

Export Development Act

involved in a number of corporations across the country. Board members may be involved in directorships of a number of companies or a number of banks, with a clear understanding of what is required when a small businessman approaches and says, "I have widgets that I want to export to Iran, or Syria or Brazil, and I need some help in financing because I have 180 days to wait before I receive my money". They know that that small businessman, intending to get into the export market, must go to the bank with a guarantee that he will be paid. He must then borrow on term financing. All of this is required. People who sit on boards of large corporations across the country understand this. I sincerely doubt that the senior career civil servants in certain sectors who would be appointed to the board would have the same understanding as a businessman and as an entrepreneur who is to go out and seek markets in the world for his goods produced in Canada, goods which provide jobs, homes and security for families.

I think that all Hon. Members should seriously consider the amendment that we are proposing and adopt it.

● (1550)

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this legislation has been before the House for 17 months. I read the speeches of May of 1982 to refresh my mind as to just what was said at second reading. I found that in that particular debate there were four or five very constructive speeches made by the Hon. Member for Calgary South (Mr. Thomson), as I believe was mentioned here today, the Hon. Member for Yorkton-Melville (Mr. Nystrom), the Hon. Member for Mississauga South (Mr. Blenkarn), and the Hon. Member for Etobicoke Centre (Mr. Wilson). I happened to be the fifth speaker. I tried to be constructive in my speech as well. I say these things to emphasize that what we are dealing with concerns one of the great opportunities of our nation to bring the attention of this country to the fact that the world has become one and that the trading relationships between the various countries of the world require new institutions, different from those we have had in the past, to try to improve this relationship of trade.

In the motions that are now before us at the report stage, I see evidence that some of the proposals made 16 or 17 months ago have been brought forward again as motions. Most of those motions deal with the efficiency of the Export Development Corporation, which is now to be made into a big institution to facilitate trade through credit. However, as has been heard from one of the previous Hon. Members, we in this part of the House in particular are very concerned about what is obviously an extension of a practice which has developed over the last 30 years of using these so-called Government agencies simply as a rest home for civil servants to reach a higher salary level with better working conditions than those found here in Ottawa. These remarks were made by my seatmate a little while ago because they are of serious concern to him. I could back him up to a certain degree by saying that, in my judgment, the most successful example in Canada of where Government and private enterprise have worked out best in co-operation involves a firm started 30 years ago in Alberta to

build a pipeline system around the Province. Nearly 90 per cent of the shares went to the ordinary citizens of Alberta, not to foreigners from Saskatchewan. The citizens of Alberta had the first chance, over-subscribing many times. The management went to private enterprise sectors which had a minimal number of shares, and the Government of Alberta took two shares in the corporation. Therefore, it had a right to two directors on the board. Therefore, great control was given to private enterprise, and the two directors from the Government side were there to provide a window in order to protect 90 per cent of the shareholders.

One should look back 30 years and examine the corporation which has grown into a multi-natured giant today. If one considers the \$5 shares that the public bought back in 1950 and the dividends received over 30 years by the shareholder who invested \$5 thirty years ago, the shares having been split and split, one will realize that he has received a dividend of very close to a 100 per cent a year on his \$5. In other words, he has received an average of \$5 every year for the \$5 he invested. That is why one cannot persuade Albertans to sell off any of those shares. The secret was that the Government organized it and gave confidence to the people that there was someone from the Government protecting their investment. However, it involved the wherewithal, the know-how, of the management teams comprised of producers and distributors of oil and gas.

This company, as we all know now, is very large and all across Canada. I can use an example, evidence, that in no way must one have a majority of Government civil servants controlling a company when the main purpose of it is to serve the people investing in it. The public interest is protected by serving the public interest well and efficiently, rather than with the number of civil servants which the Government has been able to hire. Quite seriously I suggest that some consideration be given to the experience of my seatmate, the Hon. Member for Edmonton West (Mr. Lambert).

I want to conclude with some of the remarks that I made 16 months ago. At that time I raised the issue that in the Bill there was a clause allowing the Corporation to borrow money by any means. I congratulated the Minister for his being so lucky as to have such a clause included. The one thing that has destroyed individuals, small businessmen, large companies and Government in the last 30 years has been the cost of interest. If one can use techniques to get interest at a reasonable rate into any individual's or company's hands, big or small, then everyone benefits.

The monetary theorists, who have so much say around Ottawa, and every one of the western industrial nations, use interest rates as a device to hold down inflation. However, the quantitative figures show that inflation is the cost of interest. Therefore, inflation is the interest. Last year in Canada, in 1982, 62 per cent of the total costs of 200 of the largest corporations was the payment of interest. For 3,000 years civilizations have periodically risen in revolt against high interest rates. Canada is now in that stage and has been for a long time. Therefore, if one can include in an Act a phrase allowing one to borrow money by any means, then the corpora-