

Export Development Corporation

while Italian manufacturers pay taxes of only 5 per cent or 10 per cent and put the remainder of their money into research and development of their industries.

I mention also in passing the most favoured nation treaties and arrangements. I do so to illustrate the problems facing our exporters which are not covered by this legislation. Recently four or five countries wished to purchase equipment for satellite land stations similar to equipment installed in Nova Scotia. Canadian companies tendered for that equipment. Pakistan, Malaysia and other countries wanted these satellite land stations, but when Canadian manufacturers tendered they found that their tenders were not even accepted.

I now ask some questions about the bill that opposition members wish to hear answered. Will the new corporation, the successor to E.C.I.C., insure Canadian companies exporting to the United States market? I understand that the previous corporation did not look favourably on such insurance although in the last year or two consideration has been given to insuring Canadian companies exporting to the United States. Also, is the government going to branch out into the banking business? Is it entering the banking field and interfering with private enterprise with these new financial arrangements? Are we overstepping our commitments in the Berne union of which Canada, with other exporting countries, is a member? Are we fulfilling other obligations and commitments when we go into banking so deeply? I think these questions ought to be answered.

The bill calls for the setting up of an advisory council. This is always a very ticklish matter. I hope the advisory council will be composed of men best fitted to undertake these duties. I sincerely hope that partisan political considerations will not enter into the selection of council members.

Is the proposed Export Development Corporation to be a non-profit organization? It was intended originally that the Export Credits Insurance Corporation should be a non-profit body. However, owing to its very able administration it was able to show a profit after several years. I have the exact figures in my hand. According to the 1967 annual report and financial statement the excess of operating income over policyholders' claims amounted to \$4,540,226. Together with interest on investments the total surplus was over \$12 million for the year ended December 31, 1967. I do not know whether it is intended to operate the new Export Development Corporation

[Mr. Hales.]

on a non-profit basis, but I think it ought to be a non-profit organization. It should help our exporters to develop exports, create jobs and be of distinct advantage to Canada. It ought to break even but not make a great profit.

Of course we are all most anxious to see that corporations such as this one are not given too much latitude with respect to salaries and expenses. Clauses 9 and 10 of the bill give wide powers to the corporation, as does clause 16. Hon. members of the opposition are always concerned about wide powers given to corporations when the house has no way of scrutinizing the exercise of those powers. Having read the bill I have not seen any provision that the corporation must table an annual report. The former corporation had to do so and I think this corporation should also be obliged to do so. Perhaps the requisite wording is in the bill. In any event, we ought to make sure that it is necessary for the corporation to table an annual report in the house.

Those are the observations I wish to make at this time. I am sure the committee will study the bill carefully and give it the consideration it deserves. I conclude by repeating what I said at the beginning. I am at a loss to know why a new bill had to be introduced when the Export Credits Insurance Act could have been amended. The changes proposed in this bill could have been brought in by way of amendments to that act and we could have been spared all these details regarding changes in administration, reorganization and all the rest of it. Again I say to the house we would be remiss if we did not give full credit to the Export Credits Insurance Corporation for the wonderful work it has done in this field by making it possible for our exporters to export to countries that they had never been able to export to previously.

• (4:10 p.m.)

In closing I point out that the principal commodities insured in 1967 were in the following ratio: iron and products related thereto 27 per cent, wood and wood products 26 per cent, agricultural products 12 per cent, non-ferrous metal and related products 8 per cent, aircraft 7 per cent, chemicals and products related thereto 4 per cent. This shows the very wide scope of manufacturing in which the corporation has extended credit to exporters.

Mr. Max Saltsman (Waterloo): Mr. Speaker, it always strikes me as rather strange how