

THE SENATE

Wednesday, February 12, 1986

The Senate met at 2 p.m., the Speaker in the Chair.
Prayers

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

TWENTY-SECOND TO TWENTY-FOURTH REPORTS OF
COMMITTEE TABLED

The Hon. the Speaker, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, tabled the committee's twenty-second, twenty-third and twenty-fourth reports approving budgets of the following committees:

Energy and Natural Resources;

National Finance;

Youth

(*For text of reports see today's Minutes of the Proceedings of the Senate.*)

VISITORS IN GALLERY

Hon. Gildas L. Molgat: Honourable senators, before Question Period is called, I wonder if I could have the attention of the Senate for a moment to introduce six young Manitobans who are in the gallery today. They are the first group of parliamentary interns in the Manitoba Legislative Assembly. They are visiting Ottawa for a week, and they are accompanied by the Clerk of the Legislative Assembly of Manitoba, Mr. Binx Remnant.

Hon. Duff Roblin (Leader of the Government): Honourable senators, perhaps the Senate will allow me to join with my colleague, Senator Molgat, in expressing our interest and acknowledging this delegation of parliamentary interns from my own province of Manitoba.

We are pleased to see them here because, as they know very well, there is nothing like the Senate in our province—indeed, there is nothing like the Senate in any other province of Canada; it is a unique institution. I hope that during the course of their visit they will be able to inform themselves as to the way in which this particular parliamentary institution fits into the grand scheme of Parliament in the Canadian federation, and perhaps form some appreciation of the valuable role that it fills.

Hon. Senators: Hear, hear.

Senator MacDonald: The Manitoba campaign has begun!

QUESTION PERIOD

[English]

THE ECONOMY

VALUE OF CANADIAN DOLLAR—TIMING AND EXTENT OF
MARKET INTERVENTION

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, the Leader of the Government will have noticed that last week I asked some questions of the deputy leader with respect to the massive borrowings of the Government of Canada to replenish its international reserves and also with respect to the market intervention undertaken by the Bank of Canada. I anticipate that those questions will be answered in due course—I hope very soon.

What I want to ask today is whether the Leader of the Government can throw any light on a matter that has been puzzling me, namely, why the Minister of Finance and the Governor of the Bank of Canada waited so long in order to take action to support the Canadian dollar. The dollar, as we know, had been slipping for some days, and indeed it had gone through the 70-cent mark; and at that point the government acted. My question is: Why had not some firm but gentle response been made in the market earlier so that the very costly intervention which took place might have at least been reduced somewhat, if not avoided?

Some Hon. Senators: Hear, hear.

Senator MacEachen: I am asking: Why was it too much too late?

Some Hon. Senators: Hear, hear.

Hon. Duff Roblin (Leader of the Government): Honourable senators, of course, I will advise my honourable friend that the questions he asked the other day have been taken note of by my colleague and answers will be forthcoming in due course. I would hesitate to trespass on the thin ice of financial policy when talking to my friend, because he has had a good deal of experience in that field. However, it would not be inappropriate for me to say that the question of the movement of the Canadian dollar is something that one cannot foresee. One can observe what it does, and one can look at trends. One then has to make up one's mind as to how far those trends can be allowed to move without bringing to bear the full force of the government and the bank in respect of the matter. For some time the bank was trying by its regular methods to moderate