

Export Development Act

lowest in the nation, and its use in the more expensive energy mix would be a beneficial reduction in electric energy costs. At present Nova Scotia and Prince Edward Island lead the nation in high energy costs.

The Department of Industry, Trade and Commerce is about to embark on a \$1.7 million advertising program to encourage Canadians to buy Canadian. Does it make sense at the same time to spend billions of dollars building foreign plants for competitors? And right under our noses we have in our own department of Supply and Services 44 per cent of \$1.9 billion spent for science and engineering going to the United States and only 2 per cent of the budget spent in the four Atlantic provinces. Clearly, our government must understand it is Canadian industries that it is supposed to help.

With the riches of the three oceans washing our shores, largely unexplored and unexploited, and the tremendous potential of fish farming and fish ranching, to say nothing of the oil that remains unexplored along our continental shelves, our own national oil company, Petro-Canada, is making token efforts in the Atlantic Ocean and is busily engaged in the exploration of oil in Pakistan, financed, of course, by Canadian dollars. The Petro-Canada and CIDA operation involves some \$70 million. No wonder the EDC thinks it is proper to finance foreign competitors!

Recently in California the people gave a message to their government which was, in effect, that they are fed up with the inefficiency of government and its involvement in areas that are best left to those who wish to take the risks and receive the profits in the private sector. We must cut the cost of government, and do it now.

On two occasions I have proposed the use of a commission to blueprint areas in which the government should not be involved, and to promote greater efficiency in our administration.

The Auditor General repeatedly fingers operations where corrections are required. My suggestion to parliament today is that at this moment we have an excellent opportunity to move in that very direction. I suggest, Mr. Speaker, that the corporation has not justified the expansion represented by this bill.

The EDC can become an excellent vehicle for development of our foreign trade, but I believe it lacks direction and proper guidelines, and that it is trying to do too much for too many, and consuming an inappropriate percentage of our gross national product. The sum of \$26 billion is equivalent to 10 per cent of the current domestic gross national product. The EDC can be made to work for Canada and Canadians, as well as for foreign interests. We know what the priorities should be. Let us get them in perspective.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a few remarks to make on this motion before we dispose of it.

I suppose there is no piece of legislation before this House, indeed before this parliament, which will be more regretted by future parliaments and certainly by the people of Canada than the passage of the Export Development Corporation legislation

[Mr. Howie.]

that is now before us, if the irresponsible lending activity that this government has engaged in is allowed to continue.

The concept of supporting export as far as our exporters are concerned was conceived with good intentions. It is a good idea to support those who are trading on behalf of Canada. It is certainly a good idea to support our exporters if they in turn are having to meet competition from other countries whose governments give financing support to those exporters. Unfortunately, Mr. Speaker, we find in the case of EDC that a government starting without any industrial strategy whatsoever has allowed itself to become more and more dependent on a system whereby our manufacturers increasingly find that they have to sell financing instead of the goods themselves which we hope to export. That is the tragedy before us.

To hear the president of EDC, when he appeared before a committee, tell us in a rather boastful way that 40 per cent of the capital goods exported offshore as they call it—that is other than to the United States—is now financed by EDC, this is a sad testimony with respect to the state of our manufacturing industry and its competitiveness as far as world markets are concerned.

In considering the two motions of my hon. colleague I would ask hon. members to simply ask themselves this: Are they prepared either to acquiesce or possibly even vote with the government later today or tomorrow? Are they prepared to accept the consequences of the eventual write-offs that will occur with respect to the billions of dollars that this government, through EDC, is determined to make in support of the exporters who in turn are demanding this type of financing because they are no longer competitive in world markets? These are simple questions.

When we ask that these authorizations be lowered we are simply saying, "Bring in some sanity and, bring in some perspective" so that the Export Development Corporation, instead of loaning money virtually with no security and no limit in mind, will be brought down to the reality of saying, "We have to operate within a limit." The limit we are suggesting is \$16 billion. Surely a \$16 billion limit is not unreasonable when it is borne in mind that the total lending activity of the EDC at the present time is approximately one quarter of that amount.

● (1702)

What we are saying, and I emphasize this with every ounce of conviction that I can, is that we in this House are going to become party to, either today or tomorrow, should this bill ever pass, a system where almost unlimited, uncontrolled financing is going to be poured through the Export Development Corporation to foreign governments, many of which will never pay that money back to Canada in future years.

Put any figure on it you like. We are now talking in terms of \$10 billion or \$15 billion. I would guarantee that within five to ten years, certainly within 15 years, 25 per cent of that money will never be repaid to the Canadian public.

The most shocking thing about this is the utter deceit and misrepresentation this government is guilty of, concerning this