

● (1150)

TRADE

CONFERENCE OF PACIFIC RIM COUNTRIES—ABSENCE OF REPRESENTATION FROM TAIWAN

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of State for Trade. The minister has recently returned from a Pacific rim conference in Vancouver where he and his officials hoped to make Canadian companies aware of the tremendous economic potential in what is one of the world's fastest growing regions. Therefore, I should like to ask the minister the following question. Since recent statistics show that employment is down by 15,000 in manufacturing, by 13,000 in construction and by 11,000 in finance and real estate, why was Taiwan not invited to the trade conference in Vancouver since the Taiwan Power Company, the country's largest electrical power producer, has indicated it is willing to invite Atomic Energy of Canada to bid on two nuclear reactors which the company plans to buy, the sale of which would bolster our chaotic economy?

Hon. Ed Lumley (Minister of State, Trade): Madam Speaker, as the hon. member knows, we had a very productive meeting in Vancouver at the Pacific rim conference.

Some hon. Members: Oh, oh!

Mr. Lumley: About 200 of the leading businessmen from across Canada were there.

Some hon. Members: Hear, hear!

Mr. Lumley: Probably the most important thing that happened following the conference was that our trade commissioners from the region, when travelling from St. John's, Newfoundland to Vancouver, B.C. had excellent response from the business community in every province.

The reason that Taiwan was not discussed specifically at the conference is that, as the hon. member knows, Canada does not officially recognize Taiwan. However, there were businessmen there who do have commercial interests with the Taiwan business people and their discussions were not restricted at the conference.

GOVERNMENT POLICY RESPECTING TAIWAN

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my supplementary question to the Right Hon. Prime Minister. Since Japan's Toyota motors is currently planning to build a 100,000 unit per year car factory in Taiwan, while supplying mainland China with vehicles, and large U.S. multinationals, such as General Motors, Citibank and Chase-Manhattan Bank, are pursuing their own deals with Peking despite an already sizeable commitment in Taiwan, my question to the Prime Minister is whether the Canadian government is considering revamping its policy toward Taiwan, since it is obviously out of date as Peking has made it clear

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that it does not object to foreign companies doing business with Taiwan?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I did not understand anything said by the Minister of State for Trade to contradict that. Canadian businessmen are free to establish themselves and do business with Taiwan. I believe these are the words the minister used, and that is government policy. The fact that there are no Canadian businessmen building motor plants in Taiwan does not prove that there is anything wrong with our policy. There are no Canadian businessmen building motor plants in Saudi Arabia either. There are many occasions for Canadian businessmen to establish themselves in many countries. The fact that they cannot be everywhere does not reflect on government policy.

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AGRICULTURE

ACTION TO CONTROL COSTS OF FARMERS—FUNDING OF FARM CREDIT CORPORATION

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Minister of Agriculture. Yesterday the House learned that small business bankruptcies were up about 20 per cent over the previous year. By comparison, farm bankruptcies this year are up 82 per cent over last year, which is clear evidence of the damage being done by the high interest rate policy of both this government and the previous government. It has been calculated that the recent increases in rates will add between \$300 million and \$500 million to farm costs in 1981. Since this has a devastating effect on food prices as the cost of credit must eventually be returned to farmers, processors and retailers, what is the minister planning to do for the farm sector to keep farmers in business and to keep consumer costs down?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member knows that you cannot isolate the farming community from the same economic factors that the other part of our business community deals with every day. I would rather see the agricultural community able to stand on its own two feet, economically speaking. The hon. member uses figures. There has never been a time when the agricultural community, over all, has been better off, regardless of what the hon. member says. He has referred to interest rates. The rate of interest of the Farm Credit Corporation is still 12.75 per cent, an enviable interest rate for any part of our society at present. Even in the hon. member's own province, the provincial loan program subsidizes interest rates for agriculture. The same is true in Alberta, Quebec and Nova Scotia. They even subsidize our farm credit lending rates at times so that for those farmers who are involved in supply-management types of systems, which we have worked with them to develop, the interest rate is covered in their cost-price formula. They can still supply food to Canadian consumers in a fashion that is more reasonable than in any other place in the world that I can think of.