

Oral Questions

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we have decided to borrow on foreign markets because we have a deficit in our current balance of payments and contrary to what was being done these past few years, provincial governments did not seek substantial loans on foreign markets in 1978. To meet our obligations, we have felt necessary to borrow on foreign markets to compensate for the effect of the deficit in our balance of payments. There is nothing humiliating in that, since it is recognized that savings in Canada are high at this time and that provinces do not have to borrow abroad. So the federal government had to compensate for that situation.

Mr. Laprise: I would like to ask a supplementary question, Mr. Speaker.

Judging by his answer, the Minister of Finance seems to think it is necessary to borrow on foreign markets every year.

I would like to ask the Minister of Finance if he intends to consider, before it is too late, the possibility of using a well established Canadian institution—the Bank of Canada—to support the Canadian dollar by making our exports acceptable to other countries.

Mr. Chrétien: Mr. Speaker, I issued a release yesterday after consultation with the governor of the Bank of Canada.

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● (1432)

[English]

NATIONAL SECURITY

SURVEILLANCE OF MPs—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the Prime Minister. Last October, in a letter to the Leader of the Opposition, the Prime Minister stated:

I can, however, state unequivocally, that as long as I have been Prime Minister of Canada no member of the federal parliament, without his consent, has ever been the subject of authorized surveillance, including electronic surveillance, carried out by the security service of the Royal Canadian Mounted Police.

I ask the Prime Minister whether that unequivocal assurance still remains, in view of sworn information that a minister of the Crown and a member of the New Democratic Party were, in fact, subjected to that kind of electronic surveillance.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my letter was written on the basis of the information I had received from the security service, and that information still stands. I understand that as the House opened, the hon. member indicated that he might have some contrary information for the Solicitor General. If that is so, we would like to follow it up.

[Mr. Laprise.]

SURVEILLANCE OF MPs—INQUIRY AS TO EXCEPTIONS TO POLICY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, before I ask the Solicitor General a question in this regard, I would like to say that I corresponded with his predecessor, the hon. member for Argenteuil-Deux-Montagnes, last January 12 but did not receive any response at that time; nor have I received any response since.

A man named Warren Hart has indicated—I believe the Solicitor General has information at this point, and perhaps has had it in the past—that exceptions to what the Prime Minister has indicated still exist. Does the Solicitor General wish to make any statement to correct the previous assurance given the Leader of the Opposition and other party members?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, with reference to the first point raised by the hon. gentleman, if I recall correctly a letter is on its way relating to the gentleman whom he has identified. On the second point, I have just received the document to which the hon. member refers. Allegations are contained in that document and, as the Prime Minister has indicated, I would like to follow them up.

Mr. MacKay: Mr. Speaker, I would like to ask the Solicitor General if he intends to make every attempt to have Mr. Warren Hart appear before the McDonald commission, since on my advice he has already corresponded with the commission and, I understand, recently received an acknowledgement.

Mr. Blais: Mr. Speaker, I will take the hon. gentleman's representations into consideration with all the seriousness they deserve.

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FINANCE

VALUE OF CANADIAN DOLLAR—LEVEL SOUGHT BY GOVERNMENT

Mr. James Gillies (Don Valley): Mr. Speaker, I would like to return to the Minister of Finance. I ask the minister if the intervention yesterday by the government of Canada in foreign exchange markets means that the policy of the government is to have the dollar supported at 90 cents?

Hon. Jean Chrétien (Minister of Finance): No, Mr. Speaker.

Mr. Gillies: Mr. Speaker, in that case I would ask the minister why the intervention took place.

Mr. Chrétien: I have explained that the governor of the Bank of Canada has intervened, or operated in the market to make sure that the market operates in an orderly fashion.

Mr. Gillies: Mr. Speaker, is the minister saying that going to the commercial banks to borrow \$1.5 billion, and making arrangements for foreign credit, are normal operations in the money market? Does he not think it is his responsibility to