

the remaining anomalies in the Veterans Affairs Charter could be rectified to the benefit of veterans.

**Hon. Raymond J. Perrault (Leader of the Government):** Honourable senators, that information will be brought to the Senate as soon as a date has been set for the introduction of a bill.

**Senator Marshall:** As soon as a date has been set? That could be in 1996. Would the Leader of the Government obtain confirmation from the minister that he would like to bring forward legislation at an early date. I do not accept "when a date has been set" as being a proper answer.

**Senator Perrault:** Honourable senators, I have no firm date that I am in a position to communicate to the Senate at this time. The Minister of Veterans Affairs has consistently expressed and demonstrated his concern for the welfare of Canadian veterans. Senator Marshall's question and his observations will be brought to the attention of the minister.

**Senator Marshall:** Honourable senators, though I can tell the Leader of the Government that the Aging Veterans Program is an excellent one, it must be brought ahead quicker so that more veterans can take advantage of it. At the present moment, only those with disability pensions are eligible to apply for benefits under the program. The minister indicated in his speech to the Canadian Legion that by 1996 only 395,000 veterans would be left. In view of the fact that the average age of World War II veterans is now around 63 or 64, it is imperative, especially with the closing of the last remaining veterans' hospitals, that this Aging Veterans Program be put into effect sooner. Would the minister obtain some information and bring me an update on that matter?

**Senator Perrault:** The question will be taken as notice.

## THE ECONOMY

### DECLINE IN VALUE OF CANADIAN DOLLAR

**Hon. Lowell Murray:** Honourable senators, may I ask the Minister of State for Economic Development a question? As every day under the minister and his colleagues goes by, the Canadian dollar is setting new records as it falls to new lows. My question is based on the statement by the Right Honourable the Prime Minister that the dollar will be free to float below 80 cents. Does this mean that the Bank of Canada will cease intervening in the money market to support the level of the dollar?

**Hon. H. A. Olson (Minister of State for Economic Development):** Honourable senators, it has been stated over and over again that the Bank of Canada intervenes only to modify some of the extreme fluctuations that occur in the value of the dollar.

**Hon. Jacques Flynn (Leader of the Opposition):** Do you mean that it will sink slowly?

**Senator Olson:** The real value of the Canadian dollar, or the amount at which it is trading on the international exchange,

will be set by the market, with some modest intervention to offset the extremes, as I have just mentioned.

**Senator Flynn:** What do you call an extreme?

**Senator Murray:** We shall see, when the figures on the foreign exchange reserves come out in due course, just how modest the intervention by the Bank of Canada has been. In light of the minister's statement, why does the government need \$750 million, which it is trying to borrow—as I observe, with some difficulty—on the European market?

**Senator Olson:** Honourable senators, I do not accept the statement in the last part of that question, that it is "with some difficulty". The honourable senator knows that it is necessary from time to time to demonstrate to many traders that there is a great deal of strength in the Canadian monetary system, along with the determination that it is not easy for them to have a run on the Canadian dollar in order to make a profit. As I pointed out, there has been some fluctuation, and in the past few days that fluctuation has been slightly more down than up.

However, Canada is not alone in this situation. As a matter of fact, the decline in the Canadian dollar in recent days has occurred against the background of a very strong U.S. dollar in the international market, and against the U.S. dollar all major international currencies have come under some downward pressure. If my honourable friend would like the figures, it is not really difficult to provide them. For example, during the past week the Canadian dollar declined against the United States dollar by 1.4 cents, and over the past two weeks by 2.1 cents, while over that same two-week period the Japanese yen has declined by 2.9 per cent.

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In the same period the Deutschmark declined 3.3 per cent, or 50 per cent more than did the Canadian dollar; the Swiss franc declined 3.9 per cent; the French franc declined 9.2 per cent; the Italian lira declined 4.6 per cent.

**Hon. Martial Asselin:** What about the American dollar?

**Senator Olson:** The pound sterling declined 1.8 per cent; the Belgian franc declined 4.1 per cent; and the Dutch guilder declined 2.8 per cent.

**Senator Asselin:** The American dollar!

**Senator Olson:** Therefore, there is only one major currency in the international world, that being the U.K. pound, that declined less in the past two weeks than did the Canadian dollar against the U.S. dollar.

As I pointed out, there are a number of obvious reasons for that, and I would be glad to give you our explanation.

As I said, the Canadian dollar has performed in those markets very strongly in the past few days. Against all currencies, the Canadian dollar has stood up to the pressure better than all but one.

**Hon. Raymond J. Perrault (Leader of the Government):** Hear, hear.