

*Export Development Act*

over-all on the economic plane. When considering our great strength in Canada we must realize that we depend on our exports above all else for our economic strength. More than any other western country, Canada is an exporting nation in which 30 per cent of our Gross National Product comes from our exports. This is higher than the level in Japan, the United States or any other western nation.

During the past year we have seen the results of strong policies in this area. We have had a record surplus on our trade account. I believe that this record only shows the direction in which we should be heading. Instead of being a success with which we should be satisfied, it indicates to me that since we have succeeded even in these difficult times we cannot sit back on our laurels. We have an opportunity to go ahead and make even greater inroads into international markets of the world. I believe this can be accomplished by setting a new economic target for Canada.

We have many new good news themes coming forward today. For example, interest rates are down and inflation is down. Unfortunately, unemployment is at an unacceptably high level. What direction must be followed in the future in order to resolve these problems? I would suggest that the six and five program, which was very successful, was a defensive measure. We will have to control inflation and keep that defensive measure in place, but the sign of a good team is a balanced offence and defence. I believe that our offence should be on the export side. I would suggest that all Canadians could support a measure under which we work in a non-partisan way as Canadians from every part of the country to try to increase our share of international trade over the next several years from the present level of 3.6 per cent to 4.6 per cent. This is a positive measure which I believe all of us could support.

What should be done specifically? It is not enough to say that we must increase our share of world trade by one percentage point over the next several years. I believe an integral part of the specific measures we should follow to achieve this goal is making the private sector in Canada competitive in the world marketplace. The Government cannot do that. It will be producers in Canada who will determine their ability to compete in world markets. However, part of that competition comes from the public sector for the private entrepreneurs in our country. Part of that support is represented in the EDC.

Every country in the world has some type of body which supports its exporters. It is the Export Development Corporation which is the subject of the debate today. Much of the debate focuses on the fact that our exporters and the EDC itself have been extremely successful in the past. The fact that we want to expand the resources of the Export Development Corporation is an indication of what truly is a Canadian success story and something of which we can all be proud. I am not talking only about those of us in the Government, but about all Canadians from coast to coast.

The fact that we need extra funding for the Export Development Corporation means that we are on the road to achieving that goal of increasing our share of world trade. The Opposition has argued in part that this is an enormous sum to be

spent. It has talked about Crown corporations running amuck. However, does the Opposition suggest to us that there is any country in the world where this type of support to the private sector, in terms of concessional financing and insurance against risks, is carried on only by private institutions without the help of public funds? No, they do not. Even the Opposition would have to agree that this is a role which is best performed through the public sector, or at least that we have not found an alternative.

I have listened to many Opposition comments on this subject. I would have to agree with the Hon. Member for Elgin (Mr. Wise) and the Hon. Member for Rosedale (Mr. Crombie) who have said that their experience with EDC has been one of general satisfaction, and even in some cases enthusiastic satisfaction, for the role that has been played.

We can talk of many success stories. For example, I saw in today's paper that Mitel has undertaken a public issue of \$20 million using the new research and development incentives under the previous budget and taking advantage of scientific research investment contracts to raise this \$20 million from the private sector in order to increase its capacity to become a world scale producer. Mitel is just one of the many success stories we have in Canada. Public sector support went into the creation of Mitel by way of grants. We have co-operated with Mitel in developing tax incentives, which work on an on-going basis. Certainly the type of service performed by EDC in helping it export to various countries in the world is a valuable complement to what will be an even stronger economic future for Canadians.

There are developments taking place around the world, and one which I welcome is the recent appointment of James Medas in the United States. He is the former Special Assistant to President Reagan and is now the Deputy Assistant Secretary in the State Department. His sole responsibility is to deal with Canadian-U.S. issues.

The United States takes approximately 70 per cent of Canada's exports and provides us with about two-thirds of our imports. The United States is more than a trading partner, it is a close ally when it comes to determining the strength of our economic sectors.

I look forward to a closer co-operation with the United States in resolving the problems which we have experienced over the past several years. I believe we should be concerned about signs in the United States where there are over 60 Bills in Congress aimed at the freedom of Canadians to do business in the United States. This is of no small concern, but with the appointment of this particular individual and with an increased emphasis by our Government, led by our dynamic and outward looking Minister of State for International Trade (Mr. Regan), I believe that we will be able to resolve these problems in a way that is even more salutary than in the past, in a way that will take us to the goal of which I spoke, increasing our share of world trade from 3.6 per cent to 4.6 per cent.