

opinion regarding the way the economy of this country is being run is pretty much the same as the opinion in Canada, where the latest Gallup poll shows that 27 per cent of Canadians think the government is running the economy satisfactorily, and 59 per cent say it is being run very unsatisfactorily.

My question to the Prime Minister is: Does he not consider that the time is long overdue to introduce productivity incentives to be paid in direct proportion to increases in productivity, to make our products more competitive, and in that way restore confidence in the economy?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, of course I agree with the hon. member. I indicated in the House not so long ago that productivity in Canada had improved, compared to that of the United States; we were beginning to close the gap. The United States is still more productive than Canada, in relative terms, but the situation has been improving here. The decisions taken last week by the premiers of the provinces and myself have added to the determination by all governments to make sure that the private and public sectors are competitive.

**Mr. Hees:** Mr. Speaker, the government's own paper, produced by the Department of Industry, Trade and Commerce and released within the last ten days, states that productivity in Canada remains 20 per cent below that of the United States—showing that it is not moving up and it is still far too low. As the Prime Minister said last Thursday in this House that our price and cost performance is still very unsatisfactory, will he not now do something in the interest of getting the economy of this country moving and introduce these incentives, which are the only measures that will improve productivity, make our products more competitive and restore confidence in our economy?

**Mr. Trudeau:** Mr. Speaker, I agree that productivity must improve in Canada. I disagree with the hon. member when he says it has not improved: it has improved.

**Mr. Hees:** Your own paper says it has not improved.

**Mr. Trudeau:** The hon. member is stating a static figure, Mr. Speaker; he should refer to the facts.

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[Translation]

#### FINANCE

VALUE OF CANADIAN DOLLAR—USE OF RESERVES TO IMPROVE SITUATION

**Mr. Jacques-L. Trudel (Montreal-Bourassa):** Mr. Speaker, I wish to direct a question to the Minister of Finance.

Could he tell us how long the payment of some \$1.5 billion out of our contingency foreign exchange reserves will successfully support the Canadian dollar, if its value continues to drop?

#### Oral Questions

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, this is an agreement between our banking institutions and the government of Canada. I do not know exactly how many years it will last, but I should say seven or eight years, and we can avail ourselves of these additional funds at any time. I indicated yesterday that for a while we would obtain a line of credit from these institutions and the agreement we have signed with them will run for at least seven years.

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[English]

#### EXTERNAL AFFAIRS

APPOINTMENT OF AMBASSADORS TO AND BY FOREIGN COUNTRIES

**Mr. Heath Macquarrie (Hillsborough):** Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs: it is in connection with his recent and highly commendable announcement regarding the establishment of a Canadian embassy in the Emirate of Kuwait. I ask the minister if he can advise whether it is the intention of the Kuwaiti government to appoint an ambassador solely accredited to Canada. Further, can he advise if progress has been made on another suggestion of mine, namely, the establishment and appointment of resident Canadian ambassadors to Amman and Damascus?

**Hon. Donald C. Jamieson (Secretary of State for External Affairs):** Mr. Speaker, I cannot answer definitively whether the government in question is going to establish an embassy in Ottawa. I will make inquiries. Of course, the fact that we are establishing an embassy in Kuwait indicates that they will be entirely welcome here, and I hope they will establish an embassy in Ottawa. I will get an answer for the hon. member.

The other two posts to which he has referred are on our list for consideration as early as possible. But, as I think the hon. member knows and as I explained in committee, we have certain constraints from a financial point of view which affect the speed with which we can move in opening up these highly desirable missions.

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#### FINANCE

VALUE OF CANADIAN DOLLAR—POLICY ARRIVED AT WITH BANK OF CANADA

**Mr. J. P. Nowlan (Annapolis Valley):** Mr. Speaker, my question is directed to the Minister of Finance. When the Minister of Finance answered the hon. member for York-Simcoe yesterday, he said, as reported at page 3055 of *Hansard*:

Our operation in the exchange market is limited to maintaining orderly marketing conditions, and will remain so.

When he said that to the House of Commons yesterday afternoon, had he met with the governor of the Bank of