

Trade

up provincial boards in every province. These boards will have jurisdiction to underwrite credit at a chartered bank up to as much as \$200,000, and that may well be increased to \$300,000. The national board will have jurisdiction to underwrite credit to the extent of something in the neighbourhood of \$300 million in loans.

These boards will assess, first of all, whether a business is viable and should be retained in Canada. If it reaches the conclusion that it should be, then the board will take a look at management and, thirdly, at equity. A chartered bank takes a look at the situation in the direct reverse: it looks at equity, then management, and then, I suppose, at the business. The EDP will look at it in completely the opposite way, with the hope it can maintain permanent jobs in Canada and create more permanent jobs here. It certainly has a very good record in creating and maintaining many industries that may well have folded had they not received a last resort line of credit through EDP.

Having regard to export trade, the department does many things. I might point out that in 1976 we had a surplus in export trade of \$1.1 billion, after a deficit in 1975 of \$640 million, and in 1977 we expect to have a surplus of \$2.5 billion. To me, that is a strong indication that we can, and are, competing in world markets.

Mr. Stevens: In respect of manufactured articles?

Mr. Horner: I will come to manufactured articles later. We have bilateral agreements with a whole host of countries, including Poland, Israel, Saudi Arabia, Brazil, Iran, China and the U.S.S.R. These involve major contracts which will assist us in selling a whole host of commodities, mostly manufactured, to these under developed countries. The bilateral economic agreement with Poland, for example, was a \$300 million business deal. Just recently, about a year ago, we carried out a framework agreement with the EEC. That framework agreement is an industrial agreement through which I am certain there will be a continued expansion of our trade with the European Economic Community.

Having just returned from Brussels, with 164 businessmen, I can certainly vouch for the fact that they returned to Canada far more enthusiastic about their ability to do business in Europe than when they left. It is easy to say that you cannot do business with Germany and Japan because they are too keen and too sharp as businessmen. I do not think we should accept the fact that we cannot do business with any country. We can, and should, be prepared to compete with any country. I priced many articles in Europe and decided in my own mind that we can compete with them quite well.

We have 89 offices, in 63 countries, aiding foreign trade. There are 300 foreign service officers, 170 of whom are engaged in assisting commercial trade. The idea that this department has not done much to serve Canada's domestic export trade in the past 13 years, or during the life of this resolution which began in 1963, is really quite ridiculous because many promotional trade projects have gone forward with fairs, missions and export market programs, expanding

[Mr. Horner.]

something in the neighbourhood of \$13.8 million in support of export trade and resulting eventually in increased trade in the neighbourhood of \$640 million.

There have been many turnkey projects in which we have assisted in getting contracts for Canadian businessmen, such as the Venezuelan railway project and the hydroelectric project in Brazil for which we are competing right now. The Export Development Corporation has been a boon in assisting Canadian businessmen to get their exports abroad and get paid for them. In 1969, the EDC was empowered to undertake direct and contingency liabilities totalling \$1.6 billion. It is currently empowered to undertake direct and contingency liabilities totalling \$6.8 billion. The annual level of loans provided by EDC in support of Canadian capital goods exports has increased from \$98 million in 1963 to \$784 million in 1976.

Mr. Stevens: To set up steel mills in the United States and pulp mills in Poland.

Mr. Horner: I do not know what is wrong with a pulp mill in Poland.

Mr. Stevens: Ask our pulp and paper producers.

Mr. Horner: I imagine they can read, too. The EDC has done a tremendous job promoting the export of Canadian goods in many innovative ways, one of which was mentioned today in the question period. It is an interesting one which will encourage the export of oil exploration activity and technology. This is a major step and I think it is just the beginning of that concept. Much has been said about the manufacturing trade and exports. I should just like to give the House some figures. Domestic exports have increased at an annual growth rate of 4 per cent in live animals; at 9.3 per cent in food, feed and beverages; at 13.7 per cent in crude materials, inedible; and at 10.7 per cent in fabricated materials, inedible. That is an annual increase in our export of these commodities.—

Mr. Hees: Over what period?

Mr. Horner: From 1962 to 1976, the period of this resolution.

Mr. Stevens: What will be the deficit this year?

Mr. Horner: There will be a surplus this year.

Mr. Stevens: In the manufacturing trade?

Mr. Horner: Just let me finish. In end products.

Some hon. Members: Oh, oh!

● (1622)

The Acting Speaker (Mr. Turner): Order, please. The hon. Minister of Industry, Trade and Commerce (Mr. Horner) has the floor.

Mr. Horner: The annual average increase of end products from 1962 to 1976 was 23 per cent, which is an amazingly large increase. The average annual increase of total exports has been 13.7 per cent.

Mr. Hees: What will be the deficit on fully manufactured goods this year?

Mr. Horner: I will get to that.

Mr. Hees: Well, get to it now.