

legislation should provide that these corporations be subject to comprehensive audits.

Parliament should give attention to issues surrounding control and accountability of those mixed enterprises and other entities and associates in which the Crown is a shareholder.

The time for reports and discussion has passed. The time has come for meaningful action to be taken to increase the accountability and control of Crown corporations. The PC amendments to Bill C-110 are a step in this direction.

**Mr. F. Oberle (Prince George-Peace River):** Mr. Speaker, I would like to add a few words to this debate to show my concern over what the Government has proposed in terms of the rearrangement of the Export Development Corporation.

I do not have to reiterate what many of my colleagues have said about the lack of control exercised over this particular monster of a bureaucracy. The EDC does not have to come to Parliament for prior approval of its spending. It does not come to Parliament with a statement of its activities. That is understandable in a sense because many of the negotiations carried out by this corporation have to be kept confidential as a result of the potential commercial interest involved.

As we know from the amendments we have tabled to this Bill, Mr. Speaker, we feel there could be much better accountability to Parliament of this corporation's activities. Having said that, like my colleague the Hon. Member for Halton (Mr. Jelinek), I am equally concerned over the track record of the EDC, particularly since it appears to be that only large, usually multinational, corporations benefit from the loan guarantees or the high-risk loans being made. In other words, it would appear that those companies mostly held together by the strings attached to the regulations and the wisdom of the Government—those companies which have an open door to powerful offices in Ottawa—are the ones considered for these kinds of guarantees.

No one would argue that this kind of lending facility is necessary. No one would argue that because of the importance of international trade to our economy we must have some kind of an institution to facilitate this trade, particularly in a world where our private institutions are not very effective in accepting their responsibility. They should be making it possible for domestic industries to have the necessary financial instruments to pursue aggressively market opportunities offshore. In fact, when it comes to the small and medium-sized businesses, I would also venture to say that our financial institutions, the banks are not acting very responsibly in fulfilling their mandate to make sure our small and medium-sized businesses have the necessary venture and risk capital available so as to maintain a healthy domestic economy. Nor will the money available from our banks provide our small and medium-sized businesses with the means to venture and seek out export opportunities.

Canada is a trading nation, as my colleagues have said. Thirty per cent of our Gross National Product is earned through trade. It can be said that we no longer live in a perfect world. It is becoming increasingly difficult for any nation, particularly a highly industrialized nation such as Canada, to

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compete in world markets. Many things have happened since 1968 when Canada had 5.74 per cent of world trade. Canada now has only about 3.8 per cent of world trade.

We have seen the evolution of trading blocks, not just among industrial countries, the EEC probably being the most important. We have also seen trading blocks emerging in the developing world. There is the South American trading block, and trading arrangements in the Asian countries are factors that now have to be put into the equation and that inhibit the trade of a country that likes to consider itself a free trader, economically, politically and culturally independent. That is why we have often said we should not be afraid to look at the potential of joining in a North American economic trading arrangement. It could include Mexico and Canada, together with the United States. It would give us access to a trading bloc which is about the right size in terms of economy of scale in comparison with some of the other trading blocs with whom we have to compete.

● (1750)

Also we see a great drive toward state to state trading. Some industrial countries, which do not enjoy our particular political system but have integrated and centrally controlled economies, prefer state to state trading. They use this arrangement as an effective tool to blackmail western countries. I use that word advisedly; that is exactly what is happening. In other words, communist and socialist countries like to tell our traders that if they could change their political system and the state could show a greater degree of ownership in the economy so that there could be state to state trading, they would open the doors and make themselves accessible. We ought to be very careful not to fall for that trap. We know that during the energy crisis certain arrangements were made. It was the excuse for Petro-Canada to be incorporated. We needed access to supplies from some countries which used that political tool very effectively. That is why we had to have a state oil company to deal with other states in terms of international trade.

We are on a very slippery slope. When we look at this particular Bill and the role of the Export Development Corporation in terms of facilitating international trade on behalf of Canadian industries, we ought to keep that in mind. For example, EEC purchased about 5 per cent of its nickel requirements from the Soviet Union. In one year, last year, that percentage went from 5 per cent to 20 per cent. The state to state relationship, particularly in the European economic sense, had something to do with this. At least it was partially the result of having a nickel industry in Canada, which at one point literally dominated the world market, reduced to roughly a 15 per cent or 20 per cent share. Some of the nickel we are not selling has been stockpiled and has caused disruptions in the production of nickel, such as the shutting down of mines and unrest. The policies of the Government through the EDC have developed new production facilities in other parts of the world at the expense of Canadian workers and the Canadian industry.