

*Inquiries of the Ministry*

Saturday, as the Acting Prime Minister informed a press conference yesterday, or they were started, as he informed the House, on Tuesday. I wonder which is true.

**Mr. Sharp:** Mr. Speaker, the truth is—

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

**Mr. Diefenbaker:** We are making progress at last.

**Mr. Sharp:** —that when the Leader of the Opposition asked me the question I gave my own reaction to it at that time, which was that I had not had or heard that report until the morning of that day. Indeed, I was startled by the question that was put to me on the previous day by the Leader of the Opposition. Unfortunately the Leader of the Opposition then moved the adjournment of the House, preventing continuation of the discussion, and in the interval I discovered that the Prime Minister's office had already begun these inquiries.

**Mr. Speaker:** The hon. member for York South.

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**FINANCE**

## DISCUSSION OF CANADIAN DOLLAR EXCHANGE RATE IN MEETINGS WITH AMERICANS

**Mr. David Lewis (York South):** Mr. Speaker, if the Acting Prime Minister is no longer in flux and still continues to be in a mood to tell the truth I would like to ask him a question arising out of a statement by Secretary of the Treasury Connally of the United States. That other subject and the non-answers are enough for one day. As I say, I would like to ask him a question arising out of a statement by Secretary of the Treasury Connally to the effect that the No. 1 item which the Americans have placed before the Canadians in various meetings is the question of the Canadian exchange rate in relation to the American dollar, and that there has been some discussion and some agreement with regard to it. I would ask the Acting Prime Minister whether exchange rates have been a subject of discussion in the meetings he referred to yesterday in answer to a question which I asked him and whether any—

• (2:50 p.m.)

**Mr. Speaker:** Order, please. I would hope the hon. member would ask his question. If the hon. member looks at *Hansard* tomorrow I am sure he will see that the question, which normally ought to be put briefly and directly, has, it seems to me, been taking a rather inordinate amount of time to be asked. In any event, I invite him to try to ask the question as soon as possible and I apologize to him for having interrupted him.

**Mr. Lewis:** I was in the middle of it, Mr. Speaker.

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

**Mr. Lewis:** Has the question of the exchange rate of the Canadian dollar been one of the matters discussed in the meetings between Canadian and American representatives, and has the government indicated any policy with regard to it?

**Hon. Mitchell Sharp (Acting Prime Minister):** Mr. Speaker, the question of exchange rates has, of course, been a central issue in discussions by the United States with countries generally, including Canada. Our position has been that we have complied with the requirements laid down by Secretary Connally who asked at the International Monetary Fund meeting that governments should make tangible progress toward dismantling specific barriers to trade and that they should "be prepared to allow market realities freely to determine exchange rates for their currencies for a transitional period." We have allowed objective, impersonal forces to determine our exchange rate and therefore we feel that we have entirely complied with the requirement of the United States.

**Mr. Lewis:** Mr. Speaker, the Acting Prime Minister gave us yesterday a list of issues which the Americans had raised at these meetings. Am I right in concluding that the question of exchange rates should have been one of the issues that the Acting Prime Minister should have mentioned yesterday, and are the discussions with regard to exchange rates continuing between the two sides?

**Mr. Sharp:** Mr. Speaker, the question that was asked of me yesterday, if I did not misunderstand it, was in relation to the meetings then going on or which had been going on on Monday. This question of exchange rates was not raised during those meetings.

**Mr. Thompson:** On a point of order, Mr. Speaker.

**Mr. Speaker:** Order, please. Is the hon. member rising on a point of order?

**Mr. Thompson:** Yes, Mr. Speaker. I believe I was the first member on his feet to ask a supplementary to the original question asked by the Leader of the Official Opposition. Some hon. members are being given the opportunity to ask three or four questions.

**Mr. Speaker:** Order, please. The hon. member will appreciate that, according to longstanding practice, an opportunity is given for the leader of each group in the House to lead off with a question on behalf of his group. The Leader of the Opposition led off on behalf of his party and there were a number of supplementaries. I indicated a moment ago that I would return to other hon. members, including the hon. member for Red Deer and the hon. member for Cumberland-Colchester North so they might ask supplementaries. In all fairness, there are other parties in the House and they must be given an opportunity to ask questions also. That is why the hon. member for York South was recognized and will be allowed to ask a further supplementary question.

**Mr. Lewis:** Mr. Speaker, may I ask a further supplementary on this subject which is obviously a very important matter for the Canadian economy and particularly the export side. Is the Acting Prime Minister in a position to tell the House whether or not the American representatives indicated the level at which they want the Canadian dollar to be with respect to the exchange in terms of rate with the United States dollar?

**Mr. Sharp:** Not to my knowledge, Mr. Speaker.