

very long. There has already been considerable debate with respect to the amendments before us to the Export Development Act. There was considerable debate on second reading, and there was further and very comprehensive discussion in the standing committee.

I have listened carefully to the views of hon. members opposite and have reflected on the debate which started many, many weeks ago. It seems to me that many of the misconceptions which I noted in certain quarters when we debated the bill on second reading have been stripped away. There was, for instance, the misconception that the Export Development Corporation was making direct loans to Canadian firms, that is, was making direct loans to large firms and making direct loans to foreign-controlled large firms. I think hon. members will be aware, after the committee examination, that loans are made to foreign buyers for one reason: they are made when the foreign buyer wants to buy some capital goods and, if he does not buy them from a Canadian source, he will buy them from a foreign source. In other words, the purpose of Export Development Corporation direct loans is to place Canadian capital goods manufacturers on an equal footing with those of other countries.

Then, there was the question, how does the financing assist small business? To a large extent the participation of the small Canadian businessman is important. He fits in because he is supplier to the large or prime contractors.

It was also interesting to note, as pointed out in committee, that Canadian controlled firms and their employees were the major beneficiaries of these direct loans. It is true that a number of foreign controlled subsidiaries operating in Canada have, through these loans to foreign buyers, been the beneficiaries, or more accurately, their employees have benefited. Yet, 62 per cent of the value of direct loans made have been made to Canadian controlled corporations. Second, of course loans are only made to a foreign buyer if the foreign buyer's purchases include at least 80 per cent Canadian content.

I think the debate has also cleared up the misconception with respect to the ceiling. Having listened to the hon. member for York-Simcoe (Mr. Stevens), it seems that he has not yet accepted the view of the auditor general. He referred to Note 2 of the annual report of the Export Development Corporation for 1971 and again to the same item in the 1972 annual report, and he noted that the language was different. He was quite correct. The alteration made in the language was to remove, as he himself indicated by quoting the words of the president of the corporation, what might have been a misleading statement in the earlier statement. That is a correction which the Auditor General of Canada has accepted, as I believe I ought to make clear. I therefore reject out of hand what I consider to be an irresponsible statement by the hon. member for York Simcoe when he used the phrase "the first little bit of illegality". I do not think that phrase is worthy of him in the light of the evidence which has been placed before the committee.

● (1730)

Reference has been made to the credit worthiness of the great country of Chile. Concern has been expressed that loans have not been made to Chile in recognition of the

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fact that repayments have not been forthcoming on schedule and of the difficulties which this has created. I should like to provide more information to the hon. member for Oxford (Mr. Nesbitt) and to the hon. member for Scarborough West (Mr. Harney) on this point. I cannot give any information at the present time as to when Chile may again be a full-fledged candidate. I would hope that arrangements could be worked out very shortly so that Chile may again take its position alongside other nations.

There may still be confusion in some minds as to the role the Export Development Corporation should be playing as an agency of foreign aid. I think we should distinguish clearly between foreign aid and foreign trade. Our foreign aid agency is CIDA—the Canadian International Development Agency. This agency has made many substantial loans to developing countries. The EDC is not an aid agency. It is an agency which is supporting Canadian trade—supporting the export of capital goods manufactured in Canada. And I may say its activities have been responsible for creating roughly 125,000 man hours of employment in Canada for Canadians. It is worth underlining that a direct loan of \$1 million to a foreign buyer is the equivalent of roughly 120 man years in terms of the employment impact back in Canada. As I say, over the life of the Export Development Corporation, the figure of 125,000 man years of labour in Canada can be well supported.

The debate has been a lengthy one. There has been a comprehensive examination of the subject in committee. I believe the House is satisfied that the Export Development Corporation has been doing a quite remarkable job since it was established by parliament roughly four years ago. To those who wonder whether it is as effective as it might be, one should answer, I think, that in the nature of things no agency can afford to be satisfied with its progress. There is always more that can be done. But the record will show that the volume of export credit insurance has doubled every five years and that the amount of long term financing since the 1960's has increased from \$60 million to \$285 million a year.

It is my pleasure as minister responsible for introducing these amendments to move the third reading of Bill C-3 now before us.

**The Acting Speaker (Mr. Laniel):** Is it the pleasure of the House to adopt the said motion?

**Mr. Nowlan:** On division.

Motion agreed to and bill read the third time and passed.

**Mr. Reid:** Mr. Speaker, I wonder if we might call it six o'clock?

**The Acting Speaker (Mr. Laniel):** Hon. members have heard the suggestion of the parliamentary secretary. Is this agreed?

**Some hon. Members:** Agreed.

At 5.38 p.m. the House took recess.