

Employment Support Bill

whether we must reconsider our whole industrial and commercial policies in the light of events of the past few weeks.

The discussions which the Minister of Industry, Trade and Commerce and I held with members of the administration were followed a week later by further talks between senior Canadian officials and their United States counterparts to examine in greater detail the impact of the surcharge on various sectors of the Canadian economy. It was agreed that these talks would be resumed following further study by the two governments.

Meanwhile, the implications of the United States measures are also being examined in a number of international forums. The Council of the General Agreement on Tariffs and Trade has already met to study the issue. As chairman of the Group of Ten, I have convened a meeting of ministers in London on September 15 to give consideration to the international monetary questions raised by the United States move and the reaction to it by a number of leading industrial nations. To lay the groundwork for that discussion senior officials of member countries of the Group of Ten met in Paris late last week. The meeting of ministers of the Group of Ten in London will be followed by another meeting in Washington prior to the beginning of the annual meeting there of the International Monetary Fund.

As the Prime Minister (Mr. Trudeau) said in a statement following the announcement of the United States economic program, much of our effort on the international front has been directed to dampening any tendency abroad to adopt counter measures of a retaliatory nature, which could escalate into an international trade war. I think that the measures proposed in this bill are not of that nature. We have also sought to contribute constructively to the intensive discussions now going on about the way in which the international monetary system should be restructured to end the severe imbalances which have created intolerable strains on the existing system, and to restore international confidence.

We agree with the United States that one of the first requirements of an improved international economic system is a realignment of exchange rates to reflect more accurately the real balance that should exist. It may well be that reaching agreement on adjustments of this kind may be closely interrelated to the securing of agreement with regard to the removal of restrictive United States measures. Ultimately, however, a proper balance will be achieved only if the relationships of exchange rates reflect the underlying forces at work in the market.

It is not feasible for Canada or any other country to attempt to establish and maintain unrealistically low or unrealistically high exchange rates. Our own experience early last year, and the more recent experience of several major countries, dramatically underline the truth of this contention. I am, however, acutely aware of the fact that the appreciation of our currency has raised difficult problems for a number of sectors of the Canadian economy, many of which have now seen their problems compounded by the new United States surcharge on imports.

[Mr. Benson.]

In the difficult and still evolving international situation that confronts us it is important to move with extreme care and careful consideration of all the many complex elements involved. As a government we are determined to do everything that is reasonably possible to protect the economic interest of Canadians against the adverse consequences that could result from restrictive measures adopted by other nations. The program provided for in the legislation placed before the House today is an important first step to deal with the immediate problem that has been raised for a number of sectors of the Canadian economy. As a matter of contingency we have given and are continuing to give intensive consideration to a number of other measures. We will not hesitate to bring forward such measures if they are warranted by the situation as it unfolds in the days and months ahead.

Mr. Saltsman: Mr. Speaker, I wonder if the Minister of Finance (Mr. Benson) would accept a question. I think it is rather important at this time. In view of the fact that the minister concluded his speech with fine, flourishing promises that he has some measures in mind, would he indicate what are those measures?

Mr. Speaker: Order, please. The hon. member has sought the floor for the purpose of asking a question. I am sure he proposes to make his own speech. If he wishes to ask a question, the Chair will recognize him; if not, the Chair will recognize the hon. member for Edmonton West (Mr. Lambert).

Mr. Saltsman: Thank you, Mr. Speaker. Would the Minister of Finance indicate what measures he has in mind should the present measure before the House not prove effective?

Mr. Benson: Mr. Speaker, this depends greatly on how the international situation develops. When we are talking about future contingencies we have to consider all the possible actions of various countries in the world. All I can say is that we are continuously considering the situation in an attempt to determine what we would do if various contingencies arose.

Mr. Speaker: Has the Leader of the Opposition (Mr. Stanfield) the consent of the Minister of Finance to ask a further question?

Mr. Stanfield: Yes, Mr. Speaker. Would the minister accept another question for the purpose of clarification? Are the additional measures he has in mind related to international problems, or does he have in mind additional measures in relation to our domestic economy?

Mr. Benson: As I have often told my hon. friend, a review of the domestic economy goes on continuously in the government and we take the measures we need to take at appropriate times. I know he is terribly upset because the economy is moving ahead.

• (8:50 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we were convened today in a rather dramatic setting of