

Currency Devaluation

committee—the insinuation that every time borrowings are made to bolster the exchange reserves, it means a net cost to the Canada taxpayer. This is not necessarily the case. In many cases when borrowing to buy another currency the money can be invested, and perhaps in some cases an even higher return can be earned than the cost of borrowing the money. The governor of the Bank of Canada referred to that when he said:

The total amount of government borrowing and the total interest cost to the government is not necessarily increased. And for the country as a whole the net external debt burden is not necessarily increased.

In his concluding remarks before the committee the governor of the Bank of Canada said:

—we should not exaggerate the difficulties or be frightened of the future. There is much to reassure us. The Canadian economy is now very competitive with the rest of the world. It will take time for us to reap the full benefits although I think they are already in evidence to some degree.

I might interject that the 477,000 new jobs are perhaps some indication of what he was trying to get at. He did not use that figure; it is mine. He went on to say:

One promising sign is the remarkably strong growth in employment that we have been experiencing recently. The main point is that we still have a reasonably good chance of emerging from our present difficulties in a strongly competitive position, with lower rates of inflation, and in time with lower interest rates.

The government is being criticized by the hon. member for Don Valley, the Leader of the Opposition and others who are trying to make an issue of this exchange rate. Let us be realistic. The issue they are trying to make is to see through constant bickering and putting the item in front of the public that possibly it can go a little lower because they feel that politically that might be of some use to them.

Some hon. Members: Oh, oh!

Mr. Martin: Mr. Speaker, I think that is exactly what is happening, otherwise they would be listening to the view that positive information—

Mr. Gillies: Mr. Speaker, a point of order, I want the hon. member to withdraw that statement right now. It is dishonest, it is inappropriate, it is absolutely incorrect, and is not worthy of being spoken in this House of Commons. To suggest for a moment that when members of parliament are trying to debate important economic issues they are trying to embarrass the government instead of getting things going in a proper way, is outrageous.

Mr. Deputy Speaker: Order, please. The hon. member for Don Valley (Mr. Gillies) will agree with me that he has just got a point of debate. These remarks are definitely not unparliamentary.

Some hon. Members: Oh, oh!

Mr. Gillies: It is not a point of debate, it is a point of order—a point of privilege. It is not a point of debate. The speaker opposite said that the Leader of the Opposition (Mr. Clark) and myself were trying to make an issue out of the Canadian dollar to send it down. We are trying—we have said

[Mr. Martin.]

over and over the problems that are created by this dollar going down—we are trying to get it up.

Mr. Deputy Speaker: Order, please. Order, please.

Some hon. Members: Oh, oh!

Mr. Gillies: I want you to ask that man to withdraw that statement.

Mr. Deputy Speaker: Order, please. The hon. member has a point of disagreement and nothing else. There is definitely no point of order in what he is saying. He may have a different opinion. The remarks of the hon. member are not a reflection on the hon. member. It is a question of interpretation of facts, policies and remarks.

● (1750)

Mr. Gillies: Mr. Speaker, I rise on a point of privilege.

Mr. Deputy Speaker: Order, please. I have rendered my decision. There is no question of privilege on the assumption made by the hon. member.

Mr. Gillies: Mr. Speaker, he said that I was trying to force the Canadian dollar down. That is privilege. That is not debate.

Mr. Deputy Speaker: Order, please. That is the hon. member's point of view. I am not here to judge what is one member's point of view in comparison to another member's point of view. I am sure the hon. member's remarks might not have satisfied the parliamentary secretary when he made his speech—

Mr. Gillies: The parliamentary secretary is a liar.

An hon. Member: Withdraw that statement.

Mr. Deputy Speaker: Order, please. What the hon. member for Don Valley just said is unparliamentary and I think he should withdraw that statement.

Mr. Gillies: Mr. Speaker, that man said the reason we are debating this dollar problem is because we are trying to force it down.

Mr. Crosbie: He is a liar.

Mr. Gillies: That is not true, Mr. Speaker. That is absolutely not true. He lied when he said that.

An hon. Member: Order!

Mr. Deputy Speaker: Order, please. I ask the co-operation of the hon. member. I cannot allow the hon. member's last remark in any way, especially as he said it as directly as he did. He has a point of disagreement. He can say that the statement is untrue but I cannot allow this last remark unquestioned by the Chair. By the rules of the House the hon. member must withdraw it.