

Export Development Act

The concept of this corporation is twofold. First, it is to give guarantees and insurance to those who would export Canadian products and expedite exports by giving those guarantees and selling insurance to those who export to protect their receivables in the event of non-payment in the foreign country, political disruption, currency exchange matters and so on. That is the first part of the corporation's business.

The second part of the corporation's business is to become a lender, perhaps a lender of last resort, certainly a lender of moneys to expedite the sale of Canadian capital goods in foreign markets.

● (1115)

What we really need in a corporation of this nature are people who are expert in the business world. What we do not need are people who are expert in the wonderful offices of the bureaucracy in the City of Ottawa. What we are really talking about is business and we are talking about how businessmen do business.

I can say from my own experience that this corporation is exceptionally bureaucratic. I say that because in many cases this corporation does not understand that when dealing with persons in the offices there is a necessity for speed, for coming to grips with a business problem. What this corporation needs badly is some real expertise. It needs people from the private field at its board level. It does not need people who are tied up with Government, either provincially or federally.

Perhaps it is necessary that there be people from the Public Service on that board. The amendment provides for three people from the Public Service to be on the board. It does not define who those people should be, but in my correspondence with the Minister I have suggested to him that they be someone from Industry and Trade, someone from Finance and someone from External Affairs. Beyond that, there is no need for anyone else from the Public Service.

The real guts of the problem is that this corporation needs private advice at its director level. It needs private assistance at the office levels in Vancouver, Toronto, Montreal and even Ottawa so that that private advice can put some zing back into this corporation.

The corporation has been strongly criticized. First, it has been criticized by the Economic Council of Canada as being an inefficient way of developing and supporting exports. In their study of this matter, the Economic Council is quite critical. The Economic Council feels that there are a number of things that could be done. It feels that this corporation is, in a sense, attempting to squeeze out people who might finance or insure business on a private basis in order to abrogate unto itself that the corporation will be the only insurer and the only grantor of credit in export fields.

The Economic Council points out quite rightly that other countries, such as Britain and France, rely on their own banking systems and that the export development corporations or export development organizations in those countries are essentially guarantee agencies, insurance agencies, agencies that may subsidize some lending but that is the extent of it.

The field work is done privately. It is, of course, our view that that kind of thing should be done on a private basis as far as possible. We should have less government, not more government. The way to get less government, Sir, is to make sure that government organizations are strongly biased in favour of private industry. That strong bias may be created by a strong board of directors consisting of people involved in private industry.

While the recommendation and amendment before us is to increase the size of the board and to make provisions for the board, the amendment seeks to make sure that this board consists of 15 persons, all but three of whom are from the private field. Only three members of the board are to be from government.

● (1120)

The other terms of the amendment are almost identical to the present provisions with respect to how the board is to operate and with respect to the term of persons elected or appointed to it. There is no attempt to change the way the Corporation presently acts, other than to make sure that the board of the corporation is essentially a private enterprise board.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, in addressing the amendment put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), I should like to state that there have been hours of debate on the Bill in the Committee. The Members of this Party, who have consistently followed the line of the Committee and brought forward recommendations, have also drawn out the Government on some of the shortcomings that they see in the proposed Bill.

Before I go into that I should like to commend the Minister of State for International Trade (Mr. Regan) and his colleagues for their concern about our exports and their recognition of what export means to every citizen of this country. We have some concerns about the way the Bill has been drafted and those concerns were expressed by my colleague from Mississauga South in the seven amendments put forward.

The basis of Motion No. 1, as we see it, is to attempt to place in the Export Development Corporation itself those people who have their hands on daily concern for exports. They should have knowledge and an understanding of the needs and desires of their associates in the private sector as to how exports affect this country and its ability to survive.

One of the main concerns expressed in my colleague's amendment is the appointment of the directors. In this Party we think that a board of this size should have majority representation of members from the private sector rather than from the Public Service. Other amendments that we will present will show the rationale for that.

The problem with Crown agencies and their responsibilities in the past has been with their accountability to the Parliament of Canada for their expenditures which come from taxpayers' dollars. We feel that one of the most glaring errors