note of bitter disappointment. I looked across the chamber and saw the Leader of the Official Opposition (Mr. Clark) present, and thought for sure he had come in especially to listen to me. I only discovered a few minutes ago that he is following me, and that is probably the only reason he is here. However, even though it may be accidental, I may be able to teach him something.

Mr. Clark: I will stay, if you will stay.

Mr. Jamieson: Mr. Speaker, the Leader of the Official Opposition has said that he will stay if I will stay. May I apologize to him in advance.

Some hon. Members: Oh, oh!

Mr. Jamieson: I would be delighted to stay, but it so happens, as the hon. member knows, that I frequently listen to his learned discourse but unfortunately, I have another meeting immediately afterwards. I thought it might be useful this afternoon to take advantage of the budget debate to touch on a few of the more important aspects of trade position as it exists at the present time, and on various other matters which come under my responsibility in the Ministry of Industry, Trade and Commerce. Of necessity, because of the time constraint it will not be possible to go through these in detail. Nevertheless, I think I can, in the 30 minutes available, indicate to the House that there are encouraging signs in terms of the performance of the Canadian economy and the outlook for both international trade and trade generally in this country.

● (1550)

For example, in the first instance it is interesting to note that the GNP in constant dollar terms, actually increased in the last three quarters of 1975, and that the seasonally adjusted index of real domestic product was up by .07 per cent in the first quarter of 1976 over the four quarters of 1975. Therefore, I think the prediction of the Minister of Finance (Mr. Macdonald), which he acknowledges is not lavish but which nevertheless is to some degree satisfactory, of a 5 per cent growth in the GNP, is one which we will see borne out during the current year. I am also happy to tell hon. members today, on the basis of the performance records we have for the first part of this year, that I believe it is now reasonably safe to say that we will have a slight surplus in our trade account this current year.

This, of course, is quite a turn-around from what it was a year ago. For instance, we expect now that the $800 million deficit we had last year in commodity trade will be turned to a surplus. Exports are up by more than $1 billion in the three-month period, February to April, of this year, compared to 1975. Averaged out over the year, they will amount to more than $4 billion. Imports are also up, which is to some degree a worrisome statistic although it reflects the health of the Canadian economy. Fortunately, our exports are up more than our imports, and this gives all of us reason for confidence in predicting that the commodity trade to which I have referred is already back into what might be described as equilibrium and that there will be a surplus which at this time is impossible to forecast with precision, but which will certainly be of the order of several million dollars in the current year. This, I emphasize, is a significant turn-around from what occurred in 1975.

There is another encouraging statistic in which I think members will be interested. Export sales have increased in all commodity areas except energy materials. Right across the full spectrum of our exports there has actually been significant improvement in the first three months of the current year. It also should be borne in mind that in terms of the reduction in energy-related exports—and this is by a conscious decision, I believe, supported on all sides of the House—that in the current year those exports will probably decline by something close to $1 billion from what they were a year ago. I think this deliberate action also should be taken into account when looking at our total balance of payments in the situation.

Except for energy-related commodities, there has been an encouraging improvement throughout the whole spectrum, including—incidentally I might add—value added or finished products which, of course, is one of the things we are still most interested in because in basic terms, if one looks at our exports, it has to be acknowledged that they depend, in volume terms at least, to a very great extent on raw materials, on the auto pact and related things of this nature, and that we would be very foolish if we did not recognize that in terms of manufactured and processed goods we still have a very unhealthy total situation. I think it will take a lot of combined effort by labour, management and government—and all of us—at this time to correct and improve this situation. In a few moments, Mr. Speaker, I hope I will have an opportunity to refer to the question of productivity which has such a direct bearing on that particular objective which, I emphasize, is one of the main objectives at the present time.

May I also, in this connection, say a word about the generally subscribed to objective of getting greater value added for our raw materials in this country. If one looks at it realistically, it seems to me that we cannot anticipate or expect that for every ton of raw material or for every pound of special metal we have in this country we can achieve value added right across the board. Inevitably, for the foreseeable future at least, there will be the necessity for, and probably there will be some wisdom in, the continuation of the export of raw materials. In other words, there are commodities with which we are not wholly or solely endowed in Canada in terms of competing countries, so therefore, in that sense at least, we will have to match the competition. By the same token of course if we wish to increase our trade with, for example, the European Economic Community or some of the other major trading blocs in the world with highly industrialized economies, then it is obvious that if they are to take finished products from us, we must also at the same time give them some assured access to the raw materials they will need.

In that connection, again, if there is time I will refer to this subject when talking about the multinational trade negotiations. Perhaps the biggest single item, in terms of commodities—if it is appropriate even to use that word—affecting our Canadian trade and the international trade is, of course, the auto industry and the so-called auto pact and many matters related to it. I have already indicated to the House on previous occasions that at the present time we are in the process of negotiating with the United States