

this situation with the chartered banks, or intends to do so, in order to make sure that they do not add to the international monetary crisis by profiteering from international monetary transactions?

• (1420)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the arrangement agreed to by the banks last June in Winnipeg to limit the amount that they were willing to pay on certificates of deposit for short-term deposits up to 100 days and up to a year has had a beneficial effect so far on the Canadian dollar in the sense that it has discouraged the influx of short-term money in which the banks were participating prior to that time. Insofar as the Canadian chartered banks are concerned, I am satisfied that since that date they have not been contributing to an adverse position in the Canadian dollar scene.

CANADIAN PARTICIPATION IN DISCUSSIONS ON REFORM OF INTERNATIONAL MONETARY SYSTEM

Mr. David Lewis (York South): Mr. Speaker, may I ask the Minister of Finance a further question. Are Canadian authorities now participating in the further discussions for the reform of the international monetary system and to expedite that reform to produce more liquidity in the international monetary system so as to make it more difficult for vested and speculative interests to create an international monetary crisis every few months?

Hon. John N. Turner (Minister of Finance): Yes, indeed, Mr. Speaker. As the House knows, Canada is part of the group of 20 constituted last September in Washington, which includes developing and developed countries, seeking to achieve a new international monetary situation having as one of its prime features a new reserve currency. Whether it should be special drawing rights or an other is not yet determined. One of the items on the agenda which is now being considered by the deputies and which will be considered by the ministers, including myself, in March will be the question of not necessarily capital controls but the control of short-term money.

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TRADE

CANADA—UNITED STATES—POSITION OF NEGOTIATIONS ON SO-CALLED IRRITANTS

Mr. David Lewis (York South): Mr. Speaker, may I address a supplementary to the Minister of Industry, Trade and Commerce. In view of the developing difficulties and the threat of possible further protectionism by the United States administration, may I ask the minister whether negotiations are now continuing in respect of what his predecessor called trade irritants between Canada and the United States and at what stage those negotiations are now?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there have been discussions by Canadian officials prior to the vote of confidence. I would expect that there will be further discussions between offi-

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cials of a similar exploratory and general review nature in the very near future.

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FINANCE

INTERNATIONAL MONETARY SITUATION—CANADIAN PARTICIPATION IN PRESENT DISCUSSIONS—PURCHASE OF U.S. DOLLARS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Would the minister advise whether he has had any negotiations or communications with his opposite numbers in the Group of 20 or perhaps even the smaller group of ministers that is rumoured to be meeting this week in order to deal on a much more pragmatic and urgent basis than the long-term basis of next March with the present situation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government of Canada has been following very closely the situation in international monetary terms last week, over the weekend and again this morning. Although we have not been a party directly to the discussions in Bonn or Paris, we have through our representatives in Bonn, Paris, London, Basel and Washington kept abreast of the situation, and this morning I talked on the telephone with the Secretary of the Treasury of the United States, George Shultz, who is keeping me informed of the current situation.

Mr. Lambert (Edmonton West): Mr. Speaker, would the minister advise the House whether the Bank of Canada late last week participated or whether it is contemplated that the Bank of Canada will participate in the mopping up of excess United States dollars in order to maintain Canada's own position in the exchange market? What is contemplated precisely so far as Canada is concerned?

Mr. Turner (Ottawa-Carleton): The hon. gentleman, I and the Leader of the Opposition talked about reserves before. The position of Canada at the moment in the current situation is to maintain the floating of the Canadian dollar. The exchange fund will continue to intervene in order to preserve an orderly market.

[Translation]

CANADIAN DOLLAR EXCHANGE LEVEL—GOVERNMENT POSITION RESPECTING UNITED STATES POLICY

Mr. Speaker: Is the hon. member for Compton rising on a supplementary?

Mr. Henry Latulippe (Compton): Yes, Mr. Speaker.

Mr. Speaker: Order. I shall allow the hon. member to put his questions, after which I shall recognize the hon. member for Oshawa-Whitby for a supplementary, and then we shall return to this subject later on.

Mr. Latulippe: Mr. Speaker, my question is for the hon. Minister of Finance.

Could he tell us whether Canada will be in a position to float its dollar or whether the decision in this respect will