

Government Orders

was having trouble, so it wanted to change it, turn it around. That is why we got into that deal.

One of the ways to achieve it was to increase the value of the Canadian dollar. The interest rates do not follow inflation. They follow the Canadian dollar. When the dollar dips, the interest rates go up. If it dips a bit more, they go up higher. If the dollar gets beyond a certain point then interest rates hold steady for a while. Mr. Crow said he made a mistake when he dropped the rate back in January, but it is the dollar that they are watching.

Canada has committed itself to the United States to do everything it can to improve the American balance of payments position with respect to our country. We are accomplishing it by getting the dollar up so high that it is creating unemployment, bad business opportunities for our enterprises in Canada, reducing corporation taxes we might be collecting from them, increasing our deficit, hurting our economy in every way conceivable but it is great for the Americans.

In part, while this borrowing bill says it is for public works and other purposes, it is there because we need the money to finance the ever increasing foreign debt that Canada is building. We need to have the money to pay it, but it is time we started sending a message to the practitioners who are supposed to be curing the Canadian economy. Your medicine is not working. Your treatment is not working. Change your medicine, change your treatment or get out of the way and make room for somebody who will take hold of the Canadian economy and make Canada a country in which we all want to live.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I listened to the member with interest. I congratulate him on his presentation.

I wonder if he would elaborate somewhat on the question of the value of the Canadian dollar when and if it is affected by lending abroad as opposed to lending money within Canada. Would he expand a bit on that?

Mr. Stupich: Mr. Speaker, when we borrow abroad, we have to pay the interest rates demanded of us. If our economy seems to be in bad shape or if there are some political problems—there are some questions now—then the foreign lenders want more money.

• (1140)

Foreign lenders have other opportunities. There are stories now as to what might happen in Germany with respect to their interest rates when the East German and West German marks become one. Japan may have to raise its interest rates. They are looking for opportunities to lend and they will lend to the best places for the best interest rates.

For Canada to get the money it needs to keep the lifestyle in which we have been living, importing more than we are exporting, means we have to pay more interest, which means we have to raise our taxes, and raise government revenues by selling products. We cannot print dollars, we have to export. That is the only way we can do it.

During the war, Canada had one million people in uniform. I was one of them and perhaps there are others here who were as well. We were producing everything we consumed. We were producing things to try to fill the Atlantic. Boat after boat was being sunk carrying goods produced in Canada. We did not fill the hole, but we did keep everyone working. It was great and the economy was booming. We did it without borrowing a single dollar abroad because no one had any money to lend us at that time. It can be done if we are prepared to do it ourselves in our own country. It is time we started tightening up in Canada.

Mr. Guy Ricard (Laval): Mr. Speaker, I listened carefully to the speech of the last speaker. He says that Canada, sooner or later, will have to export more than it imports.

I remember quite well the debate on the free trade agreement. His party was dead against it. I wonder if he can explain why there are two policies in his party?

Mr. Stupich: Mr. Speaker, there are not two policies. We were dead against the free trade deal because it was a bad deal for Canada. We were in favour of trade. We are in favour of trade. We are in favour of international trade. We support GATT, because that is a trade agreement. The deal made between our Prime Minister and the then President of the United States was made in the United States for the United States. It was a deal that was contrary to the interests of Canada and, as such, we opposed it. That is not opposition to trade, it is opposition to a bad deal for Canada.