

Finance

clear the falling dollar is one of the best things that could happen to Canada. If the dollar is lower, our exports are cheaper and our imports are more expensive. It is to be hoped that makes us more competitive and has a good effect on our balance of payment and trade. The only question is at what point the government should protect the dollar, as all governments do. The Americans have been involved in doing that for the last two years. Our problems are rather petty when you think of the United States problems with its dollar.

Not many hon. members opposite are aware that in the United States \$500 billion are offshore Eurodollars. That country is facing problems protecting its dollar because of the one half trillion dollars which are offshore and the \$100 billion owned in the United States by foreigners. If the United States cannot protect its dollar, the most tremendous catastrophe the world has ever known would occur. It is far more useful if the Canadian dollar is relatively low, rather than relatively high. In fact, this debate should be a celebration of the fact that the Canadian dollar has slid, resulting in making Canadian exports more competitive and Canadian imports cheaper.

Mr. Leggatt: Will the hon. member permit a question?

The Acting Speaker (Mr. Ethier): Will the hon. member for Spadina (Mr. Stollery) permit a question from the hon. member for New Westminster (Mr. Leggatt)?

Mr. Stollery: Yes, Mr. Speaker.

Mr. Leggatt: Would the hon. member direct his attention to the question of the government's decision to intercede in the free market in terms of the dollar? If the dollar is attractive at an 89 cent level and would be more attractive at an 85 cent level, which appears to be the gist of the hon. member's argument, why did the government intercede and not allow the dollar to continue to slide?

Mr. Stollery: That is a silly question. Because of the kind of trade we do with the United States, many Canadians are psychologically affected by the value of our currency compared to the value of the United States currency. It is nothing more or less than that.

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I have not heard any members here discuss the value of the Canadian dollar as compared to the German mark, the French franc, the pound, the yen, or any other currency that is becoming increasingly important. For example, are there members who know the exchange rate of the Canadian dollar as compared with Saudi Arabian currency? The hon. member laughs. Obviously he is unaware of the fact that we have just signed a \$500 million contract with Saudi Arabia to manage their telephone system. We have a \$100 million contract to electrify rural regions in Saudi Arabia. I do not suppose he is interested in how much money that is in Canadian currency because he thinks it is Saudi Arabia which is a long way away, so that we can worry about that some other time.

[Mr. Stollery.]

Mr. Ellis: Mr. Speaker, I rise on a point of order. That telephone order which the hon. member speaks about is in Canadian dollars, and the telephone equipment is coming out of the city of Belleville.

Mr. Stollery: That is very interesting. It is also interesting that 500 Canadians will be hired for that project in Saudi Arabia, and I suspect they are not all from Belleville. Some of them may be from other places in Canada. There are 500 jobs in that single program. One hon. member said it was in Canadian dollars. I suspect that perhaps the people concerned have calculated what the rate of exchange might be between the Canadian dollar and the Saudi Arabian riyal.

It should interest the hon. member for Belleville because there are 500 jobs there and, according to the *Toronto Star* of yesterday—and I do not know whether that is true—400 jobs will be created in the steel factories in Saskatchewan in connection with the building of the pipeline. That is a pretty good indication of the kind of thing the Government of Canada is doing. I do not think it all relates to the town of Belleville. In fact, as I understand it, the people who will be undertaking the Saudi program will not only not all come from Belleville but will probably be administrators from Montreal and Toronto, and maybe some of them from Spadina, for all I know. The point is that we are tonight at twenty five minutes to one—

Mr. Stevens: That is the first thing you have said that is right.

Mr. Stollery: There we have the banker who is about to give us some of his kernels of wisdom. Here we are at twenty five minutes to one talking about arrangements made for credit with Canadian banks by the Government of Canada, drawings which I am sure will never be made. I am sure there is a psychological aspect to the speculation in all currencies and particularly in the Canadian dollar, and probably the Minister of Finance has made the right decision to stop that speculation even if he has to deal with people whom personally I do not find terribly attractive, that is, the banking friends of the hon. member for York-Simcoe. But if it is a solution which will help us stop these speculations in all currencies, and recently in the Canadian dollar which has driven it up and down, so much the better.

An hon. member asked why it should not go down to 85 cents. As I said, Canadians have a psychological attitude to their currency that is of some importance. All I would like to say is that I think the Minister of Finance has taken not only the appropriate step of not making his announcement in the House, which would have encouraged the speculators—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Allan B. Lawrence (Northumberland-Durham): Mr. Speaker, I wonder if I might ask you what the word "float" means to you. Surely it means to stay on top as a result of the