

Export Development Act

In June the president of the corporation revealed that just in excess of \$20 billion had been loaned out over the past 20 years by EDC. Of this sum, only \$1 million has been written off and there is a provision for a further \$4 million in write-offs.

I have great difficulty believing that we are in that good a position. What about the \$202 million the EDC has loaned out to Poland or the \$260 million to Czechoslovakia, just to mention two loans that I think will be difficult to collect? Should we not, realistically, have more than \$4 million set aside for defaults? Our amendments attempt to set out some parameters of accountability and responsibility for EDC. In the light of past failures by Crown corporations in this regard, why would it not be reasonable to accept them? One would think that those presently responsible for EDC would be delighted to share this responsibility in light of present world economic conditions.

Presently developing and eastern European countries owe in excess of \$700 billion to western banks and governments. Obviously great care must be exercised in lending further sums to these countries. Is it unreasonable to expect Parliamentarians, as the taxpayers' representatives, to want to scrutinize the finances of EDC from time to time? It is simply good sense. Therefore, I urge all Members to support these amendments which will, I am sure, make the EDC a much more careful and responsible public corporation.

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, some of us have just gone through the throes of research and attempting to pressure the Government, not with respect to this Bill but another Bill which is before the House. One of the main grounds on which we were attacking the Government's proposed security legislation, inside and outside this House, was because there was a complete lack of ministerial responsibility and accountability to Parliament. I rise today to speak on the Bill relating to the Export Development Corporation because I think the same very high principles apply to it as are applicable to the security agency legislation.

● (1530)

I know comparisons are odious—and I do not care what anyone else in the House may say about the Minister; I think he is a good fellow and I like him—but I should like to point out to him the differences in attitude that we sometimes see. Does the Minister want to be outdone by the Solicitor General (Mr. Kaplan)? The Solicitor General has withdrawn, or is not going to proceed, with the security agency Bill in this session. It is not going to come before the House. The Solicitor General has seen the error of his ways in regard to ministerial accountability and accountability to the House and, quite sensibly, has indicated that there will be some very drastic changes in that Bill.

I beseech the popular and ever loving Minister in charge of this Bill to see the writing on the wall, and, levity and humour aside, to appreciate the very serious aspects of this. In respect of the importance of the House and the integrity and morality of the democratic parliamentary system itself, he should see

that there should be the fullest accountability not only to Parliament but to himself. In the past we have all seen the ways that Crown corporations can use to get the Minister and the Government into very hot water and into deep trouble.

The truth of the matter in regard to the Export Development Corporation is that it simply is not accountable to Parliament. That is wrong and the Bill should be changed to make the corporation fully accountable to Parliament. The Export Development Corporation spending is not adequately scrutinized by Parliament as a whole, and it should be. It is not required to table an operating budget; it is not required to table a capital budget; it is not required to give any public information or information to the House or any committee of the House on the size of its payroll. Those things are very definitely wrong, Mr. Speaker. It can borrow huge sums of money in the name of Canadian taxpayers, the taxpayers' children and the taxpayers' children's children without seeking parliamentary authority to do so.

I suggest to the Minister that if the Bill goes through in its present form, the Export Development Corporation will be able to increase the capital of the corporation from Government funds, and in order to do that, the Minister of Finance (Mr. Lalonde) need only concur in a recommendation from the board. There will be no parliamentary control on contributions. The Government just puts up the taxpayers' money and the board of directors of the corporation can spend it almost any way it sees fit.

If this Bill is passed, the Minister of Finance will have the absolute right to subscribe to the capital of the Export Development Corporation. There would be no further voting—that is it, the end; *fini*, no reference to this House and, perhaps, no reference to the Minister. I say that that is wrong, Mr. Speaker.

Not only that, but the Export Development Corporation, whether or not it received the money from the Government, has the right to borrow on the credit of Canada to the extent of \$20 billion. That is the amount of the authorized capital, not even the paid up capital of the corporation, and there is no accountability to this House, no accountability to Parliament and no accountability to the public. That is wrong and should be changed.

Another provision is that the Government can make loan advances that are deemed not to be of a commercial or proper risk nature by the board of directors itself. If these amendments are passed, the Government will be entitled to authorize up to \$10 billion for what, in the ordinary, economic trading and commercial sense, would be unacceptable loans. Therefore, in effect, the Governor in Council, without any vote by Parliament ever again, can make \$10 billion deals without an aye, yes or no on any vote by any Parliament at any time.

Can you tell me off hand, Mr. Speaker, how many zeros there are in \$1 billion? You would have to think about that. Most of us will never see that kind of money in our lifetime. This Bill will increase to \$62 billion the amount of money the Export Development Corporation can borrow, lend and insure without adequate parliamentary control. It will double the