Development Corporation are governed by the Export Development Act and are restricted to persons who carry on business in Canada. Further, I am informed that on each and every application without exception the EDC looks into such matters as autonomy, financial and corporate responsibility. The Export Development Corporation takes positive steps to ensure that the objectives of those seeking this assistance are consistent with those of Canada.

The EDC does not cover the credit risk of sales by Canadian exporters to their foreign affiliates; obviously this would be quite improper. For example, the export of raw materials to a parent company would not be eligible for insurance against non-payment. However, I would add that sales of Canadian goods or services abroad by foreign affiliates do qualify, and many of our manufacturers are availing themselves of this facility in marketing Canadian manufactured end products. Thus, it is a matter of concern to the EDC to see that businesses are scrutinized in order to ascertain whether they will make a substantial contribution to the economy of Canada and that it is not a case of somebody else's goods being moved to Canada, given a coat of Canadian paint and exported again with the benefit of Canadian financing.

The hon. member for York East (Mr. Otto) made a number of valuable points this afternoon. However, he referred to this bill as a pathetic little bill which would not do very much for the great trade problems facing Canada. I do not know about that. I think $1 billion is not a "pathetic little bill". Indeed, it is a pretty big bill to most of us. I suggest to the hon. member that this bill is but one instrument, one part of our trade machinery. There are a great number of ways of aiding, developing and promoting Canada's international trade. The Export Development Corporation fulfils a specific function and fulfils it extremely well.

The hon. member's references to trading methods of other countries, and particularly to the aggressive trading methods of the Japanese and the Germans, are valuable lessons for Canadians. We should never close our eyes to the things these countries are doing in competition with us and we should be prepared to learn, to adapt and to imitate wherever possible and whenever this will be of value to us.

I think I should clarify one matter that was raised this afternoon by the hon. member for Regina East in connection with a question he asked. I understood the hon. member to be referring to export credit insurance and I think I misinterpreted his question and gave him a wrong answer. He was referring to the kind of guarantees that certain countries are required to give to Canada. We have eliminated this provision in an amendment to the act since we found that these guarantees were impractical. Most countries objected to them. In answering his point this afternoon, I said that no country had given this guarantee or had agreed to give such a guarantee to Canada. During the dinner hour I discovered that very recently two countries had given the required guarantee. Nevertheless, this provision is being eliminated and is no longer a requirement under the act. It is also being eliminated for another reason, and it is because these agreements are, in effect, treaties between countries and are normally reciprocal. In this regard, under the Canadian Constitution the federal government would be infringing upon provincial jurisdiction, and as a result we are unable to offer any reciprocity. This is another reason that provision is being withdrawn from the act and the act is being amended accordingly.

• (8:40 p.m.)

I should also like to refer to comments by the hon. member for Peace River (Mr. Baldwin) who spoke a few moments ago. He pointed out that only a short time ago the act was revised. This is quite true; the act was revised a short time ago. I think it is a tribute to the fast growth and pace of Canadian export business that it is necessary to raise these limits again. In establishing the limits that are set up before us tonight, I do not anticipate that it will be very many years before we will have to raise them again.

It is the policy of the government to bring these changes before Parliament frequently, rather than to set very large limits that might last for 10 or 15 years in the future. We would rather bring this measure back to Parliament in order that Parliament might have an opportunity to review the limits and policies frequently. In this way the House will have an opportunity to comment, amend and negotiate regarding the operation of the Export Development Corporation.

The hon. member for Peace River also asked for assurance that the views of outside witnesses would be welcomed before the committee. I am sure that the House leader of the Conservative party knows much better than I, having been here for many years, that the business of the committee is in the hands of the committee. While I welcome the views of outside witnesses, this is certainly a matter for the committee to decide and I think we would have to leave it to its members to make that decision.

A final point raised by the hon. member for Peace River related to section 33 of the act to be amended—clause 7 of the bill before us. This involves the question of negotiable instruments. This is a technical change necessary because the Export Development Corporation is doing business in many countries around the world where what we refer to as negotiable instruments do not always represent a practical means of binding an agreement. It has been found impractical to follow this to the letter of the law, and for that reason the change is being made. What now is being allowed is an instrument, not necessarily negotiable, which may be approved by the Minister of Finance. This requires ministerial approval.

There have been a great many valuable points raised during the debate today. I referred previously to the valuable suggestions by many members. The hon. member for York East had a valuable contribution to make. The hon. member for Dauphin (Mr. Ritchie) reiterated the importance that I think we all feel of the elimination of non-tariff barriers in international trade. I agree with the hon. member that we face a growing