

Export Development Act

● (1712)

On the one hand, the EDC is binding the people of Canada; on the other hand it is making loans under questionable covenants around the world. How fast does the minister see the volume of lending activity rising? It is estimated that by 1981 the corporation will have \$12,300 million outstanding. The corporation will have more than \$12 billion of exposure under some type of covenant around the world, and I am saying that of this amount about 25 per cent will be non-collectible between five and 15 years from now. We are playing a game for the sake of supporting an exporter for a year or two, lending money to other countries and hoping to be repaid in five to 15 years' time.

In our questioning of Mr. MacDonald we naturally asked whether there had been any write-offs already—had there been any cash drains as a result of loans coming a cropper. First of all, Mr. MacDonald said, "No, no, we are really clean; we have never experienced a default." But here again we come up against the utter deceit practised by the government in power, because different facts emerged from the American documentation. I invite hon. members to look at the circular to which I have referred. On page six, we find this interesting revelation. The Americans were told that since the inception of the program loan payments totalling \$61.2 million had been rescheduled of which \$15.9 million had been repaid by December 31, 1976. The statement continued:

Interest rates on rescheduled loans have been generally at the same or higher rates. On other loans, principal installments totalling \$1.8 million were overdue at December 31, 1976. No loans have been written off since inception of the international lending program but one loan was cancelled at no loss to EDC under an arrangement with the Government of Canada to cancel a corresponding amount due from EDC.

I call particular attention to that last sentence. How clever this artful dodger of a Prime Minister (Mr. Trudeau) is. The truth is that when we pressed this point we found the corporation to be in unbelievable trouble with the Bangla Desh loan. What happened? Rather than accept the loss through EDC the government lent the money to Bangla Desh on the understanding Bangla Desh would repay the money to the corporation.

Mr. Speaker, every phoney finance company in the world has played the game EDC is trying to play when they get into trouble with loans. That is the cop-out. Reschedule the loan, charge a new interest rate, get the other party to sign, and forget about it. And if you really reach the point at which the debt must be written off, call somebody else in to give the cash to the defaulter, thus putting him in the clear. Mr. Speaker, that is no way in which a Crown corporation should be operating. It only emphasizes the precarious position in which we find ourselves when the Minister of Finance lacks the courage to reflect this enormous borrowing in its own budget, and when the Minister of Industry, Trade and Commerce does not even have the courage to come into the House and respond to criticism of his own bill requesting authorization for \$26 billion.

Mr. Speaker, I want to tell you what is happening down in Peru with respect to some of these lending activities.

[Mr. Stevens.]

Mr. Deputy Speaker: Order, please. The hon. member will need unanimous consent to do so, because his time has now expired.

An hon. Member: No!

Mr. Deputy Speaker: I am not clear whether there is unanimous consent or not.

Some hon. Members: No!

Mr. Deputy Speaker: It appears there is no consent.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise to take part in this debate—

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. I hope the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) will forgive me for raising a point of order before he begins, but in view of the importance of these two amendments I wonder whether there is to be some sort of response from the government side. We have not heard a word from the government side this afternoon. We have been listening only to Tories.

Mr. Deputy Speaker: The hon. member is asking the Chair to answer a question with regard to which the Chair has no influence. I am just here to apply the rules of the House.

Mr. Hnatyshyn: I do not object at all to the comments made by the hon. member for Winnipeg North Centre (Mr. Knowles). We are dealing with amendments which involve millions upon millions of dollars and I find it almost unbelievable that the minister who is principally involved, the minister who is piloting the measure through the House, should not be here to give some answers to the pointed questions which are being raised concerning the operations of the EDC.

The average citizen cannot comprehend the magnitude of the amounts involved. The average citizen can relate, for example, to the expenditure of \$180 by the Prime Minister (Mr. Trudeau) for ash trays in his office. He can understand, for example, the expenditure of \$8,000 for a sofa in the Prime Minister's office. But he cannot comprehend the size of the amounts we are talking about under this proposal to extend the financial limits under which the EDC is allowed to operate. With scarcely any information being given us on this subject it is no wonder parliament and the country's institutions in general are falling into disrepute.

It is difficult to understand why no one on the government side is willing to stand up and at least attempt to give some justification for what is being proposed. I want to give an example of the kind of secrecy which shrouds the operation of this corporation. There are considerations here about which, for the life of me, I cannot understand why we are not receiving more information. Is there something we should read into the failure on the part of government spokesmen to bring forward this information?