

Inquiries of the Ministry

from the United States, and which, if it goes into effect, will be tantamount to a devaluation of the United States dollar?

Mr. Sharp: I had some discussions with United States officials when they came to Ottawa for discussion of the balance of payments program. There have also been other discussions between officials of the Canadian government and the United States government. In reply to questions by the press I also indicated that if the United States were to put into effect a system similar to that of European countries, namely a surcharge on imports and a rebate on exports, we would take parallel action. I think this kind of action on the part of the United States is regrettable, and I must add that the same thing can be said about that kind of action by other countries. The United States is not taking the initiative in this matter; it is following a pattern established in Europe.

Hon. George Hees (Northumberland): Mr. Speaker, I should like to ask the minister whether he can give the house the government's estimate of the volume of earnings of United States subsidiaries operating in Canada which has been repatriated to the United States since January 1 as a result of that government's program to correct its balance of payments problem?

Mr. Sharp: No, Mr. Speaker. I do not think there is anyone in the world at the present time who would know that figure.

Mr. Hees: I have a further supplementary question, Mr. Speaker. I should like to ask the Minister whether on January 1 or immediately thereafter the Canadian government advised the United States that Canada has a yearly current account deficit of about \$1 billion with respect to the United States and that therefore there is no justification for including this country in any United States program to correct its balance of payments program.

Mr. Sharp: Yes, Mr. Speaker. The Canadian government had many long discussions, and had them over the years, with the United States on this subject. The United States recognizes that Canada does not contribute to the foreign exchange difficulties of the United States. That is why Canada has such a special place and is exempted from most of the restrictions applied by the United States to other countries.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Hees: Was this done immediately after the United States government announced its program?

Mr. Speaker: Order, please.

Hon. D. S. Harkness (Calgary North): I have a supplementary question, Mr. Speaker. I wonder if the minister could tell us whether the drain on Canadian reserves has been almost entirely due to the transfer of funds to the United States or whether a considerable proportion of this drain is a result of the transfer of funds to other countries?

Mr. Sharp: It is very difficult to answer this question with certainty. The information we have is that the funds were flowing from Canada to the United States and not abroad. We have no evidence that there was any particular drain, or any drain at all, arising from transfers outside the continent.

REPORT RESPECTING FOREIGN INVESTMENT IN CANADA

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, I should like to direct a question to the President of the Privy Council, and in doing so may I express the pleasure of all hon. members at his obviously complete recovery from surgical ministrations. Could the President of the Privy Council tell the house when the report of the task force studying foreign investment in Canada will be available and whether it will be laid on the table of the house at this session?

Hon. Walter L. Gordon (President of the Privy Council): Mr. Speaker, I thank my hon. friend for his kindly remarks. I did not know my recovery was so obvious, but we will just have to wait and see. The report of the task force has been completed and I hope it will be presented to and discussed by the cabinet this week, after which I may have more to say.

[Translation]

HOUSING

CENTRAL MORTGAGE AND HOUSING CORPORATION—STEPS TO PREVENT INCREASED INTEREST RATE

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a supplementary question to the Minister of Finance?