

Finance

country. In the intervening weeks the minister has been asked dozens of times for a statement on government policy. Instead he has offered nothing but blithe comments about a floating dollar in a free market.

The minister has talked consistently as if the government does not care to what level the dollar floats. Sir, no one believes that is true because no responsible government could take that position. But given the absence of any kind of certainty from the minister, it is no wonder at all that the currency markets have been left to speculate where the real line is in the government's mind.

During the past 24 hours the minister has repeated all of the basic errors he has made in the last six months. Yesterday he misled this House and the country as to the extent of the Bank of Canada's activities in the exchange market. What is so absurd and difficult to understand from a minister who should be sophisticated enough to know is that it is clear that the financial community knows the truth about these activities. What conclusions will they come to when they hear the Minister of Finance, Canada's senior economic spokesman, misrepresenting the situation which they see before their very eyes?

Then having misled us during the day, the minister refused to come before the House of Commons last night to try to set the record straight. Instead he issued a press release which raises more questions than it answers, and which feeds uncertainty at a time when we can stand very little more uncertainty.

This lack of economic leadership has cost this country dearly. An already serious balance of payments situation has deteriorated further. The Bank of Canada has had to put out hundreds of millions of dollars to try and stem the speculative tide. Canadians have had to pay millions more dollars out of their own pockets, be it for imported products in our stores and supermarkets, for travel outside the country, or for assistance to relatives still living in countries from which they have emigrated.

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As a result of this lack of leadership, and because up to now the minister has refused to take this situation more seriously than another political street fight, Canadians may well end up paying even a larger price. The minister may not admit this—he has not levelled with us on anything else—but the hard truth is that the government now faces increasing pressure to raise interest rates in Canada as a means to attract short-term investment and thereby prop up the dollar. Higher interest rates inevitably would slow down new investment and further set back our efforts to create jobs for the million Canadians who want to work. Higher interest rates would set off new inflationary pressures in the economy. Higher interest rates are exactly what Canada does not need if we are to get our economy moving forward on any path of sustained growth.

Yet higher interest rates are the price we may have to pay for this minister's refusal to take clear and decisive action to stop the run on our dollar. It is a price that Canadians should

[Mr. Clark.]

not have to pay. It is a price they need not have had to pay had the minister acted when we urged him to do so. It is a price that could have been avoided if the minister had shown any understanding of the problem and any sign of being prepared to deal with it honestly and decisively.

We know that the problems in this country are significant and serious, particularly economically. We know also that it is the strategy of the government to do everything it can to ignore the economy. We probably will not have a budget before the election. The minister will delay it as long as he can.

Economic legislation in the House of Commons has been shoved aside. If there were some way for the government to cut off the question period, they would do that. When the minister has statements to make, he makes them outside the House of Commons in order to avoid economic debate if at all possible.

We cannot ignore the reality of the economic problems facing Canada. The Minister of Finance (Mr. Chrétien) has a fundamental job ahead of him, that is, to get our economic house in order. He might be able to bluff Canadian voters, but the hard fact is now coming home that he cannot bluff international lenders.

The obligation on the minister's shoulders tonight is to come forward and state clearly and precisely what the Government of Canada intends to do about the dollar, its own extravagance and its failure to put Canadian people and Canadian plants to work. For too long this government has been proceeding with its eye on the election. That election decision will come. However, one verdict is already in, namely the dramatic fall of the Canadian dollar.

I hope the Minister of Finance will rise to the occasion tonight and begin to take actions which can win back confidence in Canada's capacity to manage the economy of one of the most fortunate countries in the world.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the debate we are having tonight belies entirely the claim made by the Minister of Finance (Mr. Chrétien) during the question period when he said there was no crisis. For months he has been doing his best to deny the reality that ordinary Canadians are living with, no matter where they live. They live in an economy that, in terms of inflation, has returned virtually to the same level we had when the government brought in controls. We have the same problem with inflation. We have the same problem in a different domain with unemployment, the worst since the depression.

Although the Minister of Finance is new in the realm of economics, I am sure he knows that when the international community respond to the estimate of the value of a dollar of a country, they are providing a collective judgment on the performance of the economy of that country. There is no doubt about it. With the dollar having dropped to its lowest level since the great depression, they are telling the Government of Canada, and indeed the people of Canada, that this govern-