

As I mentioned yesterday, in terms of the sale of our technology, we certainly do have very good technology. The deal with Argentina was fraught with a number of difficulties. It was a very complex negotiation. I have already mentioned our performance on the Embalse reactor, which was far from being satisfactory in years past. The Government of Argentina was concerned about that performance. I mentioned also that the Government of Argentina was concerned about second sourcing. That is a concern I can well understand, because they do not want to be totally dependent on one foreign government for their source of nuclear supply.

There was also the question of our insistence on the safeguard policy as set forth by the previous government. That was a position that was well known to the Government of Argentina, and when we look at the totality of the factors involved, we can perhaps see why they opted, in the case of this one transaction, for a German-Swiss consortium. There are still three other potential Candu contracts in Argentina, and we will be aggressively pursuing those, as well as other possibilities in other countries.

[Translation]

**Senator Bosa:** A small supplementary.

**Senator Lamontagne:** If you will allow me, I would simply like to ask the minister for a clarification because I did not fully understand his remarks. Did the minister say he agreed with what Mr. Campbell said?

**Senator de Cotret:** On the contrary, I disagree entirely. It is in total disagreement.

[English]

**Senator Bosa:** There seems to be a great deal of difference of view in cabinet as to what caused the failure of the sale of the nuclear reactor to Argentina.

**Senator Flynn:** What do you know about that?

**Senator Bosa:** Well, if the leader would wait for a second, perhaps he might learn what I know.

The Minister of State for International Trade is reported as having said this in the House of Commons yesterday:

—the factor of safeguards was a matter in the decision they reached recently on the Candu reactor sale.

That appears to be in complete contradiction to what Miss MacDonald, the Secretary of State for External Affairs, is reported as having said by the *Globe and Mail* this morning, to the effect that in a conversation with the Argentinean ambassador she was told that nuclear safeguards were not a factor in the loss of the sale.

Which is the official version?

**Senator Flynn:** You have just heard it.

**Senator de Cotret:** Honourable senators, our position on the safeguard issue has been very clear from the beginning. We insisted, as did the previous government in these negotiations, on total safeguards. That position was well known to the Government of Argentina. The fact that the safeguards were changed twice since the initial Embalse contract was signed by

the previous government may have raised doubts in the mind of the Government of Argentina. Certainly that is a question you would have to ask them rather than us.

From our point of view, our position on the safeguard question was well known, and was communicated to the Government of Argentina. I believe the official reports were to the effect that they understood exactly the position we had taken on the matter.

**Senator Bosa:** But this is not what Miss MacDonald is saying.

## THE ECONOMY

### GOVERNMENT INTERVENTION IN CURRENCY EXCHANGE TRANSACTIONS

**Senator Austin:** Honourable senators, I have a question for the Minister of State for Economic Development. As the minister will know, the Canadian dollar fell below 85 cents in terms of the U.S. dollar in the last day and a half. I would ask the minister whether it will be the policy of this government to intervene in currency exchange transactions to regularize and normalize day-to-day trading, which, in the last government, was called a clean float, or whether the government will ask the Bank of Canada not to intervene in any way in day-to-day currency transactions, which was the position the opposition took in the last Parliament.

**Senator de Cotret:** I will be happy to consult my colleague, the Minister of Finance, to respond to the specifics of your question.

I should like to mention, however, that the Canadian dollar, in light trading this morning, was rising, and also that the stock exchange was rising by noon. I do not think we have to worry about the Canadian dollar's falling too rapidly at this point in time.

**Senator Austin:** I just want the minister's assurance that the Canadian dollar will not rise because the Bank of Canada has been instructed to purchase United States dollars.

## ENERGY

### DOMESTIC OIL AND GAS PRICES

**Senator Austin:** Honourable senators, may I address another question to the same minister.

I very much appreciated the answer this afternoon to the effect that there would be no amendments to the Petroleum Administration Act, and I would like to ask the minister to assure this house that in the event that no agreement with the Province of Alberta and the Province of Ontario and the other provinces of Canada is possible with respect to the price of oil, the government will exercise its authority under that act to establish a price level for the one-price Canadian market.

**Senator de Cotret:** First of all, honourable senators, I would just like to re-emphasize the answer that I gave to the question that the honourable senator asked yesterday, in which I