

*Export Development Act*

couple of years ago. There was much partying on both sides and a great deal of goodwill. These things are fine but they cost a lot of money, Mr. Speaker. I am not objecting to that, but I am objecting to the government spending the taxpayers' money when some branches of government are negating the whole thing by a piece of foolishness such as has gone on with respect to Chile.

I am not only referring to the minister's recent tour of Latin America, but to some things that have gone on in the past, even at the United Nations when entertaining Latin American countries hoping to build up good will in that area. I am in favour of that, and I remember too that when there was a terrible earthquake in Chile a few years ago with great loss of life and property, Canada contributed a great deal of aid. Chile has noted this and remembered it. I am not suggesting, Mr. Speaker, that Canada contributed the aid merely to help build future business; I do not think that was the intention of the government or of anybody in Canada but nevertheless it did create a good deal of good will in Chile.

So, what happens? There is one firm that I have referred to before in this House whose application to the Export Development Corporation was turned down under very strange circumstances. The corporation had earlier agreed to this particular loan but later refused it. I, personally, made a phone call to find out the details and was told by a senior official of the department that it was government policy not to make any further loans, directly or indirectly, to Chile. Of course, one wonders why because in the past the record of that country has been good. We have to deal with these matters on a very sound economic basis and Chile has very little credit anywhere in the world. That is true and it is probably for some of the reasons suggested by the hon. member who proceeded me.

I am aware that Chile's credit is probably not very good but other branches of government have not hesitated to extend loans to countries like Pakistan and others of questionable political value in southwest Asia. I do not know what the purpose is here. Apparently the Secretary of State for External Affairs did not even know what was going on when I asked him this question last Friday, I believe, because he suggested it was absolutely untrue that credit was being refused to Chile. As I have said previously, one hand of this government does not seem to know what the other hand is doing. Certainly, I think the activities of the Department of Industry, Trade and Commerce should be more closely linked with those of the Department of External Affairs when loans are to be made abroad. Apparently the Secretary of State for External Affairs did not know anything about this and I think this is significant. Perhaps he would not have agreed to the sort of performance that has been taking place.

● (1720)

Sometimes, when one raises matters in this House, there is some effect. Whether what I am about to raise involves cause and effect I do not know; perhaps it may. I have learned, after making certain inquiries, that officials of the Chilean government are to be here, I believe this week, to have discussions with the Export Development Corporation and perhaps discussions at somewhat higher levels of government. They will try to arrange new terms of credit for Chile. I hope the minister can give us some

[Mr. Nesbitt.]

further information in this regard in a few moments. The information I was able to obtain was, frankly, second hand. I was not told this by the Export Development Corporation. Perhaps what I have been told is true and perhaps the minister can give us some information in this regard in a few moments.

Is the Canadian government as sincere and honest as it says it is because, as has been noted, governments, like Caesar's wife, must not only be pure but appear to be pure. Certainly, the circumstances surrounding this Chilean operation cannot help but leave the impression, or at least make people draw the conclusion, that some kind of sleazy international interference is going on and that perhaps our government, perhaps with some foreigners, is interfering in the internal affairs of another country.

In days gone by, and I had some responsibility at that time for export development being parliamentary secretary to the minister responsible for trade and commerce, when the Cuban situation arose we never put any restrictions, to the best of my information and knowledge, on exports to that country, provided they were not in strategic materials. I do not think anybody in Canada agreed with the internal activities of the Cuban government, or with that government's foreign policy for that matter, but that did not prevent us from dealing with them.

Here, we have a somewhat different situation in that the government of Chile, or the presidenté, was democratically elected. I have received letters on this subject saying that we are helping communist regimes. Mr. Speaker, they are there and they are there to stay, wherever they may be, and no amount of local or outside interference is likely to overturn them. Now, we find that we have established excellent trading relations with China and the Soviet Union and, to a smaller degree, with the Cubans. These are the sorts of things that sometimes lead to a lessening in misunderstandings in the present world and perhaps to cooling things off, if one wants to put it that way, Mr. Speaker. However, the kind of meddling I have spoken about cannot help but create a great deal of resentment not only in Chile but in Latin American countries; and the Latin Americans, as I am sure hon. members in the House who have visited those countries will know, are sensitive about any interference or domination from any government, particularly the United States.

It seems that a great many people are under the impression that sometimes we are a kind of puppet of the United States, and when that country puts pressure on us to do things we do them. I do not think our cause in Latin American will be helped with this kind of activity. It will not be helped one bit. I hope the minister, in a few minutes, will be able to tell us that arrangements are underway to re-establish Chile's credit, or that Chile's credit has been re-established in Canada and that assistance arrangements will be entered into. I will be glad to turn the floor over to the minister, in the hope he may be able to give us some information in this regard.

**The Acting Speaker (Mr. Laniel):** Order, please. Before I recognize the minister I ought to inform the House that if the minister speaks at this time he will close the debate.

**Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce):** Mr. Speaker, I do not plan to speak for