

*Finance*

has been. It seems as though they were overwhelmed with their success and worried that it might become too much of a good thing, so they stopped it. "The dollar is dropping, and that is a good thing," they seem to say, "But we have to stop it." That approach is difficult to understand.

I see that my friends on the far right are smiling. I suspect they are rather supportive of the proposition I have put forward. But, Mr. Speaker, I find their position to be even curiously. I have been trying to assess it. My very distinguished friend, the hon. member for Don Valley (Mr. Gillies), was haranguing the government, accusing it of not taking the House into its confidence. I think he was right: there should be confidence in the government. I have been listening very carefully tonight to a series of excellent interventions from this side of the House, waiting to learn the position of hon. friends to my right. I am in a very tough position because, I am just a little country boy.

● (2302)

I want to speak about the Conservative position, but I find it difficult because I cannot discern what their position is. In desperation, I may have to ask our favourite country lawyer who is occupying the exalted position of Minister of Finance (Mr. Chrétien). I am sure he understands the Conservative position. I wish—just as the Conservative party wishes—with great sincerity that the government would take them into its confidence, and I wish the Conservative party would take the House into its confidence by explaining just where it stands on this issue. Do those hon. members want the dollar pegged, or do they want it to float free? That is a very simple question.

It is very difficult to understand the problem. Let us get back to the shakers and the movers in this House. Let us get some of the irrelevancies out of the way of what is a really a very important and serious discussion. First of all, it is suggested the Minister of Finance should come to the House and take us into his confidence regarding what he intends to do about the Canadian dollar. There is no way that this is important to this debate—that is, whether the Minister of Finance does that or not. As a matter of fact, if the Minister of Finance were ever to leak that kind of information, we would insist that he be thrown out of office. The last thing in the world a minister of finance is supposed to do is tip off the government's intentions respecting its currency exchanges. Let us get that suggestion out of the way.

**An hon. Member:** Hear, hear!

**Mr. Saltzman:** Let us get that matter out of the way, because it is not important to this debate.

Is there a crisis? There has been a crisis for a long time, and it is difficult to know whether one crisis is worse than another. It is like watching a punch-drunk fighter: you can hit him a couple of times and he does not even feel it. That is the position the government is in: it has been in a continuous crisis for a long time. To use hyperbole, this is the worst crisis we have ever had—but we have had the worst crisis we have ever had every day for a long time.

[Mr. Saltzman.]

The other question is, what is the government doing? The government is talking about trying to even things out. The worst possible thing the government could do, in my opinion—if it believes in a floating exchange rate and is committed to that and realizes the Canadian dollar has to be devalued—is to intervene in the market. If you want the gnomes to step in and speculate against the Canadian dollar, this is the way to do it: that is really the way to accomplish it.

I do not know the special circumstances. I do not know what the governor of the Bank of Canada said to the Minister of Finance to persuade him to do this, but it seems to me he has taken absolutely the wrong course. A lot of problems are associated with devaluation. There is no doubt it had to happen; and it had to happen because the government failed in its responsibility to do anything else.

Over the last period of time the government had one of two options, and only one of two. It could have stimulated the economy to full employment through positive government measures; it could have listened to my leader who has been talking about capital projects: he has been saying for a long time that, rather than putting people on unemployment insurance, the government should find jobs for them. Now is the time to do something about railway debts; now is the time to look at the possibilities of Fundy power; now is the time to consider future energy sources. There are a lot of things to do in Canada. That was an option the government had to deal with—unemployment. The government failed to deal with it; it failed to use the authority and responsibility entrusted to it to get Canadians back to work. Because it failed, the international community had disciplined the government. You can fail only up to a point, and then the chickens come home to roost—and they are roosting now.

This is going to be a corrective measure, but a painful, corrective measure. It is not a corrective measure that should be stopped. The government is to be faulted for stepping in at this time, trying to intervene in the money market. While we may not pay for this over the next month or so, what this policy will do is create a state of speculation against the Canadian dollar. That is just what the gnomes like; that is just what they want: they want to know they are being protected. If the dollar is not protected, you have one gnome speculating against another. When the Canadian government says it is going to intervene, they can speculate against the Canadian dollar without too much fear of losing out. After all, the government of Canada is protecting them to some extent.

Our dollar has been too high in relation to other currencies. This has been costing us jobs. This is not the time to go into the reason our dollar has been too high, but obviously it has been too high and had to drop. When the dollar drops, one does not go out and find a gibbet for the nation. As a matter of fact, the United States dollar, vis-à-vis other currencies, has been dropping even more substantially than our dollar. In fact, what other countries have been doing is not dropping their currency—and that is what the United States have been complaining about in relation to the behaviour of the money markets of Germany and Japan. They have been dropping