as follows: the hon. member for Vegreville (Mr. Mazankowski)—Air Transport—Criticism of enforcement of air safety regulations—Call for minister's resignation; the hon. member for Egmont (Mr. MacDonald)—Status of women—Employment strategy of government; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Regional economic expansion—Decision on financial assistance for Sysco to modernize plant.

● (1700)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—LOSS OF CONFIDENCE IN CANADIAN DOLLAR AND GOVERNMENT POLICIES

The House resumed consideration of the motion of Mr. Clark:

That this House regrets the government's refusal to give parliament a meaningful opportunity to investigate the loss of confidence in the Canadian dollar and the government policies which have reduced our currency to its lowest level in forty years.

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to participate in the debate on the motion of the Leader of the Official Opposition (Mr. Clark). Like the hon. member I think that the Canadian dollar has reached a critical point. The Minister of Finance (Mr. Chrétien) can go on repeating that an 85-cent dollar will be profitable for our external trade, but in fact the weakness of the Canadian dollar results from the weakness of our economy.

In fact, foreign investors and financial circles have lost confidence in the economic policy of Canada, an ad hoc and unforeseeable economic policy. We have no continuous plan, no real orientation. We take band-aid measures when we have our backs to the wall. The proof that the Minister of Finance does not want a dollar worth 83 or 84 cents any more than we do is that the Bank of Canada has continuously intervened on the foreign exchange market to prevent the drop of our dollar. Indeed the Bank of Canada has used up its foreign currency reserves to support our dollar, and recently the government had to borrow again on foreign markets.

Furthermore, the Bank of Canada had to juggle with discount rates so that the interest rates of chartered banks rose to record levels and those banks will continue to make excessive profits, at our expense naturally, as they have been doing since 1968. Much to the amazement and surprise of the government the report published last week by the Economic Council of Canada proves it. In the beginning, the drop of the dollar to 90 cents was an unavoidable adjustment resulting from the loss of competitiveness of Canada as concerns price and cost, and the lack of economic leadership of our political authorities. I should rather, Mr. Speaker, talk about the absence of leadership. That would be more in line with the present situation.

When the Minister of Finance says that an 85-cent dollar stimulates imports, he forgets of course to talk about the adverse effects we are beginning to feel as a result of our depreciated dollar. That drop was too rapid not to have negative effects, quite simply because of the strong upward pressure on food prices and our massive imports—particularly during winter—of agricultural products which indeed we cannot slow down and without which we cannot do. So we are unable to slow down inflation.

Indeed, workers with a family spend the greater part of their budgets on food, meaning that most of their expenses go for food. So the depreciated Canadian dollar represents an additional increase in the domestic prices of goods purchased abroad. As a result of that workers today are beginning to cry out loud. Unemployment insurance benefits are being reduced by 66 per cent to 60 per cent, so our family allowances and inflation continues to gallop. So, as I was saying earlier, inflation is far from being checked and even the minister must have realized his predictions. In this post-control period, we see there are ever-increasing potential confrontations between management and unions which of course are going to ask for big salary increases. Indeed, the government is beginning to be concerned about that tendency, as the right hon. Prime Minister (M. Trudeau) pointed out recently.

In spite of last minute interventions the dollar has not yet stabilized and its drop is constantly being reported in the media where every day we are told about a loss of a few points or a very insignificant temporary recovery. But in the last several months the defence of the dollar has been very costly. We borrowed astronomical amounts to replenish our run-down reserves.

So what is the logic, Mr. Speaker, behind all that inconsistency in government measures? Opposition critics have asked for clarifications on the government policy on a daily basis. Naturally, we did not get a clear answer. And yet we represent the people and they have a right to know how their money is being used because they ultimately suffer from the continuing depreciation of our dollar.

In his address to the annual meeting of the shareholders of the Royal Bank, which according to its latest annual report made profits of up to 40 per cent, the Chairman of the Board of Directors of the bank, Mr. McLaughlin, accused the government of being irresponsible and of having caused the dollar to fall. Here is what he declared last month on January 11, and I quote:

It is true that we officially have a floating rate for the Canadian dollar, but during the past year the float became a rather dirty one. Ottawa maintained that the Canadian dollar was being left to find its own level on the market. That is the essence of a clean float, with intervention only to prevent too great a movement either way, over a very short period. But what Ottawa said and what