation or that it will never be operated by another Crown corporation, the Canada Development Investment Corporation. Given the Government's propensity for nationalizing and socializing Canadian industry and for establishing unlimited, unbridled and uncontrolled Crown corporations, I submit that anything can happen.

I ask the Government to consider carefully its amendments to the Export Development Act before it proceeds with this expansion in what has been called a bureaucratic monster. Borrowing and lending money, making unsound loans to foreign countries, it is extending its tentacles and its empire into an operation that I submit is both costly and inefficient.

This corporation was organized, in the first place, to ensure export transactions. That was the basic motive. It confirmed the credit worthiness of foreign customers to the producers and guaranteed to resolve payments from foreign countries which might be held up because of political interference. In my view this is the most important business the corporation can do, and it should simply continue doing those things for which it is best equipped.

Finally, Sir, if the Bill is approved it will be interesting to see the type of bureaucratic extension that will take place. At the present time the Export Development Corporation maintains classy offices in Vancouver, Toronto, Montreal and Halifax and a head office in Ottawa. The corporation has 613 employees at present. That is almost 10 employees for each separate loan customer or 1.5 employees for each insurance account. This gives some idea of the lack of productivity of the corporation. No wonder we are deeply in hock as a nation.

In many aspects this corporation is a classic example of Canadian bureaucracy gone wild. From that point of view alone, its operations should be placed on a checkrein.

Mr. Deputy Speaker: The Hon. Member for Don Valley West (Mr. Bosley).

Mr. John Bosley (Don Valley West): Thank you, Mr. Speaker. Earlier today Madam Speaker referred to this riding as Fraser Valley East. It is nice to get it straight. At least now I know where I come from.