

Export Development Act

riding and be asked by a constituent about certain matters. We have to say that we do not know because it had never been discussed in Parliament and was something taken on by a Crown corporation which is not accountable to Parliament. Obviously we are here to represent those who have elected us, but we are unable to do so. This is another Bill which is slowly eroding that accountability that we all want.

This Bill will increase the amount of money that EDC can borrow, lend or insure without adequate parliamentary control to \$62 billion. Each time I hear the figure of \$62 billion mentioned I see those who are employed by EDC drooling in the galleries. They can hardly wait to get their hands on that money. This legislation is the Government's answer to accountability to the people. It wants to pass one Bill so that it can obtain \$62 billion and never return here to account for the way it is being spent.

I agree with the Minister that the issue is jobs. There is no doubt that in many instances money from EDC does provide jobs. I happen to have a company in my constituency, namely, Northern Telecom, which does take advantage of the Export Development Corporation from time to time. I am sure their latest contract signed with Turkey has preserved jobs and provided some extra jobs. No doubt the EDC will be somewhat involved in that particular venture. I want to make it very clear that we are not against the Export Development Corporation. We are not against its making wise loans, guarantees, insuring exports; not by any stretch of the imagination. Our concern is the accountability to the taxpayers of this country. That is the number one issue we are debating here today. I believe the amendments introduced by my colleague, the Hon. Member for Mississauga South, will go a very long way in providing that much needed accountability in Parliament.

● (1620)

The Export Development Corporation has come under some criticism for its management, not without justification. It is hard to comprehend that a corporation with 613 employees had only has some 62 loan transactions. When you take a look at the recent past, loans of \$2.5 billion went to only four companies, one getting a loan of \$1 billion. Of the jobs created from that particular loan—and I am referring to the Bombardier loan for subway cars—40 per cent of the jobs are in the United States. Yet we are lending money for that project. Not all the jobs are created here in Canada, as the Government would lead us to believe.

Mr. Ferguson: The subways are in the United States.

Mr. McDermid: I go into the bank from time to time to borrow money and to pay it back. But I do not know a bank that has ten employees for every loan it hands out. This is certainly not the case in the communities I represent, and I am sure that is not the case in the Hon. Member's community either. Yet that is a fact where the Export Development Corporation is concerned. It has ten employees for every loan processed.

The insurance end of the corporation issues insurance policies at an annual rate of 1.5 policies per employee. Let me emphasize that; one and one-half policies for each employee. Any insurance company that did that would go broke. Amazingly enough, the corporation makes money on its insurance policies. It does not get a great return. I believe it is a very small return. The entire profit of the Export Development Corporation is around \$1 million on capital of \$619 million, which is a return of some one-tenth of 1 per cent. We have to ask ourselves, while we are handing \$62 billion, as outlined in this Bill, to the Export Development Corporation, will it handle those funds wisely and with proper business acumen? That is the question we are asking today. We, as elected Members, would like to have some responsibility in saying whether or not the EDC is doing that. Representatives of the EDC may or may not appear before a parliamentary committee to explain their actions, justify their expenditures, their borrowings, the loans that they have made for export financing or for insurance, transactions that in many instances are questionable at best.

I conclude by saying to the Minister and imploring the Minister to take a look at our motions and to accept them because we are as anxious as he is to get on with the job of creating more employment in this country, and of improving our export position in the world today. But for heaven's sake, do not take this responsibility out of the hands of the parliamentarians because we are elected to do the job of protecting the public purse.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am pleased to participate in the debate today, particularly as it relates to the amendments put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). If one analyzes the two amendments, Motions Nos. 3 and 5, it becomes very clear immediately that all we on this side of the House are attempting to do is to point out the need and the responsibility that all Members in this House of Commons have regarding accountability for the taxpayers' money being spent in various enterprises and initiatives undertaken by the federal Government. We should always remember as Members of this House of Commons that the money is not the Government's money. Every dollar we deal with from Ottawa and spend somewhere belongs to the citizens we represent. It is their money. Our citizens have agreed, by our system and the system of government that has evolved, to pay taxes so that we as Members of Parliament can operate the Government for the public good.

Let us look at how this responsibility is being effected today in this Bill. All we are attempting to do with these two amendments is to make the Government more accountable. How can we accept Bill C-110 which will allow the federal Government never to come back to Parliament for authority to spend billions and billions of dollars in areas about which most Canadians have no idea?

Let us examine the Export Development Corporation for a moment. It is not required now to table an operating budget. It is not required to table a capital budget. It is not even required