

*Supply*

can do. If you look back over history, Mr. Speaker, you will find that the one country more than any other which is wondering out loud what they should do is the United States. You would never know that from reading the Canadian press or listening to Canadian radio or television. That is because they know, as do we in this House, that we are all pretty stupid when it comes to discussing monetary and fiscal matters. They do not want to get up and make asses of themselves, as we have to in this House by talking about things we do not know too much about. However, we have a duty to talk about them, so I say that we better take a look at possible solutions. I direct these remarks to the new parliamentary secretary because he wants possible solutions to think about, and I am going to give him one.

A long time ago in this House there was a member of the CCF party called Colin Cameron. He is no longer with us, but he did address this problem about 20 years ago and suggested that with growing world trade all countries would have to broaden the base of their reserves. He made the suggestion, which I think was unique and worth while, that we should add to our reserves the special drawing rights of the World Bank to give us a broader base in order to withstand the raids on our currency. In memory of this ex-colleague of ours, I want to bring that subject up again. If our purpose is to stabilize world exchange rates, not only should we consider adding the SDRs to our reserves along with the strong currencies of Japan, Switzerland, West Germany and perhaps still the United States, but I think we should take a look at an old idea and see if it would not be worth while here in Canada. I am referring to the present debate in the United States over whether they should make the American dollar convertible into gold, as it was 50 years ago. All western nations agreed to get off the Gold Standard back in the 1930s. Now that we are all under such great pressure with the instability of our currency, maybe the debate going on in the United States should be brought to the Canadian arena. I would like to know what the effect, would be in Canada of making the Canadian dollar convertible to gold, particularly since the Americans are converting their currency. I would like to know what it does to stabilize the dollar. I would like to know what it does to reduce and stabilize interest rates. I can tell what is likely to happen; but I also have a deep conviction that I do not know for sure. However, maybe if we talked it out publicly, and maybe if we all made ourselves look a little silly and stupid, we would serve our country well by having that debate.

● (1500)

I am not necessarily recommending that we debate it here in the House. As we will obviously need witnesses, it would be a very difficult place to discuss monetary and fiscal policy. I would think that it should probably be discussed in a special committee with two or three parties, because that is probably all we could find who would have the time and the will to go through this detailed examination. However, we could bring in the experts, the top officials from the Department of Finance. They are not evil men. We could bring in the Governor of the Bank of Canada, as he is not an evil man. We could question him and bring these matters forward. I am sure, as we found

out in the committee three years ago, that these men will respond and give us a little more information on which we can base our judgment. I would like to know all these things before the emergency is upon us if the Americans convert in May or June.

Therefore, what I have said is only one point in the scenario on how we could put forward some alternatives to the government besides following this horrible, harmful policy of high interest rates. That does not mean that we can forget the fiscal side. On the fiscal side, as the House knows, we will be working with the suggestions from the Conservative benches made last year concerning the various pieces of legislation, trying to apply them so that we can get around the harmful effects of this interest rate policy followed by the Bank of Canada and the Department of Finance. We want the Farm Credit Corporation to be effective. Thank heavens some civil servants stuck a clause in the amendment to the Farm Credit Act, Bill C-88, which allows the Farm Credit Corporation to borrow money from sources other than the Consolidated Revenue Fund. This means it can go to private individuals. This section states it can borrow money by any means, and "any means" opens up whole new vistas. Maybe the Farm Credit Corporation can be set up almost as a bank or credit union as a way of borrowing money at 7 per cent or 8 per cent from the public and lending it out at the same rates. Everyone knows how it is done. It is done through the small business development bond program to make money. It is done through the income averaging technique, and there are others. In the debate, on the housing bill, Bill C-89, I proposed that we should do in the housing field what we have done, on second reading and in committee, in the Farm Credit Corporation; that is, to give home owners equality with the farmers. I would like to apply that by restoring the real principle of the small business development bond to small business. I would like to provide that for export businesses. Large companies can look after themselves by the equity route. However, we in the House have some responsibility on the fiscal side to back up what the governor is doing. I do not necessarily want to tell the Governor of the Bank of Canada that he must arbitrarily lower his rates unless I know a little more about what will happen and how he will do it. However, while he and we are trying to make up our minds on that, there is no reason why we cannot go forward on the fiscal side. Therefore, in conclusion, my advice is very simple. I am advising the Governor of the Bank of Canada to quit fooling around with interest rates as a monetary tool, to look on money as simply a commodity, and to let the market decide what the interest rate will be. I have a suspicion it will be a lot lower.

Then, on the fiscal side, my second conclusion is that we should get busy and do something in this House. We should understand what we are doing for farmers, small businessmen, exporters, and those who live in city homes. I would like to add the mining industries and all the other production industries as well. If we work together on this, step by step, I think we will be serving our country well. But, above all, as of this particular