

Currency Devaluation

[Text]

CANADA-U.S.S.R.—EXCHANGE PROGRAMS—PROFESSORS AND SCIENTISTS

Question No. 16—**Mr. Cossitt:**

1. What are the names and addresses of all (a) Canadian (b) Russian professors, scientists, etc. who have been on exchange programmes of any kind with the (i) Soviet Union (ii) Canada since 1970?

2. In all the cases mentioned above, did any individual have access to the facilities of the National Research Council and, if so, which ones, on what date and in what capacity?

Return tabled.

[Translation]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—LOSS OF CONFIDENCE IN CANADIAN DOLLAR AND GOVERNMENT POLICIES

Mr. Joe Clark (Leader of the Opposition) moved:

That this House regrets the government's refusal to give parliament a meaningful opportunity to investigate the loss of confidence in the Canadian dollar and the government policies which have reduced our currency to its lowest level in 40 years.

He said: Mr. Speaker, as you and the House will know, this is the first day available to the official opposition to discuss a matter of our choosing in the House of Commons since parliament has resumed after Christmas in the fifth and, we trust, final year of the life of this discredited and limping government.

We have chosen to direct attention today to a question of substance and a question of procedure relating to the ability of the House of Commons of Canada and the ability of the people of Canada to have revealed to them the facts and the forecasts that are available to the government regarding the state of the Canadian dollar. We would like an opportunity to hear witnesses, including some of the most credible Canadians in the land who are concerned that the policies now being pursued by this government in relation to the Canadian dollar are policies that are pushing the dollar down, adding to inflation in this country and very seriously damaging our economic prospects.

We know that today the dollar was up infinitesimally; it is now at 83.79 cents U.S. We know also that in the past two years the value of the Canadian dollar has dropped almost 20 per cent, from \$1.02 U.S. to less than 84 cents U.S.

Mrs. Holt: It's good for trade.

[Mr. Speaker.]

Mr. Clark: One of the Liberal members who is departing from this House and, when the election comes, from this parliament shouted from behind the curtains that it is good for trade.

An hon. Member: It was simply Simma.

Mr. Clark: One of the Liberal members said it was simply Simma. I understand their problem. She has now turned her attention to the whole government and is no longer simply criticizing the Minister of Communications (Mrs. Sauvé).

The result of the drop in the value of the Canadian dollar has affected the daily life of every Canadian. Food, clothes and imported components necessary for production in this country cost much more money. Some of the investment houses based here and operating outside this country estimate that the value of the Canadian dollar, which has already fallen almost 20 per cent in two years, could fall as low as 79 cents U.S.

The government claims that we have a floating dollar when it knows that this is not a floating dollar at all. They know that it is very close to being dishonest to claim that the policy now being followed is a policy of allowing the Canadian dollar to float.

The government has spent \$5 billion of our exchange reserves. It has borrowed almost \$6 billion and has increased interest charges seven times. The governor of the Bank of Canada says that he has done everything he can on the monetary side. When asked what he is going to do on the fiscal side, the Minister of Finance (Mr. Chrétien) says he is not going to do anything at all.

[Translation]

I would now like to talk about what happened to the Canadian dollar and why, more important, the present situation has developed. The fact that our currency's value went down on monetary markets in the fall of 1977 was not surprising given the performance of our economy in relation to that of our main commercial partners. It was not realistic to have our Canadian dollar equal or even surpass the U.S. dollar. The economic reality required a downward readjustment and most experts were agreeing to have the level fixed at between 88 and 92 cents. But there has not been an adjustment of that kind. Our dollar has literally dropped down to 83 cents, a level never before reached since the 30s, and it dropped despite massive interventions by this government on money markets through the Bank of Canada. The economic reality does not warrant a dollar worth only 83 cents. The only explanation lies in this government's incredible incompetence in economic matters. Mr. Speaker, the 83 cent dollar is nothing else than an absolute no confidence vote in this government by the international community.

[English]

This government has earned that vote of no confidence by the international community by failing to meet three basic tests of economic leadership. First, its management of the dollar has raised questions about the honesty and in fact the