

with regard to health protection it would be very difficult for us to recognize changing the procedure to determine the validity of the product that the industry and the producers would enjoy. I am sorry that I have to give a negative answer up to now. We are not in a position to give the necessary certification immediately. Some tests are still not completed or ready.

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TRADE

COMMITTEE RECOMMENDATION TO ESTABLISH NATIONAL TRADING CORPORATION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of State for International Trade. Yesterday he made an announcement that he was shelving the idea of establishing a national trading corporation. He does that despite the fact that an all-party committee recommended last year, in a very large and comprehensive report which was made after 270 meetings, that we needed such a corporation in Canada to promote trade for small and medium-size businesses. It also stated that this corporation could also increase exports by some \$14 billion per year. In light of that, and the fact that the committee said this was critical and crucial, can the minister explain to the House why he is rejecting the idea of establishing such a trading corporation for Canada?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, as the hon. member knows, the recommendation from the parliamentary committee indicated that initial capitalization of approximately \$300 million is needed; 50 per cent to be made up by the private sector and 50 per cent from the government. As you know, our greatest priority right now is export financing. That is the quickest way to create jobs in Canada. I am sure that the hon. member would agree that our number one priority now with respect to the current situation is to reduce inflation and create jobs for Canadian industry. Therefore, all the financing which is available to me goes to our number one priority, which is export financing.

We did not shelve the idea of a national trading corporation. We postponed the decision for now until such time as the private sector which, at this point has not come forward with any kind of proposal to put up \$75 million or \$100 million toward the corporation, decided to do so. If they decide it is a priority in the future we will be happy to consider the proposal.

REASONS FOR NOT COMPLYING WITH RECOMMENDATION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, how much longer will the minister wait? Twenty-five per cent of our GNP is dependent upon exports. Most other countries have trading corporations and trading houses. There is a decrease of our share in world trade. We have a \$21 billion deficit in manufactured goods trading. In light of all those things I want to ask the minister very precisely what proof

does he need before he establishes a national trading corporation to help the small and medium-size companies.

• (1440)

Hon. Ed Lumley (Minister of State (International Trade)): First of all, Madam Speaker, we do not derive 25 per cent of our GNP from trade; we derive 33 per cent from trade. Second, is the hon. member interested in jobs being created now in light of the high unemployment in this country? There is no guarantee whatsoever that one single job would be created with the establishment of a national trading corporation. With export financing there is a guarantee from the day we sign a contract that jobs will be created right here in this country, and I think that is our priority now.

Some hon. Members: Hear, hear!

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FARM CREDIT CORPORATION

REQUEST THAT BORROWING POWER BE ENLARGED

Hon. George Hees (Northumberland): Madam Speaker, my question is directed to the Minister of Agriculture. As lack of enthusiasm by the banks has caused the Small Business Bond to be of very little value to farmers seeking additional funds with which to meet the very serious financial problems they are faced with today, has the minister approached his colleague, the Minister of Finance, and strongly urged him to allow the Farm Credit Corporation to enlarge its borrowing power so that our farmers may obtain the additional financing they need at 10 per cent interest in order that they may deal successfully with the great financial problems they are faced with at this time?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, to answer the hon. member first of all concerning the small business bond, I believe about \$2.5 billion in total has been loaned under that program to small business people, so, to some, it has been a big success. We have worked very closely with many farmers, with the Farm Credit Corporation and with lending institutions. Arrangements were made between the Farm Credit Corporation and the lending institutions to use the combination of a Farm Credit Corporation loan and a small business bond. It is true that there have been many turn-downs. We are reviewing how far the Farm Credit Corporation can go with the new legislative power which has been vested in that corporation. We are moving as rapidly, as fast as we can. We hope that we will be in a position within two or three weeks to make a recommendation to the Minister of Finance.

CANADIAN FEDERATION OF AGRICULTURE REPRESENTATIONS

Hon. George Hees (Northumberland): My supplementary question is directed to the Minister of Finance, Madam Speaker. As the minister knows very well, the Canadian Federation of Agriculture has brought an urgent plea before