

the changes in the price of the dollar, but when these methods proved to be inadequate, other methods were employed; and I am very pleased to say that they were extremely successful.

**Senator MacEachen:** Honourable senators, I wish to follow up on the point made by the Leader of the Government that for some time the Bank of Canada had been attempting to moderate the effect on the dollar. Is it true that for, say, four or five days the bank had intervened prior to the massive intervention of last week? Can he confirm that the management of the bank had been active in the foreign exchange market in support of the Canadian dollar?

**Senator Roblin:** I have no information on the activities of the governor of the bank. My impression is that when he was asked similar questions in the House of Commons committee the other day, he declined to elaborate on the situation. But I do know that the Minister of Finance made a number of statements in the course of the last few weeks that were intended to strengthen the Canadian dollar.

**Senator MacEachen:** Of course, the Leader of the Government is repeating what we might say are obvious simplicities or obvious facts that we know. What I want to know is why did the government and the governor of the bank wait so long to intervene? The Leader of the Government said, "Oh, they have been intervening all along." Then, when I ask him to confirm that, he says that he cannot talk about it.

What kind of clarity exists on this point? I think it is very important to know. Was there a reason for the delayed action or, indeed, was it delayed action? Last Thursday there was a very hefty increase in the Bank of Canada interest rate. We have a rate that is considerably higher than the rate in the United States, and some very competent people are saying that the government and the Bank of Canada acted too late, and that because they acted too late they are now paying the price in much higher interest rates than would otherwise have prevailed. I think it is fair to ask the government to throw some light on this action and on this puzzle. I must say that I am not satisfied with the refusal of the minister to say anything that is intelligible.

● (1410)

**Senator Roblin:** Honourable senators, I congratulate my honourable friend on his excellent exercise in second guessing and second sight. If we were as smart as all that, we would have very few problems in managing the finances of the country. I point out to him that the Governor of the Bank of Canada is subject to the orders of the government only if they are delivered to him in writing. I am not aware of any written instructions that were delivered to the governor of the bank in writing. The question to which my honourable friend wants an answer is, "Why did the Governor of the Bank of Canada act in the way he did?" I suggest that he ask him. If my honourable friend wishes to pursue this matter, the Banking, Trade and Commerce Committee or another suitable committee of this house could invite the Governor of the Bank of Canada to appear before it. It has happened before in the House of Commons. Then, my honourable friend could

[Senator Roblin.]

address his questions to the man who was actually on the scene of the action.

**Senator MacEachen:** Honourable senators, perhaps we could invite the Governor of the Bank of Canada to appear on the floor of this chamber to answer questions, in view of the refusal of the minister to answer questions on behalf of the Government of Canada and the Minister of Finance. Maybe we should ask the governor to come in, take a seat next to Senator Roblin and answer questions which it is the duty of Senator Roblin to answer, not the governor of the bank.

**Senator Roblin:** Honourable senators, it is not the duty of Senator Roblin to answer for the Governor of the Bank of Canada. He is an officer independent of Parliament and of the legislatures of this country. He is not subject to my orders or my instructions in any way whatsoever, unless the Minister of Finance sends him an order in writing, and we all know what would happen if that took place. It would be very unfortunate. There is no reason why the Governor of the Bank of Canada cannot be questioned by honourable senators. It has been done before. I myself have done it. We have done it in committees of this chamber which every member of this chamber is entitled to attend, take part in and ask questions. If my honourable friend wants to pursue that course, I invite him to do so.

**Senator MacEachen:** Honourable senators, why can the Leader of the Government not answer questions on behalf of the government with respect to the financial policy of the government?

**Senator Roblin:** Well, if my honourable friend wants to frame his question in a specific form that does not involve making me responsible for the Governor of the Bank of Canada, I will do my best to get him answers from those qualified to provide them.

**Senator MacEachen:** I have asked several questions, and if the minister has not caught the gist of the questions, may I repeat: Why did the Minister of Finance and the Governor of the Bank of Canada wait so long before they took action to support the Canadian dollar?

**Senator Roblin:** Honourable senators, I shall endeavour to obtain the answer as far as the Minister of Finance is concerned, but I recommend to my honourable friend the other route with respect to the Governor of the Bank of Canada.

**Senator MacEachen:** Honourable senators, I do not accept the interpretation, nor would any other legislature, of the Leader of the Government that the Minister of Finance does not answer for the governor of the bank. Obviously, he knows that there has to be compatibility between the governor of the bank and the Minister of Finance in the exercise of exchange policy and financial policy. Therefore, the minister is duty bound to answer and explain the actions of the governor until, at a certain point, he is in such disagreement that he wants to send him a directive. Since that has not happened, why cannot the Leader of the Government in the Senate explain the actions of the Governor of the Bank of Canada on behalf of his