this evening, without revealing that in addition to the $447 million of our reserves that had been lost up to the end of January a further $500 million has been lost so far in February, and to ask us, "What is the crisis?" is also unforgiveable. The crisis is that our reserves have run down to an unacceptably low level in terms of reserves among major industrialized nations. That is the crisis. The minister knows it, but he did not level with the people and with this House tonight.

However, the most alarming thing in the minister's address tonight was his choosing of certain convenient dates to compare the dollar. The minister did not refer to the level the dollar was at when he became Minister of Finance. At that time the dollar was at 93.17 cents. That is when the minister became Minister of Finance. His record between September 14 and approximately the middle of October was so unnerving to the international community that in one publication on October 13 we found the following headline, "Dollar Plunges Again to 27-year Low Amid an Increasingly Nervous Market".

Within a month of this minister's taking office our dollar had plunged to a 27-year low, and that was partly due to his inept handling of our economy. In order to gain time the minister at that time announced a $1.5 billion line of credit. Now that minister comes into this House and uses the low point he helped trigger last October as a basis for comparison for the dollar today. That is nothing short of shameful. I do not doubt that the minister wishes to leave.

The minister tried to tell us tonight that somehow the economy is in relatively good shape. He wondered why everyone is getting excited about the dollar. The minister has not levelled with the Canadian public. I suggest that that is one of the most significant reasons for the difficulty we are in, and it may cause the dollar to fall further. Let me be specific.

I referred to an article published on October 13. The article was written by Hugh Anderson, and this is what he said:

> The foreign exchange markets are having difficulty interpreting the Bank of Canada's recent announcement that it has lowered its target range for growth in the narrowly defined money supply (M-1) to between 7 and 11 per cent, from between 8 and 12 per cent.
>
> The confusion over official policy was increased by Finance Minister Jean Chrétien's repeated statements that the government does not intend to defend any particular rate for the Canadian currency. "When you have a floating currency, you have to let it float," Mr. Chrétien said.

Once again tonight the minister has put that view forward. Once again he has told the international market that the federal government is indifferent to where our dollar is going to end up. With that attitude prevalent among the minister's staff, those staff members have attended meetings of foreign exchange dealers. They have told foreign exchange dealers that they do not care where the dollar settles. In answere to the question "are you willing to have it settle at 80 cents?" they are saying that if the market says 80 cents, 80 cents it is. The minister's staff cannot undermine public and international confidence in a thing as delicate as our dollar without seeing the consequences we are debating here tonight.

I have referred to the loss of reserves since this minister took office. Unfortunately that also occurred prior to his taking office during the latter days of the former minister. For example, on December 31, 1976, we had U.S. dollar reserves of almost $3.5 billion. As a result of the deterioration in our reserves we now find that we have less than half that amount available to help defend the dollar or at least control its rapid fall.

In short, I think it is fair to say that upon this minister's becoming Minister of Finance he perhaps triggered the first run on the dollar with his unfortunate speech to the International Monetary Fund. Dealers have estimated that that speech alone cost half a point as far as the Canadian dollar was concerned. The minister's continued references to a floating dollar have cost dearly as far as our dollar is concerned.

Mr. Chrétien: Are you for pegging the dollar? Tell us. Are you?

Mr. Stevens: Let me refer to another comment which has helped undermine our dollar. On September 10, 1977, the Prime Minister (Mr. Trudeau) stated, "It's good that international money markets have forced down the value of the Canadian dollar." Those words came from our illustrious emperor, the Prime Minister. I could refer to various quotations to show how the international market has reacted to some of the unfortunate comments made not only by the Prime Minister and the Minister of Finance but also by the Minister of Industry, Trade and Commerce (Mr. Horner). That latter minister is recorded in *Hansard* as saying that the 90-cent dollar is good for Canadians.

Frankly, I am disappointed that tonight the minister would not grapple with the serious issues facing the country. He told us in his communiqué last night that he is proposing to borrow foreign funds in order to offset our current account trade deficit, but we have not yet had any indication—certainly not tonight—by this government of how it intends to narrow down that current account trade deficit.

This is a serious matter. Sometimes I feel that we overlook it, but in a Wood Gundy review dated January, 1978, covering the years 1975 to 1980 it is pointed out that from a current account trade deficit in 1975 of $4.7 billion we are heading for consistently increasing levels right through to 1980. These are the facts, and if the minister was telling us last night and presumably again tonight that they intend now to use the federal covenant to borrow foreign funds to cover that current account trade deficit, what he is telling us is that as long as we can see ahead, certainly to 1980, that requirement is to continue in Canada, putting a tremendous load, I suggest, on future generations who have to pay off that debt that this government is incurring to cover its own deficiencies.

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I have referred to the carrying of that debt. Take a look at how Wood Gundy estimate the cost is to increase. In 1975 they say the interest and dividends pouring out of this country amounted to $1.9 billion. In 1978 they estimate it will be $4 billion. They estimate it will be $4.9 billion by 1980. The total