

Finance

the lack of credibility of the government and the lack of confidence in what the Minister of Finance is saying. I tell you that confidence is shaken. Confidence in the government's economic policies is shaken, because it reverses itself. But those things work themselves out. What does not work itself out is the day-to-day trading operations of the exchange markets. Those dealers, whether the Bank of England, the Government of the U.S., or the trading banks in the U.S. markets, watch and listen to what the Minister of Finance is saying.

I say that no one could watch the performance of the Minister of Finance in the last couple of days and have confidence in the economic management of this country because the minister literally said today that the Government of Canada was not intervening in the market and what they are doing is normal. But the last time they did what they did yesterday was ten years ago. Yet he is trying to say this is a normal sort of operation. To put forward such a proposition is ludicrous. There is nothing really secret about it. There is nothing secret about trading in exchange markets. These are transactions and people know what is going on. For the Minister of Finance to say that the Bank of Canada did not take defensive action to support the dollar destroys the credibility of that minister and confidence in his management of the economy. He had to know and, if he did not know, then he should not be doing the job he is doing today.

In his book "The Great Crash" professor Galbraith of Harvard points out that in the years 1927-1928 one of the most disastrous things that was happening was that the statements being made by responsible officers about the economy were not taken very seriously.

The Government of Canada is mistaken in its policy if it thinks the devaluation of the dollar will cure its problems. As the Conference Board in Canada stated today, no country can solve its problems by devaluing its currency. You become trapped in the devaluation inflation cycle, and then you have to do something about it. There is no evidence that this government is about to correct the situation.

I say, with as much seriousness as I can command, that what this country really wants is not more platitudes or political footwork on the part of the minister. What the country wants is honesty and candor. Why can the Minister of Finance not stand up and say "Look, we have this serious problem and we are trying to deal with it. We are willing to take you into our confidence"? The Canadian people have responded to very serious situations in the 110 years we have existed, and we can respond to another one. But Canadians cannot respond if they do not have confidence that they are being told the truth and that they are being told openly about our economic problems, that they are not having these foolish propositions put forward but are asked to search for solutions together with the government.

The decline in the value of the Canadian dollar is quite clearly a question of confidence and credibility. The lack of confidence in the minister and in the government is apparent, but I do not think there is lack of confidence in Canada. I

think people around the world are mystified that the Canadian situation should be as it is today. What people really want is a government which will do something about these serious problems. If the government and the minister would forthrightly, openly and honestly come forward and explain the realities of the economic situation to the Canadian people and take them into their confidence, I am sure we could handle the problems we have right now.

● (2222)

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, I have listened with great interest up to this point, and there have been some very worthwhile contributions. I thank the hon. member who spoke before me for the sincerity and honesty he displayed. Unfortunately, many members of the opposition tonight have not addressed the problem, or given any solutions.

Mr. Alexander: Let's hear what you have to say.

Mr. Anderson: I have listened quietly this evening, and I hope hon. members will do the same while I am speaking.

In his statement this afternoon the leader of the Opposition (Mr. Clark) referred to the high cost of maintaining the dollar. The financial critic of the Conservative party stated that \$100 million a day was being drained out of Canada. I wonder if he can table any document to show that that is the correct figure. If he does have evidence to substantiate that, I hope he will provide it to the House because I do not think that figure is correct. Until he can substantiate that figure, I think we are talking about a straw man.

There is no question that in October of 1977—the Minister of Finance (Mr. Chrétien) advised the House of the creation of a \$1.5 billion stand-by fund. That was not something thrust upon us today. It is not something about which none of us has been unaware. At that time the minister said that he was not pegging the Canadian dollar but he wanted to maintain an orderly floating of it. I do not have to hear what the minister said five, six or seven times. He was talking about an orderly Canadian dollar on the market, which seems reasonable. If we had not set up a fund to have an orderly marketing of the Canadian dollar, I suspect that the opposition would stand up and ask why we had not created such a fund, why we were allowing ups and downs, and why we were allowing speculators.

An hon. Member: I can't stand it.

Mr. Anderson: I am sorry the hon. member has to leave. When the government does something, it is criticized; and when it does not do anything, it is criticized.

There is no question that in the last 14 months the Canadian dollar has gone from \$1.03 American to 89 cents American. To be exact, the drop is 14 per cent. I wonder if hon. members opposite have considered that the U.S. dollar has declined 50