

*The Budget*

that I see people who are in the natural resource sector and who are unemployed and who have never been unemployed, people who are over 40 and have never been unemployed and who are over 50 and have never been unemployed. They are shocked at being unemployed in this great country. The Minister of Finance stands up here, good salesman that he is, as a former Minister of Transport who got the mess that we are in getting rid of VIA. Look at our air industry that does not know where it is going. Agriculture, follow us all the way to the GATT and we will protect you, not telling us what else we are going to get out of the GATT.

• (1600)

Follow us all the way, farmers, all the way to the GATT and we will protect you. We know the day after it is signed if there is no article XI where we will be.

This week we had a minister stand up here and I do not know if he mentioned unemployment once. I do not know if he mentioned the renewable resources that we have here in Canada and what the direction must be to get out of this made-in-Canada slump, this attitude of people toward this government that we are not moving. There is no vision for Canada except Bush or what the Americans tell us.

Will the Minister of Forestry tell me what he did to influence his cabinet colleagues to help the forestry industry to revive, to get people back to work, to give them some respect rather than staying home wondering where they are going to get a job in this country?

**Mr. Oberle:** Mr. Speaker, some of the advice I gave my colleagues is already paying handsome dividends in implementation. We have, perhaps my hon. friend does not know, experienced a heavy demand on our lumber products. The price for dimensioned lumber and spruce, pine, and fir shipments has increased by 30 per cent since the beginning of the year. Why do we not try and be a little positive. There are no more shutdowns. There are recalls in the mills.

My friend is right when she says that one of the pieces of advice we have been getting from the opposition and from people outside is that we should drive the dollar down, thus helping the research sector. Let me just give her an idea. If a low or a weak currency were a solution and a ticket to prosperity, why is it that all the countries

with firm, stable, high currencies are the richest countries in the world: Germany, Japan, Switzerland. Why do they not lower their currency and get even more rich? Why are Mexico, Guatemala and countries that have a less stable currency not the rich countries? Is there some kind of a value or virtue in driving down your dollar and cheating the people you trade with in a short period of time by paying for their goods in a watered down currency?

Let me tell the story of the low dollar in the forest products industry. My friend would remember that in 1976 our dollar was actually above the U.S. dollar by 1 cent. Our dollar was worth \$1.01 U.S. The return on investment and sales of the industry was 9.7 per cent that year with that high currency.

As well, I would remind my hon. friend of the "Diefenbuck" in 1963 when the dollar was down to 93 cents and they said it would be the doom of the Canadian economy because we had too low a dollar. I remind him of all these things. I take them ahead now when the great architects, the social engineers, were sitting in the treasury benches and had driven the dollar down to 73 cents; 73 cents was the worth of our dollar in 1985. The return on investments and sales of the industry, zero. The industry was broke. It did not help them a bit.

In 1989, the dollar was at 84 cents. The returns were up something like 12 or 13 per cent. Sure, the dollar is a determining factor of the industry's prosperity. The Swedes devalued their currency and pegged their krona a few years back. You ask them if they would ever do it again. Sure it gives you short term relief for three or four months, but do you know that for every dollar you sell you have to buy something back. When you buy it back, you pay in higher currency. It brings about inflation. It brings about higher interest rates. Do you see why you had 20 per cent interest rates and what the reason for that was? The reason was 12 and 13 per cent inflation and the low dollar. Do you understand that? Sure I could write a budget and an economic policy that would satisfy and work in the best interest of the forest industry. I could do that in the morning before breakfast and I could throw in all the other resource industries and write a budget before noon. But when you look at the total picture and the total economy and at the future of our children and grandchildren, then you have to sit down