

to be coloured by attitudes such as "them" (government) and "us" (industry), as if we did not have mutual objectives.

The less government there is, the better our company likes it.

It is too bad that they do not concentrate more on dealing with Canadian businesses and municipalities with their much needed projects. If the government is going to spend billions of dollars abroad, they could at least direct some of that money into the municipalities. I have given some excellent examples of what we require in Winnipeg, but the city has to go it alone and get the runaround from the Minister of Transport in its attempts to obtain a few dollars to build a much needed bridge and much needed storm sewer. This government's priority, however, is to pump millions of dollars into other countries around the world.

Also in this book, "How to Improve Business-Government Relations", they go on to say:

—a rejection of the idea that business is just another interest group and the corollary conviction that business and labour together create the necessary economic underpinning for the existence of interest groups; a fear that there is no stable ground on which to take a stand between a market-based, investor oriented system on the one hand and "socialism" on the other. Governments are seen as moving increasingly large sums away from the producers to less productive elements in society;

Of course, we are moving large sums away from Canada to assist other countries.

We hear a lot about referendums today. If there was a referendum taken today in regard to EDC and the amount of loans we are making around the world, you would probably find that 95 per cent of the Canadian population would oppose a lot of those loans in light of Canada's current situation of one million unemployed and the high number of bankruptcies.

Another problem with the policies of this government is that it is driving business and investment out of the country. In the first quarter of this year, \$1.6 billion of investment money left Canada, more than the whole of last year's total, which was \$1.3 billion. The trend here is very dangerous with capital and business leaving the country and the government placing a higher priority on assisting other countries and establishing businesses in these other countries. Canada has many bankruptcies and many cities that need financial aid. If these cities had this financial aid, they would be buying goods and services in Canada, which in turn would create employment.

I hope that the parliamentary secretary or somebody on the government side will bring this document to the attention of the Minister of Industry, Trade and Commerce. One of the first things the minister should do is to take a second look at the tremendous amount of money the government is requesting for the EDC and start directing it toward some of our Canadian cities which need the money more than many of these foreign countries.

**Mr. Donald W. Munro (Esquimalt-Saanich):** The import of the motions now before us, Mr. Speaker, is to impose certain restraints on the limits available to the EDC in its loans. One motion applies to clause 4(a) which reads:

The total of

### *Export Development Act*

(a) the liability of foreign customers for the repayment of the principal amount under all loans made by the Corporation pursuant to section 29—

That is in reference to motion No. 3. Clause 4 also provides that the total liability—

—shall not at any time exceed an amount equal to ten times the authorized capital of the Corporation.

What has been suggested in this motion by my friend from St. John's West is that the total liability shall not at any time exceed \$2 billion. The other motion is somewhat similar but under a different heading—that the loan shall not at any time exceed \$1 billion, whereas we are being asked by this government to accept that the limit shall not exceed \$2,500 million. In other words, we are trying to impose a certain restraint upon the corporation because of the excessive manner in which it is seeking to free itself from coming back to parliament for a greater mandate.

When I was speaking this afternoon on the previous amendment, I had a similar purpose in mind when I referred to the shipbuilding industry and the fact that there had been 51 foreign flag vessels financed by the EDC over the past seven or eight years amounting to approximately \$500 million, and the fact that in the last four years the shipbuilding industry had lost approximately 1,000 men. The government, however, claims that the purpose of the EDC is to create or sustain jobs and that it has created 200,000 jobs. The evidence is clear that in the shipbuilding sector there has been a loss of jobs. That is the first balance sheet.

I would like to read a section of the 1977 annual report of the Export Development Corporation. They are fine words, aside from splitting the infinitives to start off sentences. Reading from about the middle of the first paragraph, it says:

Each export transaction must provide significant benefits to Canada—

The fact that there has been a loss of 1,000 jobs in the shipbuilding sector is not a significant benefit by my reading.

—and is reviewed in consideration of such factors as: the level of the Canadian participation in the project—

In the shipbuilding industry, and I hope I am correct in saying this, there has been an actual participation of 100 per cent, and on those grounds the government is probably covered. It goes on to say:

—the nature and degree of sophistication of the Canadian package of goods and services supplied—

In referring to sophistication, we run into another problem. I will admit that while I have been concentrating in the area of shipbuilding, there were man-years sustained in different industries over the course of the last seven or eight years as a result of the activities of the EDC. However, these were short-term in the shipbuilding industry and in fact they have resulted in a loss, because while they may have been keeping our shipbuilders working during the past seven or eight years, there has been a reduction in the number of jobs. Perhaps it is due to advancements in technology, I do not know.

The matter I am concerned with is the long-term gains in the shipbuilding industry, and this is of concern, I am sure, to