officials in order to avoid impending bankruptcies in an industry which supports entire communities, and which is the largest foreign exchange earner in the country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member may know, I have had extensive consultations with representatives of the private sector in Canada. In the course of that series of consultations we did hear the views of representatives of that industry and discussed their difficulties which, in the main, arise from depressed markets in other countries. Undoubtedly, that is a source of great concern, but it is a matter that can only be permanently solved with a resumption of economic growth and recovery in the countries to which these industries sell their products.

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THE ECONOMY

FORECAST OF DECLINE IN EXCHANGE VALUE OF DOLLAR

Mr. John Bosley (Don Valley West): Madam Speaker, my question is directed to the Minister of Finance who, in the last week, has been defending the decline of the Canadian dollar on the basis that the U.S. dollar has been strengthening. Given the minister's argument, how does he explain the fact that it has been reported in this week's *Business Week* that international money traders believe that the U.S. dollar will decline over the next year, against the mark, the Swiss franc, and the yen, but the Canadian dollar will fall yet further, even against a declining U.S. dollar?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would not agree with that forecast for the Canadian dollar. I believe that to some extent the market is not reacting to some facts which have become apparent in the past few days, namely, the very strong trade figures, and the fact that in the first quarter of this year the current account has moved into surplus. On an annualized basis, if carried on throughout the year, we would probably have either a balance or a surplus on our current account. Therefore I do not share the views of the persons reported in *Business Week*, with respect to the Canadian dollar. The fact is that all currencies have been depreciating against the American dollar, including the Canadian dollar, but that with respect to the value of the Canadian dollar against most other currencies, it has either held its own or appreciated against these currencies.

Some hon. Members: Hear, hear!

QUERY RESPECTING STATE CONTROLS

Mr. John Bosley (Don Valley West): Madam Speaker, those who deal in money deal in facts—real facts, not the minister's facts.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Bosley: It is so bad now that money market traders and foreign exchange dealers, recognizing what this government is doing to the country, are now beginning to refer to the Canadian dollar as "the banana". That is how bad it is in world markets.

An hon. Member: That is nonsense.

Mr. Bosley: That is not nonsense. One can check that on the exchanges in Toronto this morning.

Will the minister finally recognize that more investor confidence in Canada, not less, is the only solution to our economic problems and the only way to get Canadians back to work? If he is not prepared to give us a preview of his program for the next two or three weeks, will he at least give us a commitment today that more intervention and more control by government, which would only hurt us even more, will not be considered by the government?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has referred to the importance of the improvement of the investment climate. That view has been expressed by the Prime Minister and myself, and I believe that the restoration of confidence in the possibility of recovery and growth is one of the most essential ways of improving the investment climate. On that point I certainly agree with the hon. member.

MINISTER'S STATEMENT ON POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Finance as well. Like other hon. members, during the course of this week I have been listening with great care to what the Minister of Finance has had to say. On Tuesday, following the Summit in Versailles, when pressed about the future direction of Canadian economic policy the Minister of Finance said, as reported at page 18204 of *Hansard*, that he did not anticipate "a basic change in economic policy". Does the Minister of Finance stand today by what he said just a few days ago?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do stand by what I said a few days ago. I have repeated that same answer since it was first given on Tuesday in reply to a question put by the Leader of the Opposition.

MINISTER'S VIEWS ON UNITED STATES POLICY

Hon. Edward Broadbent (Oshawa): On that same day, Tuesday, in reply to a question in the House the minister said that because of circumstances in the United States we could not anticipate more than marginal changes here in Canada until there was a major reversal in economic policy in the