

financing. Incidentally, there is one minister in the chamber at the present time. That shows the concern they have for the Canadian public. Here we have \$26 billion of authorization being requested to go to a Crown corporation, and the minister in charge, the Minister of Industry, Trade and Commerce (Mr. Horner), has not even appeared in the House today, let alone spoken on the bill. None of his acting ministers are in the House. How shocking!

**Mr. Young:** Play to the galleries.

**Mr. Stevens:** Let me make this clear. When I refer to this authorization and the fact that probably within a 15-year period we or some other government will learn that 25 per cent of the amounts involved as far as the lending activity is concerned will have to be written off, the most deceitful thing this government has done with regard to the Export Development Corporation is the pretext that the money is not an obligation of Canada.

Just look at what they have done. It used to be, in budgets that were submitted to this House, that it was very clearly set out that included under financial requirements was any financing required by Crown corporations. For example, if Petro-Canada needed money, that was included as a financial requirement of the Government of Canada. If the Export Development Corporation needed money, that was included as well. However, we now find that any reference to that type of financing has been conveniently shuffled off in our budgetary papers, to a note to the budgetary papers.

In that connection let me refer hon. members to the last budget of the Minister of Finance (Mr. Chrétien) delivered in this House on April 10, 1978. Various financial requirements for Canada are set out. It is pointed out that the total national accounts expenditures are \$49,775 million. They point out, for example, that the financial requirements, depending on whether you take a budgetary basis or a national accounts basis, are as high as \$11½ billion.

Here is where the deceit comes in. It is not until you turn to page 27 of the notes of the Minister of Finance that you find he deals with the question of direct borrowing by Crown or government agencies. Here is what he says:

In the projection of financial requirements for 1978-79, it is envisaged that such direct borrowings by agent corporations will continue, and that in particular the Export Development Corporation will raise the bulk of its requirements through direct borrowing.

In short, Crown corporations last year are recorded in this note as borrowing, in the case of Petro-Canada, Export Development Corporation, and Eldorado Nuclear, \$350 million, and \$463 million the year before. They now say that those requirements are not now being reflected in the general financial requirements of the government. I call that deceitful. It is misrepresenting the facts.

They have taken a base year which included such Petro-Canada and Export Development Corporation borrowings, included that as their inflated base year figure, and compared current expenditure and financial requirement figures against that base without making it clear on the face of their state-

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ment that the Petro-Canada and Export Development Corporation type of borrowing is not now being included in the gross figures. That is a serious misrepresentation of the facts. Unfortunately, future generations of Canada will have to pay the penalty that this government is now putting on their backs.

It has become very popular for some of the Grit supporters, who I notice are not speaking today, to say, why would you ask us to include the borrowings of Crown agencies when in fact they are borrowing the money on their own account? The inference is that somehow the covenant of Canada, the people of Canada, does not go with that borrowing. However, as so often happens in the secrecy that shrouds this government, it is on the American side that we learn the facts. It is not within this House, and certainly not general as far as Canadian information is concerned.

A very elaborate presentation was made to the Standing Committee on Finance, Trade and Economic Affairs. Various schedules are set out in that, including a schedule which is simply a reproduction of the Export Development Corporation's type of prospectus which was filed in Washington concerning the Export Development Corporation raising funds in the United States.

I find this interesting. The one I have before me is dated June, 1977. The two parties involved are Salomon Brothers and Wood Gundy Incorporated. The amount being raised by the Export Development Corporation in the United States is \$50 million U.S., due August 1982. On page 12 of this circular we find the following very interesting comment. Under "Description of the notes", it states:

The notes will be direct, unsecured general obligations of EDC and as such will constitute obligations of Her Majesty in Right of Canada. Payment of principal of and interest on the notes will be a charge on and payable out of the Consolidated Revenue Fund of Canada. The issuance of the notes is subject to the approval of the Minister of Finance of Canada and the notes will be created pursuant to resolutions of EDC's board of directors.

That is what this government is telling the Americans who are loaning Export Development Corporation the funds. They are boldly stating that any money loaned to Export Development Corporation, to use their words:

—will constitute obligations of Her Majesty in Right of Canada. Payment of principal of and interest on the notes will be a charge on and payable out of the Consolidated Revenue Fund of Canada.

Imagine the utter deceit of this government, knowing that is the legal statement they are making in Washington when they file that clearance of these notes, turning around and in their budgetary presentation saying there is no need to refer to any borrowings as far as the Export Development Corporation is concerned because they are doing that in their own name. It is not true. The fact is, year in and year out, there will be added to the direct obligation of Canada billions of dollars in the name of the EDC, with no budgetary reference being made to them, until the day comes when massive write-offs will need to be made with respect to those borrowings. There is going to be a build-up year after year.