

*Inquiries of the Ministry*

**Mr. Stanfield:** Have the governments of the provinces of Ontario and Quebec indicated their intention to amend their corporation income tax to conform with the provisions of Bill C-259?

**Mr. Benson:** I will have to take the question as notice, Mr. Speaker. The indication I received was that the province of Quebec would be acting along the same lines with regard to their Corporate income tax. The province of Ontario had some reservations. I really have not got the latest information with me. I will get it and supply it to my hon. friend.

**Mr. Stanfield:** I would have thought the Minister of Finance would know this before trying to ram the bill through the House.

**Some hon. Members:** Hear, hear!

**Some hon. Members:** Oh, oh!

**Mr. Stanfield:** I ask the Minister of Finance whether the model or proposed succession duty act, under which the minister has agreed to co-operate with the provinces in the collection of succession duties, has been prepared? Is it being prepared in consultation with the provinces and it has been sent to the provinces?

**Mr. Benson:** Mr. Speaker, first of all, this is a matter for the provinces. The federal government is moving out of the death duties area and the gift tax area. There have been consultations between some of our officials and provincial officials trying to assist them in developing a standard act. However, this is a matter entirely for the provinces. We cannot tell them what they should put in their acts.

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**FINANCE**

POSSIBLE PEGGING OF CANADIAN DOLLAR IN LIGHT OF  
PROSPECTIVE DEVALUATION OF U.S. DOLLAR—  
PROTECTION OF EXPORT INDUSTRIES

**Mr. David Lewis (York South):** I wish to ask the Minister of Finance a question arising out of the apparent decision of the President of the United States and the President of France for the Americans to devalue their dollar and the expectation that other currencies will be revalued upward. I want to ask the Minister of Finance whether at the meeting of the Group of Ten which is due to take place in a few days the government of Canada will have a policy of agreeing to some kind of pegging of the Canadian dollar at some level?

**Hon. E. J. Benson (Minister of Finance):** No, Mr. Speaker. We have indicated that our policy is that the Canadian dollar shall continue to float.

**Mr. Lewis:** I then ask the Minister of Finance whether his advisors are able to assure him, if such assurance is possible for anyone to give, that the Canadian dollar will not stay at its present level after the United States dollar has been devalued so that the exporting industries in Canada will not be put at an even greater disadvantage?

**Mr. Benson:** Mr. Speaker, the Canadian dollar has been floating freely for some 18 or 19 months now with the Canadian government intervening only to clear up market irregularities in the dollar. It should represent a fair value for the Canadian dollar vis-à-vis the United States dollar. If the United States dollar moves downward, presumably the Canadian dollar would follow, but market forces must determine where the Canadian dollar will be without intervention from the Canadian government.

**Mr. Lewis:** Do the minister and his advisors have some kind of contingency plan in case the minister's hopes are not fulfilled and the Canadian dollar is kept at a higher level than he hopes it will be, with very serious consequences to parts of Canadian industry?

**Mr. Benson:** Mr. Speaker, our policy has been to allow the Canadian dollar to float freely, to have what is called a clean float. We intend to continue that policy.

POSSIBLE CANADIAN CONTRIBUTION TO SOLUTION OF  
U.S. CURRENCY PROBLEMS

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, I should like to ask the Minister of Finance a question arising out of the statement of the Secretary of State for External Affairs in the House a few days ago when he referred to Canada being willing to make a contribution toward a general solution of United States currency problems. Can the minister indicate the nature of the general contribution Canada is prepared to make?

**Hon. E. J. Benson (Minister of Finance):** Mr. Speaker, I understand from the Secretary of State for External Affairs that he said trade rather than currency.

[Later:]

**Mr. Stanfield:** Mr. Speaker, I suppose this is really a question of privilege arising out of the response of the Minister of Finance to my question in which he said that the Secretary of State for External Affairs had advised him that he had referred only to the solution of trade problems. If reference is made to page 10384 of *Hansard* one will find what the Secretary of State for External Affairs said last Monday. It reads as follows:

My discussions with Mr. Malfatti, president of the European Economic Commission, Mr. Mansholt, vice-president, and other senior officials came at a particularly apposite time, on the eve of the Council of Ministers' consideration of United States proposals for resolution of the monetary and trading problems now facing us.

In view of the confusion in the mind of the Secretary of State for External Affairs, I should like to ask the Minister of Finance whether the Secretary of State for External Affairs knew what he was talking about when he made that statement?

**Mr. Benson:** I would like to say that at all times the Secretary of State for External Affairs knows what he is talking about, much more so than the Leader of the Opposition—

**Some hon. Members:** Oh, oh!

**Some hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please.