

*Export Development Act*

Mr. Speaker, I note that as at December 31, 1976, the Export Development Corporation was owed \$2,458,000 in unpaid interests. We have spent considerable amounts of money to help countries such as Chile and South Africa where the rights of individuals are violated every day. We have lent money to Cuba, which, through its military interventions in Africa, is a threat to peace. Since political considerations are taken into account, as is the case with Rhodesia, why do we not do the same in the cases I just mentioned? The political and economic situation of certain countries is so unstable and unpredictable that we would have reasons to doubt that they will ever norow their commitments. The Export Development Corporation's objective is to increase Canadian exports and not to help less developed countries. Another institution has been established to that end, namely the Canadian International Development Agency or CIDA whose practices also leave much to be desired when it comes to allocation of funds. That means, Mr. Speaker, that the Export Development Corporation will have to review their management mechanisms in order to be able to get their money back.

In an economic situation where competition is very tough and requires concerted action from the government and its lending institutions, it is a must for Canada to make competitive products. While giving EDC the funds they require, I feel it is reasonable to ask them to expand their activities. EDC must play a wider part in the future. Let me explain myself. We all know that a number of sectors of our economy are sick, that eastern regions like the one I represent are in urgent need of competitive industries based on export products.

For instance, in eastern Quebec we have mining, forestry and off-shore resources that only outlets on foreign markets could allow us to develop. In an area where unemployment reaches dramatic proportions, a number of industries and mines have slowed down their production because of a lack of markets. In addition to issuing loans to bying countries and ensuring that Canadian businesses are paid, the Export Development Corporation should also help businesses which are directly involved in export products by way of financial contributions, subsidies and search for other markets.

Mr. Speaker, allow me to say in passing that a Liberal government had to be defeated and a Pequist government elected to revive projects such as the Magdalen Islands salt mines and the Gaspésie limestone deposit projects which were gathering dust on shelves. It is unthinkable that the government should increase so substantially the lending power of its own corporation without reconsidering its objectives. In other words, charity begins at home.

● (1632)

[*English*]

**Mr. Douglas Roche (Edmonton-Strathcona):** Mr. Speaker, I wish to say at the outset that while I approve of Bill C-36, I am greatly concerned about the ad hoc approach to development on the part of this government. This debate is important

[Mr. Allard.]

because it gives us the opportunity to express what, in my judgment, should be an outward view on the way to create manufacturing jobs in Canada. We have to take a bold new approach.

As we consider the Export Development Corporation, we must in this debate not only confine ourselves to EDC but consider the way in which EDC is related to those other instruments of government that are supposed to be promoting development both in Canada and in our role in other countries.

The bill before us triples the carrying capacity of EDC from \$9 billion to \$27 billion. Several members have expressed concern about the size of this enlargement. They have expressed concern about whether the Export Development Corporation in its attempt to help Canadian manufacturers is actually creating jobs in other countries rather than in Canada.

Is the role of the Export Development Corporation being handled correctly? That is the question on which much of this debate has turned. Questions of growth, capitalization, and the future of markets for Canada are not simple to answer. That is one reason why this debate should not be closed off quickly, as though we have nothing to say; expressing our views, not only of criticism of the government for its failure to create long range jobs in this country in sufficient numbers, but pointing the way and encouraging the government to take certain steps that will be of an innovative character in order to match the future of this country.

A new book has been published, prepared by the Hudson Institute of Canada under the general direction of the head of that institute, Herman Kahn, of the United States. The book is called "Canada Has A Future". There is no question mark after that title. It is about time we started to get some literature of a positive nature on the future of our country. I want to indicate one paragraph from that book which sets the context for the remarks I want to make about the Export Development Corporation.

This book makes the following observation:

—Canadians could be innovative in the international field generally. An innovation which would be terribly useful for the Third World and the First World alike, indeed perhaps the most useful single thing any advanced country could do, would be for Canada to innovate appropriate methods of alleviating a world problem which will become increasingly acute during the next two or three decades: an enormous and increasing labour surplus in the Third World and an almost equally dramatic labour shortage in the First World.

I want to align that quotation from "Canada Has A Future" with a comment made by my colleague from Vancouver Quadra who, in his contribution to this debate, put his finger on what really needs to be considered when we talk about the Export Development Corporation. The hon. member for Vancouver Quadra (Mr. Clarke) said what is necessary is for the Canada Development Corporation and the Export Development Corporation to be merged into a new national development corporation. If that were done, he said:

—a new economic strategy for Canada could be formulated which would balance our exports and industrial objectives. Finally, if a new export policy is thus rationalized, private financial institutions could be encouraged to contribute