pressing necessity. The northern flood agreement was ratified on March 16, 1978. The previous minister of Indian affairs and northern development made a firm commitment in August, 1977, at Winnipeg before witnesses that the Northern Flood Committee would be funded for some time. After ratification, funding was terminated on March 31, 1978. The flood committee's job has not been completed. Therefore, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That the Minister of Indian Affairs and Northern Development take immediate steps to provide funding to the Northern Flood Committee until such time as the development corporation is established.

Mr. Speaker: Presentation of such a motion for discussion would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1412)

YOUNG CANADA WORKS

EMERGENCY GRANTS FOR STUDENTS IN LOW INCOME AREAS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, in view of the fact that Young Canada Works funding has been cut nationally this year, to the great detriment of students from low income areas, and since this is a pressing and urgent matter, I would move, seconded by the hon. member for Brant (Mr. Blackburn):

That the federal government extend emergency grants to such students for the purpose of allowing them equal opportunity for higher education.

Mr. Speaker: Presentation of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATIONARY EFFECT OF FLOATING DOLLAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as we know, not only are prices rising in Canada to an extent far beyond what was anticipated, and certainly beyond what was expected by the government, and we understand now through merchandising organizations that still higher prices may be anticipated, for example for wood products and animal products—one store indicates there is likely to be an increase of as much as 50 cents a pound in the price of certain cuts of beef alone—

Some hon. Members: Question.

Mr. Stevens: —would the Minister of Finance tell us, when he adopted what he calls his new monetary policy of "a floating dollar is a floating dollar," did he fully consider the inflationary consequence of a falling dollar upon this country and, if so, did he anticipate the price rises which are now being felt and which will likely be felt between now and June?

Hon. Jean Chrétien (Minister of Finance): I dealt with this problem in my budget speech. I said that because the Canadian dollar has been devalued, some cuts could be expected and I revised my inflation forecast of last fall from 6 per cent to 7 per cent. I maintain that figure which I put in my budget speech.

Mr. Stevens: Not only has the government caused the value of the dollar to fall, resulting in the inflation to which the minister now admits—

Some hon. Members: Question.

Mr. Stevens: —but the government has also caused the Bank of Canada to buy $2.2 billion of the federal debt, 30 per cent of the total financial requirement in the fiscal year just ended, as has been revealed in the Standing Committee on Finance, Trade and Economic Affairs. Would the minister also tell us whether he anticipated the inflationary impact of that type of monetarization of debt and, if so, when does he intend to ask the governor of the Bank of Canada to be less inflationary in his monetary stance?

Mr. Chrétien: The governor stated some months ago that the range of increase in the monetary supply was to be between 7 per cent and 11 per cent, and he has adhered to that policy. I might point out that some critics say it is too strict a monetary policy.

Mr. Stevens: Realizing that the government, through the falling dollar, through its habit of having the Bank of Canada monetarize debt by printing more money is simply putting in place future inflation, would the minister tell us whether he has specifically asked the Anti-Inflation Board to assess the impact, first, of the Bank of Canada's monetary policy and, second, of the fall in the value of the dollar—some 16 per cent—to its present level?

Mr. Chrétien: We have analysed all these factors and made a forecast for this year that the annual rate of inflation will be 7 per cent and that the growth in the gross national product will be close to 5 per cent. The hon. member forgot to mention to the House that in the last ten days the Canadian dollar has gained two points.

● (1417)

Mr. Stevens: It is down today.