

initiatives, perhaps operating on the same principle as the Canadian International Development Agency to assist the emergence and development of less privileged nations around the world? It is important for us as Canadians, particularly in these difficult economic times, to realize that our first obligation is to get our own economic house in order and put Canadians back to work. As our level of prosperity improves and as Canada is restored once again to the point where we can make genuine technological, scientific and social contribution to the needs of those less fortunate than ourselves, perhaps we can put an increased emphasis upon foreign aid.

The purpose of the EDC at this point in time should be to enhance and increase the opportunity for Canadian businesses to penetrate more aggressively markets around the world and thereby overcome the serious unemployment crisis in Canada. If that is to be our goal, we must ask ourselves whether the EDC has been effective and honest with its masters, the Parliament and the Government of Canada, in submitting to the House cost analyses so that Canadians know on an annualized basis whether there is a net return for the moneys expended by way of loan guarantees and other forms of assistance to Canadian corporations. I mean a net return; in other words, for every dollar spent by Canadian taxpayers they should know whether there has been a multiplier effect operating in that we received more than a dollar back to be used toward the needs of Canada and toward a solution to our serious unemployment problem. If we want to make the EDC an instrument of foreign aid, that is fine, but let us face up to the truth and tell Canadians that that is what it is.

I will turn to the question of the amendment and whether the board of the EDC and its president and chief executive officer, Mr. Cloutier, has been doing an effective job over the years in ensuring that this goal is achieved. Personally I find it repugnant to watch, as we did in recent years—not in the last year or so—colossal advertising campaigns by the Export Development Corporation geared to Canadian consumers. I never understood why there were full-page ads in national and local newspapers and television advertisements promoting the aims and objectives of the EDC. Those initiatives were an absolute waste of taxpayers' money because they were directed at the wrong market. What difference does it make if the Canadian television viewer or newspaper reader is sold on how great is the EDC? Its customers are the corporations of Canada. They should be the benefactors, and ultimately the workers of Canada. If one examined the philosophy behind those advertising campaigns, one would realize that they were nothing more than a glorified back-slapping exercise on the part of the Liberal Government in its attempt to brainwash Canadians into believing that everything it does is for the good of every last one of us. As with many of the travesties to which the Government has exposed Canadians in the name of advertising, it was absolutely unnecessary. It is an example of the kind of decision private sector members of the board would never have permitted. It was an absolute waste of taxpayers' money which did very little to achieve the goals of the EDC.

### *Export Development Act*

For a moment I would like to look at what has happened in the Canadian mineral industry over the past 20 years to 25 years and to what extent the EDC has contributed to the situation. In 1950, nickel world-wide was produced by three countries—Canada, the U.S.S.R. and Australia. The Sudbury basin in Ontario produced sulphide ores, and laterite ores were produced in New Caledonia, Australia. As of last year the inventory of nickel producers world-wide rose to some 25 different nations producing and refining nickel. Many of these refineries were subsidized by government largesse, much of it extended by this nation to promote the development of mining activities in other parts of the world. If we believe that the EDC should be an instrument of foreign aid, then that is a very admirable gesture. But we have increased the production capacity of nickel to the point where we are on the verge of seeing the Canadian nickel industry collapse. The same is true in the case of copper, coal and many other mineral industries where we used the instruments of CIDA and EDC to help, aid, abet and build ports and new projects around the world. I am not saying that we should not do this. I am saying that we should analyse whether there is a net benefit or a net cost to Canada inherent in such initiatives.

I would like to refer to a particular example concerning a coal mining project in Indonesia about which the Minister of State for International Trade (Mr. Regan) crowed quite loudly on May 4 of this year. Canada was signing an agreement through the EDC to finance the development of a major new coal mine in Indonesia. In fact, the Minister was present in Jakarta for the signing of the contract under which Canadian companies would receive certain spin-off benefits in relation to the development of the coal mining project in southern Sumatra, Indonesia. The fact of the matter is that we are aiding and abetting the creation of an additional nine million tonnes of coal production capacity in another country. That country requires in return that it be given access to an equivalent dollar value of business in Canada. In other words, one of the terms of the deal under which we guaranteed low interest financing for the opening of that new coal mine in Indonesia is that it does a reciprocal amount of business in Canada. There is no net gain for Canada in such an initiative. This new mine will exceed the production capacity of one of the largest mines in British Columbia of which there are only three or four. I will be taking my seat in a moment, but let me first indicate that we will in fact experience a net loss. We will lose many jobs as a result of the additional competition which this mine will pose.

In conclusion I would suggest that if the board of directors of the Export Development Corporation included a healthy dose of representation from the private sector, we would take a much more quantitative approach to determining whether these kinds of decisions are wise, because in that case Canada would emerge as a net loser.

● (1700)

**Mr. Fred McCain (Carleton-Charlotte):** Mr. Speaker, the presentation of this Bill is an expression of interest in international trade and the vehicle by which it could be accomplished.