

*Unpegging of Canadian Dollar*

know whether this is unfair, but I have to point out that it coincided with the return of the Prime Minister (Mr. Trudeau) to Canada. The Minister of Finance made the statement last Wednesday, just a few days before Sunday's announcement, that the matter was not being considered by the government. Then the decision was suddenly made upon the return of the Prime Minister.

Mr. Speaker, this policy has increased the value of the Canadian dollar on world exchanges and it certainly has increased the difficulties of exporters, primary producers, farmers, fishermen, lumbermen, people in the petroleum and mining industries and those in the potash industry. Some of these people are in the hardest pressed sections of the economy. What the minister has blithely announced and dismissed cavalierly with comments about how strong our export position is, really represents a disaster for a good many people who are struggling to keep their heads above water.

Consider the effect of this policy in the west, in the export industries of British Columbia and the Prairies. Consider its effect on the Atlantic provinces.

• (8:10 p.m.)

The policy announced by the minister will do more to slow down and set back the slow-growth areas of Canada than anything that has been done or will be done in the next while by the minister's colleague, the Minister of Regional Economic Expansion (Mr. Marchand).

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** This is another step toward what appears to be the deliberate policy of the government to spread poverty evenly across Canada with special emphasis on the slow-growth areas. There has not been a word from any responsible minister regarding proposed government policies to offset the detrimental effects of the minister's program.

On Sunday the minister gave the impression that he would make an announcement in the House regarding his policy. He must have been hoping for some inspiration during the evening, but he certainly did not get it. If he did, he is keeping it to himself. What about the Minister of Industry, Trade and Commerce (Mr. Pepin)? Does he know the effects of this policy upon Canada's trade? Has his department conducted any study as to the likely effects of a change in the exchange rate of the Canadian dollar with regard to our

trade, or is the attitude of the Minister of Industry, Trade and Commerce like that of the Minister of Finance?

When the Minister of Finance was asked if this policy would be rough on the lumber industry, which is already having a difficult time, he replied that our export industry is in a strong position. I would like to hear the minister tell that to the lumber industry. It represents a great misunderstanding of the difficulties faced by Canadian export industries.

There will also be an effect on the tourist industry and our domestic industries. The minister says there might be some effect on the unemployment situation as a result of this policy, but it will be rather distant. I think it might be soon. It will affect, among other things, the expectations of businessmen and the possibilities of planning for the future. It is likely to quickly reflect itself in unemployment in this country.

I do not want to be unfair, but it seems that the government took the step not knowing what the consequences would be. The government threw away the stimulus of a relatively favourable exchange rate that Canada had, not knowing what the consequences would be. They threw that away without knowing the alternatives and not being able to say what their plans would be. We are confronted not only with this measure but also the white paper. Clearly, the government has no idea or comprehension of the policies it proposes to adopt to offset the detrimental and what will be sometimes the disastrous consequences of the minister's announcement on Sunday evening. The government should not have adopted this policy.

There is also the matter of consumer credit. This policy was really just talked about and not adopted. There has been an announced reduction in the bank rate from  $7\frac{1}{2}$  per cent to 7 per cent without even the slightest indication as to what the policy will be. We have not been told whether this will be associated with a loosening of monetary policy. Apart from the indication of a reduction in the bank rate, everything is complete obscurity and utter darkness. Someone in the deep recesses of the Department of Finance, the Department of Industry, Trade and Commerce or the Bank of Canada may know what the policy is going to be, but they certainly are not telling the public.

**Some hon. Members:** Hear, hear!