

## ORAL QUESTION PERIOD

[English]

### FINANCE

#### VALUE OF CANADIAN DOLLAR—REASON FOR DROP IN JANUARY EXPORTS

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, in the absence of the Minister of Finance and the Minister of Industry, Trade and Commerce, perhaps I could direct my question to the second acting minister of industry, trade and commerce, the Minister of Employment and Immigration. As the government has represented for some time that our "crash dollar", which crashed down to 89 cents, would at least aid exports, will the minister indicate what happened in the month of January, when our exports dropped 16.9 per cent, a drop even greater than our imports—just the reverse of what was represented?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I happen to have the answer to that question.

**Some hon. Members:** Hear, hear!

● (1417)

**Mr. Trudeau:** Mr. Speaker, because some of the comments on January commodity exports were misleading, the Minister of Industry, Trade and Commerce very diligently sent me some notes so that I would be able to answer the concern of the hon. member. We have to look at a number of things. First, the trade balance. The commodity trade balance in January, 1978, was \$306 million. This is a very high level indeed, since it would amount to an annual rate of \$3.6 billion.

**Mr. Baker (Grenville-Carleton):** Read on.

**Mr. Trudeau:** Second, we have to look at the record over the year. Canada obtained a merchandise trade surplus of—

**Mr. Baker (Grenville-Carleton):** Motions.

**Some hon. Members:** Oh, oh!

**Mr. Trudeau:** I thought hon. members opposite wanted some information.

**Some hon. Members:** Hear, hear!

**Mr. Lambert (Edmonton West):** It is very simple; put it on motions.

**Mr. Trudeau:** I do not understand. If the House is concerned about this very high figure, perhaps—

**Mr. Speaker:** Order, please.

**Some hon. Members:** Oh, oh!

**Mr. Speaker:** Order. The question concerned a statistical matter for the month of January. Up to this moment, that is

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the question being answered. I will not let it go on too long, but the question is being addressed.

**Mr. Trudeau:** I was saying that Canada obtained a merchandise trade surplus of \$2.9 billion in 1977, even with a deficit of \$1.5 billion in crude petroleum. Therefore, Canada improved over the past two years by over \$3.4 billion. Third, our export performance in the last two years—the volume of our exports—has risen by about 22 per cent—

**Mr. Speaker:** Order, please. The answer may be too lengthy. The hon. member for York-Simcoe.

**Mr. Stevens:** Mr. Speaker, my further supplementary is directed to the Prime Minister. When he said that he had the answers, presumably that means the second acting minister of industry, trade and commerce does not have the answers. The Prime Minister started to quote certain figures. I would be very pleased if he would give us the current account trade deficit estimate now for Canada, bearing in mind the January turndown in the figures. Would he indicate whether, in fact, we may expect the original estimate of approximately \$4.5 billion in current account trade deficit this year, or may it be even higher?

**Mr. Trudeau:** Mr. Speaker, now the hon. member is concerned with the current account. His question was about trade performance. It is on this that I have figures from the Minister of Industry, Trade and Commerce. I am sure the current account figures could be forwarded to me by the Minister of Finance, if the hon. member wants to know. The trade figures are extremely important. In the past two years, from 1975 to 1976, the value of exports of motor vehicles has increased by 52 per cent; automotive parts, by 69 per cent; chemicals by 70 per cent; industrial machinery, by 25 per cent; lumber, by 146 per cent.

**Some hon. Members:** Order.

**Mr. MacDonald (Egmont):** Don't be such a phony.

**Mr. Trudeau:** Are you not happy that trade is going well?

**Some hon. Members:** Hear, hear!

**Some hon. Members:** Oh, oh!

#### LEVEL OF CURRENT ACCOUNT TRADE DEFICIT

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, my supplementary question is also directed to the Prime Minister. He must feel that the entire nation is filled with Canadians who are naive, when he attempts to give an answer like the one he just gave. My question was with respect to the current account trade deficit. The figures the Prime Minister referred to are the merchandise trade figures, and when an estimated \$8 billion of current account deficit is subtracted, one ends up with a \$4 billion to \$5 billion current account trade deficit.

After explaining that to the Prime Minister, would he indicate whether the current estimate is \$4 billion, or is it even