

*Inquiries of the Ministry*

comment on this matter at the earliest opportunity. As I understand it, there has been an increase of some \$103 million in the deficit for this quarter as compared with that of one year ago.

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, the dominion bureau of statistics released this morning the official estimates of Canada's balance of international payments covering the first quarter of this year. The deficit on current account totalled \$341 million compared with a deficit of \$238 million for the same period a year earlier.

The deficit was made up of a surplus on merchandise trade of \$44 million in the first quarter and a deficit of \$385 million on non-merchandise account. The trade surplus was \$26 million smaller than that a year earlier when it will be recalled the temporary import surcharges were still in effect. There were also some imports of a non-recurring nature in the first quarter of this year which reduced the extent of the merchandise surplus. On the non-merchandise account our deficit on travel account was higher than a year earlier. Travel abroad in the first quarter was undoubtedly stimulated by the date of Easter, which fell in March.

The first quarter of each year is typically the weakest on our current account, and it was to be expected that a large deficit would be incurred. I suppose also this is one of the difficulties caused by increased prosperity. However, apart from a substantial repayment to the international monetary fund in the first quarter, our official holdings of gold and foreign exchange declined by only a relatively small amount in this period of seasonal weakness.

[*Translation*]

**Mr. Gilles Grégoire (Lapointe):** Mr. Speaker, I wish to ask a supplementary question. Can the Minister of Finance tell us if the greatest part of that deficit is due to the outflow of Canadian capital in dividends and interest paid to foreign companies?

[*Text*]

**Mr. Gordon:** As I suggested a moment ago, Mr. Speaker, the greater part of the increase or a big factor in the increase was the increasing travel expenditures of Canadians, presumably due to the fact that they are better off.

**Mr. Nowlan:** Perhaps they want to get away from this government.

[*Mr. Nowlan.*]

**Mr. Gordon:** Certainly there is no question that a big item is the amount of interest and dividends paid abroad.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** A further supplementary question, Mr. Speaker, which I direct to the Minister of Public Works. In view of the fact that the balance of payments deficit on travel is so great, can we expect shortly a further announcement of assistance to the tourist industry on the great lakes, and particularly Georgian bay, in meeting the low water problem?

[*Translation*]

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, may I point out to the hon. member that, as far as the tourist industry is concerned, I feel that he could put his question to another minister.

It is only incidentally that the Department of Public Works can help the tourist industry by making navigation on the waterways easier. If that is what the hon. member has in mind, I must tell him that my officials are preparing a plan in that connection and he is aware of the attention they are giving thereto.

[*Text*]

**Mr. T. C. Douglas (Burnaby-Coquitlam):** A supplementary question, Mr. Speaker. Can the Minister of Finance tell us what part of the international payments deficit is due to dividend and interest payments, and whether it has increased over the same quarter for the previous year?

**Mr. Gordon:** I do not have the exact figures here, Mr. Speaker, because I did get in rather late last night, but I will be glad to get that information and supply it to my hon. friend.

**Mr. H. A. Olson (Medicine Hat):** A supplementary question, Mr. Speaker. The Minister of Finance said there were a number of non-recurring increases in imports. At the same time he said there was a surplus of \$44 million on merchandise account. Can he tell us how much of that surplus of \$44 million on merchandise account is also non-recurring, such as payments for wheat?

**Mr. Gordon:** Mr. Speaker, I am sure my colleague the Minister of Trade and Commerce would question the premise of my hon. friend. I think the minister is hopeful that shipments of wheat will continue at a very high level.