interest rate with such repayment conditions, say over a 20 to 25-year period, that the financing is brought down to 4 per cent or 4.5 per cent." That is how it is possible to overtake competitors offering 7.75 per cent.

Canada has been fighting for years—I will conclude in just a minute, Mr. Speaker—to get OECD partners to comply with consensual agreements. Unfortunately, we have not been as successful as we expected. That is why on January 5, the Minister of State for Trade announced that Canada would no longer let itself be outwitted in such a way and that where a foreign government supports in this manner a foreign company bidding for a contract for which a competitive Canadian company is also bidding, the government would meet up to a maximum of $900 million in business not in grants over the next three years, the conditions offered by the foreign government.

That provides a terrific opportunity for Canadian firms to finally compete on an equal basis and on an equal footing with foreign companies that are supported by their governments.

I see that time is flying and that I will not be able to discuss the parliamentary committee on the establishment of a national trading company. Perhaps some of my colleagues who are here today will touch upon this subject. In any event, this is one of the government's latest moves, to ask a parliamentary committee, a task force, to examine the additional technical support that could be offered to small and medium-sized businesses in order to encourage them to move onto the export market. That clearly shows, Mr. Speaker, that there is an actual willingness on the government's part to encourage Canadian business on the commercial and export levels through all available means.

● (1600)

[*English*]

Mr. John Thomson (Calgary South): Mr. Speaker, I am disappointed that the hon. member for Ottawa Centre (Mr. Evans) is just leaving as I wanted to make a remark or two about his comments concerning the acquisition of Petrofina. I thank the hon. member for returning.

Unfortunately, I did not catch all his remarks, but I gather he was trying to justify the acquisition price of $120 per share by the fact that the price was $87 per share when negotiations commenced. I would ask the hon. member, and perhaps he can give me an answer at a later date, how he can justify paying $120 per share today for a company which was selling its shares on the market one year ago at $50 per share, particularly when 60 per cent of the assets of Petrofina in Canada are comprised of service stations, the real estate on which the service stations are located and a refinery? I would like to know how he could possibly justify a premium of $120 per share over the figure of $50 a share a year ago in the improved asset value comprised of hardware such as a refinery and service stations. That certainly does not make any sense to me. There is one other matter I should like to point out to the hon. member. If he or I personally decided to buy a share of Canada Petrofina at $120 and we borrowed the money to do so from the bank, we would have to pay 20 per cent interest. In that case we would have to pay $24 in interest per year on the original $120. Canada Petrofina earned, or will have earned approximately $8 a share in the year just ended, 1980. As a result the hon. member and I would both happily or unhappily enjoy a loss on our investment of $16 per share, being the difference between the $24 interest cost and the $8 in earnings from the company. What surprises me is how PetroCan shuffled the deck or the money in order to make this a good deal for every Canadian taxpayer. That is a mystery to me.

There is one other comment I would like to make about the acquisition of Petrofina by PetroCan. This acquisition does not add one single barrel of new oil or one cubic foot of gas to the reserves of the Canadian people.

Let me return to a consideration of the matter of trade and the economic environment in which Canada finds itself today. I do not think we can look at Canada, as the Liberal government is prone to do, in isolation from the rest of the world. Things are moving at a very rapid pace; technology is changing very rapidly on a worldwide basis along with trading patterns and competitive forces. We cannot just look at what we are doing in Canada, isolating ourselves from the rest of the world.

The Liberal government has its priorities wrong. Perhaps one of the best examples of the error of its priorities can be found in the acquisition of Petrofina. I do not see how that will assist economic development in this country.

At home and abroad the competitive position of Canadian industries is being steadily eroded. Whether you like it or not, the government may be doing in its eyes all these good things for Canadian industry, but the fact of the matter is that we had a trade deficit in manufactured goods in 1980 of very close to $18 billion. That is five times the trade deficit in manufactured goods we experienced in 1970. Whether we like it or not, we are losing the game. From 1970 to 1977, and these are the latest figures I could get, the proportion of the Canadian market served by imports grew from 26 per cent to just over 31 per cent. We are continually importing more and more goods to supply the Canadian economy.

Canada's share of the world's manufactured exports dropped from 5.6 per cent in 1970 to 3.8 per cent in 1977. We are losing the game. The difficulties of the Canadian manufacturing sector are chronic and will continue to be chronic until we face up to some fundamental changes in our economy. Government tinkering is not going to solve our problems.

● (1610)

Industrial development policy in Canada is not a quick fix—all of us would agree with that—but it does require major changes in the way we view the world economy. For many years Canada has followed the comfortable approach that if it takes its lead from the United States, it will still be better off than most of the other competitors in the world economy.