

Canadian Trade Policy

benches are not "whizz-kids" at all. In fact, they are totally inept at running this country.

Mr. Hees: Where are they? It is an insult to parliament that none of them are around.

Mr. Stevens: Mr. Speaker, I note that there is only one minister in the House, the Solicitor General (Mr. Fox), who is presumably going to reply to what I am saying. I notice a former minister, the hon. member for Eglinton (Mr. Sharp), who seems to be very keen to get into the debate. It may be that he intends later today to preach for a call back to being finance minister.

Mr. Hees: I just heard him say it was not like this in the old days.

Mr. Stevens: Since the issue of free trade is today very much a question of what is really the response of the Canadian government to the United States trade proposal, and is very much a question of this government's response to the report of the Economic Council, we in this House and the country should be the first to know where our government stands on this important question, and not the last.

I should like to take this opportunity of asking the government where our learned negotiators stand. What course are they charting for us without the benefit of any parliamentary counsel or consent? I believe this House should appoint a permanent advisory committee on trade negotiations, comprised of representatives from all sectors of the economy, to work closely with the government on all matters of international trade negotiations. Such a committee would be required to report to parliament on impending major trade negotiations and have the benefit of the feelings of this House on such negotiations.

I would suggest that in addition to having members from the general public, such committee should include representatives of consumer groups, retailers, small businesses, manufacturers, miners, labour interests, provincial governments and the regions of Canada. In short, it should be a meaningful advisory council to which the government and this parliament could turn for guidance on what is the proper trade position for the country.

In view of the government's admission in the working paper entitled "The Way Ahead", and the Speech from the Throne, that it can no longer unilaterally dictate answers for the problems of the seventies, and that it will seek a new era of public consultation and participation, perhaps it will see the merit of the suggestion I have just made. We cannot afford to have this inept government act in secret any longer. Their whims are not enough, when trade patterns are being set that may have far-reaching results for Canadian working people, businessmen and consumers.

I have mentioned what the government might do if it is serious about seeking a new public consensus. Let me touch briefly on what it certainly has not done to date. Neither the paper "The Way Ahead" nor the Speech from the Throne

[Mr. Stevens.]

mentioned in any real manner this country's worsening trade position. Last year Canada had an over-all trade deficit of \$5 billion and a manufacturing deficit of \$10 billion. Strangely enough, the government feels that it does not have to spell out these economic facts of life at a time when the most far-reaching trade agreements in the history of GATT are being negotiated in Geneva.

● (1530)

To put these negotiations in perspective, let me repeat that the Bank of Canada *Review*, which highlights the magnitude of our current international trade imbalance, estimates the 1976 deficit of OECD countries to be about \$20 billion. Of that total deficit in current account and trade balances, this country alone will incur the astonishing proportion of 25 per cent. Mr. Speaker, 25 per cent of the total deficit which all OECD countries expect to run up this year will be incurred by Canada. Ours will be the largest single deficit among OECD nations listed in the *Review*.

Contrast this figure with that applying to the United States, a country about nine or ten times our size. It anticipates a deficit of about \$3.5 billion, France anticipates a deficit of \$2.75 billion, and the United Kingdom a deficit of \$2.5 billion, half the size of ours. At the same time, Germany and Japan will run up surpluses. The OPEC countries, the petroleum exporting countries, contemplate a surplus this year of \$51 billion. The non oil-producing countries expect a deficit in the region of \$21 billion. Other countries will run up a deficit of \$13 billion. According to reported figures, the total world deficit will equal about \$3 billion.

In short, we are in this situation: two industrialized nations, Japan and Germany, will have a surplus. The largest surpluses are being run up among the OPEC nations and the rest of the world, led by Canada, is piling up huge deficits. That is the framework within which negotiations in Geneva are being conducted. That is why we keep saying that it is time for the government to put an end to the secrecy with which it surrounds its trade negotiations. It should level with parliament and the people of Canada on the policies it will propose to correct this country's huge trade imbalances and deficits.

Mr. Paproski: Level, or resign.

Mr. Stevens: Where does Canada fit into all this? A report prepared by the general economic advisory group, economic and policy analysis, of the Department of Industry, Trade and Commerce, dated October 6, 1976, which is little more than a month ago, entitled "Canada's Trade and Balance of Payments, 1971 to June, 1976", clearly spells out the trouble we are in. The report states, as I have mentioned, that Canada's current accounts balance fell from a surplus of \$431 million in 1971 to a deficit of nearly \$5 billion last year. The report adds: The change was even more remarkable than this because as recently as 1973 Canada had a small current account surplus.

Both the merchandise and non-merchandise accounts showed marked deterioration in the period, the merchandise trade balance moving from a peak of \$2.7 billion in 1973 to a