

questions posed by hon. members of the opposition, the market was not orderly yesterday, and the governor had to move in. In November 1977 we indicated that we had a stand-by credit which we could use when needed.

The hon. member for Halifax (Mr. Stanfield) asked me a question, and I did not have the time to reply properly to him. It is true that two years ago we asked the provinces not to borrow in foreign markets. At that time there was a very simple reason for that. The Canadian dollar was at \$1.03, and borrowing in foreign markets was pushing the dollar even higher. It was substantially hurting the Canadian position in terms of exports.

Today we are not faced with the same situation at all. The Canadian dollar is not worth \$1.03 U.S. It is worth 89.73 cents. The situation is different. For economic reasons, the provincial governments are not borrowing on foreign markets. One reason is to offset the balance of payments problem which is always existent in Canada, because we are a developing nation. I am not blaming the provinces. On the advice of my officials in the Department of Finance, and in consultation with the governor of the Bank of Canada, I was convinced that the right move to make was to go into the foreign market at this time in order to borrow money. That was decided yesterday afternoon. I made it public in the usual way: I made a statement after the market closed. We had discussed that matter in my office in the morning, but a conclusion was not reached. After five o'clock I called my associate deputy minister to tell him to go ahead. Even at that time we changed the formula somewhat. We do not announce every borrowing in the market in the House of Commons. I had to wait until the market closed to make that announcement. Every three months we go to the marketplace to borrow money.

An hon. Member: The House is sitting.

Mr. Chrétien: We are sitting every day, but it is not the practice of parliament every time to ask the Minister of Finance to make a statement on his borrowing intentions before the House. There is nothing unusual about what I did.

I am extremely disappointed the opposition is acting irresponsibly at this time by attempting to create the impression that there is a crisis, when the level of the Canadian dollar is exactly the same as it was in October.

We are going through a process of adjustment in our economy at this time. Hon. members speak about more stimulus in the Canadian economy. On January 1, 1978 we stimulated the economy to the tune of \$3 billion. I heard the hon. Leader of the Opposition speak about his own budget propositions the other day: \$2 billion, son budget de l'an I. He indicated that he would cut expenditures to the tune of \$2 billion. He said that he would fire 60,000 public servants.

Some hon. Members: That is not true.

Mr. Chrétien: He is the same man who rose from his seat in the House of Commons—

Some hon. Members: That is not what he said.

Finance

Mr. Chrétien: He said that.

Some hon. Members: Oh, oh!

● (2102)

The Acting Speaker (Mr. Turner): Order, please. The Leader of the Opposition (Mr. Clark) wishes to rise on a point of order.

Mr. Clark: Mr. Speaker, I know the Minister of Finance would never want to mislead the House of Commons. I am sure he would like to correct the false information which he has just placed with such enthusiasm on the record and make it very clear that my proposal, which I hope the government will adopt and follow, is not to fire public servants but to freeze hiring in the public service. The Minister of Finance will admit that he was wrong in the accusation he made with such delight and I hope that he will accept my rising on this point of order to correct him, not only here but anywhere else where he might be tempted to misrepresent my position without having to face me when I set the record straight.

Some hon. Members: Hear, hear!

Mr. Chrétien: Mr. Speaker, if he does not replace 60,000 people, I admit that they are not fired outright.

Some hon. Members: Oh, oh!

Mr. Chrétien: I am glad to see the hon. member for Grenville-Carleton (Mr. Baker) here. Will he tell me what will be the effect on this town if 60,000 people are not replaced?

Some hon. Members: Hear, hear!

An hon. Member: Right on.

Mr. Chrétien: We are removing only 5,000 people in a period of five years, but the opposition admit they will not replace 60,000 people. That means millions and millions of square feet of space that will be vacated in the private sector in Ottawa.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Thank you. That is exactly what I wanted you to say.

Mr. Chrétien: He will make Ottawa, as they say in English, a ghost town. If he is right, I made a little calculation and find that the maximum he can get from this is \$240 million. He is still short of \$1,750 million. So he came up with two other proposals, great proposals. He wants to close down FIRA. I took a look at the books and found that he would save \$4 million. Then he said that he wants to close down the Department of Urban Affairs. I told myself there must be a hell of a lot of money there, but I found that the Department of Urban Affairs would bring only \$16 million.

Then he had another great proposal to cut expenditures. He said he wants to transfer Eldorado Mines to the private sector.