

Currency Devaluation

first—my colleagues will be discussing this later—there have been higher domestic interest rates; second, there have been immense federal borrowings abroad; and third, there has been the utilization of large amounts of foreign exchange reserves.

These three do not represent by any means all the tools available to defend the dollar. There are others available, and the parliament and the people of Canada have a right to know whether the others are being considered, and if they are not, why not. And if they are being considered, is there an intention to introduce them and to modify them?

There are a number of other measures available. Let me enumerate some of them that should be considered by a government that is serious about maintaining the strength of the Canadian dollar. Is consideration being given to currency swaps with central banks of other governments? Is consideration being given to borrowing from the International Monetary Fund? Is consideration being given to the revaluation of Canada's gold reserves? Is the government considering reductions in the rate of monetary expansion which we have seen in this country? Is any consideration being given to raising the chartered bank secondary reserve ratio? Is consideration being given to seriously reducing the growth rate of federal spending? Is the government giving any consideration to placing temporary import quotas on non-essential goods? Is there any consideration being given to reducing the duty-free exemption for returning Canadian travellers?

Those are only some questions, and the list is by no means inclusive. Many of these mechanisms may be completely unacceptable to the government. All of them involve costs to the Canadian economy. But let us be clear about this: so does the current interest rate policy involve costs to the Canadian economy; so does the current falling of the Canadian dollar; and so does the current rate of inflation, fed so much by the devaluation of the dollar.

What this parliament has the right to know and what the government has an obligation to set forward is what are the relative costs to the other instruments that might be available, and why is there no serious public consideration of other means that might prove more effective than the means that have clearly failed to support the Canadian dollar?

[*Translation*]

Mr. Speaker, I referred to the matter of interest rates and although this government seldom does anything sensible, there is nothing less sensible than their determination to increase interest rates to record levels. That idea of theirs has led to the most expensive monetary policy in this country's history.

We are told the government has no choice, they must maintain interest rates above those in the United States. In suggesting this the government forget there were times in history when interest rates were in lower Canada than in the United States, without undue harm to this country. But more important still, this government admits Canada has no choice and must be a follower rather than a leader, whatever the consequences for Canadians and our own economy.

[Mr. Clark.]

[*English*]

These alternatives that I have listed have to be considered. Will the Minister of Transport, when he rises in his place today, explain to the people of Canada and to parliament why these alternatives I have listed are not acceptable, whether they are being considered, and if so, whether there is any intention to follow any of them?

In his appearance last week before the standing committee, the governor of the Bank of Canada said that he would not recommend them. That is his judgment, and his judgment, of course, has credibility. But there has been no explanation as to why all other alternatives to a policy that has failed are unacceptable.

[*Translation*]

Mr. Speaker, it is essential in my view that we obtain either here in this House or in our parliamentary committees a much more in-depth and precise explanation than we have been provided with up to now.

[*English*]

That, Mr. Speaker, is the problem of policy, but there is also the very serious problem of secrecy. Secrecy has become a way of life with this government. It is the most secretive government in the western world—

Mr. Speaker: I regret to interrupt the Leader of the Opposition (Mr. Clark) but I think he will observe that his time has come to an end. I thought perhaps he was concluding, but then I realized he was opening another subject. I do not think he can carry on now without the consent of the House. It is the usual 30 minutes time limit. It expired a minute or two ago but I did not want to interrupt him at that time. Perhaps he could indicate now whether he proposes to conclude or whether he wishes to seek the consent of the House to continue.

Mr. Clark: Mr. Speaker, I would propose to conclude, if I might be given a minute to do so, and I will try to take no more than that.

I had intended to elaborate somewhat more the problems of secrecy posed for this process by the government, particularly in light of the fact that eight years ago we had a recommendation by a committee of the other place that would have led to a much more extensive public discussion of economic questions. I wager to say that had the advice of the other place been accepted, had there been a tradition of openness for the last eight years instead of the tradition of secrecy which we have seen here, we would not be facing a problem with the value of the Canadian dollar as acute as the one we now face.

While it is fundamentally important that the government change a policy that is leading us to deeper and deeper trouble with the Canadian dollar, it is also fundamental that this government abandon its practice of secrecy, that it stop putting obstacles in the path of inquiries by committees of the House of Commons and allow witnesses to come and be examined; that it allow all the truth to be told about the state of the Canadian dollar and the options that are available to the government and the governor of the Bank of Canada that