GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-36, to amend the Export Development Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, thank you for permitting me to take part briefly in this debate. This bill authorizes the Export Development Corporation to raise $26 billion.

Since its inception in 1969 the EDC has had its authorized capital for corporate lending increased from $600 million to $10 billion. In corporation insurance, its authorization has increased from $250 million to $10 billion.

I am going to suggest to the House that, by effecting greater selectivity in the projects being supported, the corporation can have a greater impact on national and regional development. An industrial development strategy for Canada with ancillary strategies for regional growth can make the EDC a more valuable and viable instrument for economic growth. At the present time, like a man jumping on a horse and driving off in all directions, the corporation has funded industries for short-term gain, with disastrous long-range implications.

The EDC is lending $47 million to a newsprint mill in Virginia to buy Canadian-made equipment and engineering services. A coated paper mill in Kimberley, Wisconsin, is arranging a similar deal. Canadian tax dollars are funding future competitors of our pulp and paper industries. Aurele Ferlatte, Atlantic regional vice-president of the Canadian Paperworkers Union, was recently quoted in the New Brunswick press as indicating this policy could lead to the eventual unemployment of several hundred workers in the maritime region. In addition, the advanced technology used in a new mill gives it a further competitive edge.

Canada currently exports 65 per cent of its newsprint to the United States. The capacity of the new mill in Virginia will be 175,000 tons of newsprint annually, about the same as produced by the Rothesay-MacMillan mill in New Brunswick.

The EDC has lent something like $350 million to finance competing pulp and paper mills in Poland, Peru, Romania, Argentina and Iran. These mills were built with money in some cases borrowed from Canadian taxpayers, including owners and workers in the Canadian pulp and paper industry, who are, in many cases, struggling very hard to keep their doors open.

The EDC has also financed projects in a number of countries with state-planned economies such as Russia, Poland, Yugoslavia, Czechoslovakia, Hungary, Romania, Bulgaria, and Cuba. In these countries, because of the nature of their national economies, our competitors can enjoy an unfair advantage, aided by Canadian dollars.

EDC has financed a mini steel mill in New Jersey, and other steel operations in Texas, Minnesota, and Great Britain, with Canadian tax dollars.

In 1975 the EDC provided $30.6 million to Ireland for an aluminum development, $3 million to Peru for a copper development, $55 million to Poland for forest products development, $2 million to the United States for a steel mill, and $8 million for a lead-zinc development in Turkey. These are all sectors of development providing unhealthy competition for Canada.

I do not have to underscore the drastic erosion of our manufacturing industry in Canada and the fact that the last thing it needs is competition from beyond our borders with tax dollars supplied in part by these very same Canadian industries. We have to consider the need to enable Canadian manufacturing industries to use the Export Development Bank as a vehicle to reach foreign markets without, at the same time, financing our competitors abroad and defeating our ultimate purpose of creating good jobs for Canadians at home.

Clearly, we have to be more selective in determining the areas of natural advantage we wish to exploit so that, in the long run, our policies are not self-defeating. An industrial development strategy is urgently needed in Canada if we are to pursue our areas of natural advantage, build on our successes, and develop all regions of our country. I question whether the EDC can continue to take a shotgun approach and fund export development in every industry that comes along and in every segment of our economy. I believe that in a country with our population, wealth, and resources, we have to be more selective.

● (1652)

My suggestion is that we should consider as one element in an industrial development strategy making Canada self-sufficient in food and energy.

I believe, too, that by fixing the ceilings asked for in this bill at lower levels we could save an expenditure of between $8 billion and $10 billion and, if we invest a fraction of this amount in the Atlantic provinces in badly needed infrastructures, including the greater infrastructures that cry out to be done, we could enable that area of Canada to move forward on its own initiative without the handouts and subsidies that have, unfortunately, become a trademark of repeated governments of Canada. Where millions of dollars have been spent, billions are needed, not in handouts, but as an investment in an area that can pay great dividends.

The development of the ports of Halifax and Saint John, the shipbuilding industries, the Chignecto Canal, and the Fundy tidal development, together with modern highways, rail and bus lines, air service and all-weather roads, can allow this neglected region of Canada to develop a regional industrial strategy in concert with a national development strategy, and move forward on its own.

If, for example, this government used a portion of this money to build the Fundy tidal project for the maritimes, the resultant energy cost—where the fuel is free—would be the