

the private sector, including our banks. This action has not been taken to any extent and I feel we deserve an answer as to why not.

Recently the president of General Motors stated that this government was a bit chicken in dealing with the auto industry. It seems to me, Mr. Speaker, that it is chicken in its dealing with the Canadian chartered banks as well. While this government does not have the courage to get the chartered banks to pick up the \$100 million the former minister so proudly boasted of, it has the gall to come into this House and ask that we increase the ceiling it now has in order that it can pour further hundreds of millions of dollars of public funds into this corporation.

Having said that, let us take a moment to compare the operation of the Export Development Corporation with roughly its counterpart in the United States, the Export-Import Bank. That bank has been in operation since 1930 and has financed some \$30 billion on its own account in foreign trade. However, it operates quite differently from the EDC in Canada. Of the money used by the Export-Import Bank for financing, 50 per cent is picked up from the private sector alone, and the United States treasury is responsible for the other 50 per cent. I would emphasize the word "responsible". In June, 1971, the total advanced by the treasurer of the United States to that bank was only three-quarters of a billion dollars. Think of the difference! We are being asked in this House to agree to a ceiling under which the Canadian government could put in a billion and a half dollars to our corporation, when the United States counterpart has received loans of public funds from the treasury of the United States, as of June, 1971, amounting to only three-quarters of a billion.

Some hon. Members: Shame.

Mr. Stevens: The rest, I would emphasize, is raised in the United States from the private sector and not through a soft touch such as this government is trying to make of parliament. Are we not obliged to insist that the EDC do a better job before we provide it with larger sums of money? I feel we are, when we draw some comparison between the activities of the EDC and the activities of the Industrial Development Bank to which I have already referred.

I believe that the objectives of the EDC could be changed in order to greatly strengthen Canadian entrepreneurship in this country, especially in respect of the Canadian manufacturing sector which could expand in export fields. The Export Development Corporation makes loans, on average, of something over \$10 million each which really finance a couple of dozen giant corporations that are mainly U.S. owned, at interest rates of between 6 per cent and 7 per cent. On the other hand, I have pointed out the cost of such borrowing to small businesses from the IDB is approximately 10 per cent.

I would also point out that, assuming the money we are contemplating today was one-quarter of a billion dollars, it would build 10,000 homes in this country. If the minister is looking for a way to get ready takers of his fund, I can assure him that if he pegs the rate at 6 per cent, 7 per cent or 8 per cent he will have a queue of persons from here to the river waiting for this money with which to build these 10,000 homes.

Export Development Act

In conclusion, I should like to ask the government about our priorities. Some \$1.5 billion is at stake. The government has not made a good case for putting that amount of money into the EDC or for allowing that corporation to incur such a liability in this field on its present presentation. Would it not have been far more effective last year to have taken some of that money and helped the smaller Canadian businessmen in the ways they required? The minister has talked about the jobs that were maintained by a handful of corporations which received EDC financing. I would have some questions about that, but I see that my time is running short.

Let me finally state that I believe it is unfortunate this bill is in its present form. I believe long-term financing must surely be more effectively undertaken by the EDC before we provide more funds. Possibly a simple amendment to the Bank Act requiring chartered banks to provide funds specifically for long-term financing of export trade would help. Whatever the solution, I cannot see this House extending to the EDC this kind of money without a more impressive rationale in respect of our national economic objectives.

This government should have the courage to set its industrial priorities in such a way that we may know, the public may know—in short, that we all may know that public moneys are effectively serving public goals. By "public goals" I mean Canadian goals for Canadian people and Canadian companies. This bill is not the product of vision or courage; it is the product of aimlessness and timidity.

• (1540)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, one of the clichés or observations about history is that war should never be left in the hands of the generals. Having heard the Conservative spokesman for York-Simcoe (Mr. Stevens) who preceded me, except for one very worthy suggestion about requiring our banks, through a change in the Bank Act, to assist in the financing of exports, which I think is a very excellent proposal, I would conclude from his remarks that financing is much too serious a matter to be left in the hands of the bankers.

Indeed, his speech was a very curious performance. I am tempted to ask him—indeed, I will ask him—what is the Conservative party's attitude toward this bill? Are they in favour of the Export Development Corporation, or not? Listening to the speaker who preceded me one would have thought that the only purpose of the bill was to provide assistance to large, foreign-owned corporations in Canada.

Let me inform the hon. member and others of his party that I would suspect that the farmers of Saskatchewan would not be entirely pleased to hear his comment since such a high percentage of financing last year was devoted to the export of agricultural products. I would further suggest that a lot of lumber workers in northern Ontario and British Columbia would not be entirely happy either, since a good part of the financial assistance devoted to exports of their products benefited both those provinces. In fact, there has been a rather significant distribution of benefits spread throughout every sector of the Canadian economy.