

Export Development Act

when he spoke at the drop of a hat or the flicker of a new idea. Suddenly he finds it safer to speak outside the House to audiences who will not respond by asking questions. He can make his pat speeches, and I must say they read a little better now than they did in the early months when he began to read speeches. As I say, I am glad he is here tonight to give us some information on Bill C-36.

He and his colleagues have asked parliament to guarantee \$26 billion in connection with the EDC without offering a word of explanation. All we hear is the hon. member for Fort William (Mr. McRae) suggesting that these are not gifts or outright grants but merely guarantees. The point is that when the loans are not paid back the people of Canada will be left on the hook to sustain a direct loss.

The EDC has been making and guaranteeing loans on the basis that the acquisition of certain contracts create jobs within Canada. On the basis that we are bound to develop an export industry, the minister has my support. But we are bound to consider the over-all picture—the deficits the government has incurred and, in particular, the heavy deficit on current account. I recall the days when the hon. gentleman was on this side of the House and was one of the most vigorous opponents of deficit spending. Today he accepts deficit spending by the government of which he is a member. Indeed, he almost argues that it is good for Canada. I remember his telling us that future generations would have to pay for deficits presently being incurred.

Suddenly all that is changed. While the minister is asking for \$26 billion we find there is extreme difficulty in developing industry here in Canada. In Provencher, for example, there is a long established pulp and paper industry. The pulp and paper industry has had difficult times for the last few years competing in the world market because of additional newsprint capacity. Through the EDC the minister has helped to develop an increased international newsprint capacity, but in the pulp and paper industry in Canada—in my riding specifically and in the ridings of other hon. members, especially in ridings where there are similar plants—there is difficulty.

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The minister has been very reluctant to advance expansion capital here, but that is not so in other countries. It seems that there is a double standard. On the one hand he will allow a certain benefit so that other countries can develop their industries, but Canadian taxpayers who are contributing to this slush fund are not supposed to benefit. They are not getting the benefits international companies are receiving.

I am talking not only of the pulp and paper industry. I have received a fair amount of correspondence, and I have spoken twice in this House since the appointment of the Minister of Industry, Trade and Commerce (Mr. Horner) about the tantalum mine at Bernic Lake, Manitoba. That mine has known reserves of tantalum, cesium and lithium. In 1974 this government placed cesium under the Export Act. The U.S.S.R. has been using cesium in research and development, especially with regard to coal-burning to increase the capacity of coal for

[Mr. Epp.]

purposes of energy generation. As I say, the government placed it on the export control list.

I have said before to the minister and his officials that I do not object to placing cesium on the export control list, but I have been saying that it is one of the twenty-first century materials which has vast potential. That potential cannot be realized without research and development. The Soviets are ahead in research and development on cesium, well beyond anything we have in Canada. The Soviets have been importing cesium from Canada. When they are moving ahead in research and development, what do we do? We put it on the export control list. However, do we then take the second step and start research and development in order to develop Canadian industry and give us at this point some cesium development so that we can become world leaders? No, we do not do that. Do we do it in order to create jobs? No, we do not need those jobs. Instead we use the EDC and build plants elsewhere.

What are the facts?

Mr. Breau: The fact is that you can buy it elsewhere.

Mr. Epp: That is exactly the fact. We should create industrial capacity so that we can compete, but instead we export our money and development elsewhere. We will create jobs in the short term that way, but I am saying that we should create long-term jobs in research and development.

This government has finally realized the ripple effect of research and development. It was actually going to increase expenditures in the last budget for research and development. At the present time the U.S.S.R. is number one with regard to the amount of research and development expenditure per capita. West Germany spends 2.3 per cent of its g.n.p. on research and development, roughly the same percentage as the United States, the only difference being that the West Germans are increasing their percentage of g.n.p. on research and development and the United States is not. How much does Canada spend? In 1968 we spent 1.2 per cent, and today we spend less than 1 per cent. If the minister wants to do this extra funding for loans in order to export technology, I say he should look at his priorities again because Canadians are demanding that more money stay here to develop our research and technology and create the jobs that are needed here.

What has happened in the glass-making industry? There is much silica sand in Canada which can be used in the glass-making industry. In the past most of the Canadian resource has been found in Ontario. I do not want to say anything about silica sand quarrying in Ontario, but the overburden which has to be removed before that sand can be quarried averages 59 feet in Ontario. In Manitoba we have been quarrying silica sand on Black Island, and we have tried to develop additional quarrying of silica sand on Deer Island.

I have been in contact with the Department of Industry, Trade and Commerce prior to this minister taking over the portfolio and also since. I have been asking for comprehensive research on the potential of enlarging the glass-making business in Canada, but up until now it has been virtually impossible to get any movement in order to determine whether that