

*Oral Questions*

**Some hon. Members:** Oh, oh!

**Mr. Clark:** He did not answer the question as to why he did not come to the House of Commons to make his statement, to answer questions and dismiss any of the concern that his very vague statement might have raised.

**Some hon. Members:** Oh, oh!

**Mr. Clark:** My next question to the Minister of Finance is the following: In the very brief statement that he issued last night, the minister said that the government "would shortly be making a drawing under the revolving stand-by credit". Would the Minister of Finance tell the House of Commons and the people of Canada when he will be making that drawing?

**Mr. Chrétien:** Mr. Speaker, I hope to be able to make this drawing in the next few days. When the amount is known, I will make it public. At this time we are in discussion with the banks.

**Mr. Clark:** Mr. Speaker, the minister knows that there is a requirement of at least two days' notice to the banks before recourse to this stand-by credit. Will he tell us when the first formal, or informal advance notice was given to the participating banks relative to the intention to draw upon this stand-by credit?

**Mr. Chrétien:** Mr. Speaker, when the arrangements have been made, I will make them public; but I have nothing else to add at this time.

**Mr. Clark:** Mr. Speaker, there is absolutely no reason, relating to confidentiality or anything else, other than a determination to keep facts from this House of Commons—

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

**Mr. Clark:** There is no reason why the minister could not tell the Parliament of Canada when the first formal, or informal notice was given to participating banks. He may well have misunderstood the question; that is always possible, as he misunderstands a lot of things.

**Some hon. Members:** Oh, oh!

**Mr. Clark:** I would like to give him an opportunity, again, to tell this House when the first formal or informal advance notice was given to the banks relative to the intention to draw upon that credit.

**Mr. Chrétien:** Mr. Speaker, if I were to make a list of the things that the hon. member does not understand, I would need a lot of the time of the House of Commons.

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

**Mr. Chrétien:** I have nothing to add to the previous answer.

**An hon. Member:** That is sad, sad.

[Mr. Clark.]

BANK OF CANADA ACTION TO BOLSTER VALUE OF CANADIAN DOLLAR

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, my question is also for the Minister of Finance, who has repeatedly assured this House that the government's operation in the exchange market is purely an ordinary market maintenance process. In fact, in this House only yesterday he made that statement. At 4 p.m., at a committee of this House, he went further and reconfirmed that the Canadian dollar is a floating dollar. Would the minister, in the context of what he represented yesterday, indicate whether he was aware that on Monday and Tuesday the Bank of Canada became an aggressive buyer of Canadian dollars and showed an entirely different approach to the Canadian dollar than had been seen up to that time?

[Translation]

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, I have always said that the governor of the Bank of Canada intervened so that the market would work in a normal and orderly fashion. That is what he did on Monday and Tuesday. Of course, the government policy remains the same and we do not intend to peg the Canadian dollar which is floating at present. Today, it did fluctuate slightly upward.

● (1422)

[English]

**Mr. Stevens:** Mr. Speaker, my supplementary question is directed to the Minister of Finance. In view of the minister's statement that we have nothing but a floating dollar, would he indicate if he is aware that the Bank of Canada lost something over \$200 million in trying to chase the dollar up on Monday and Tuesday? Does he regard that type of outflow as far as our reserves are concerned as simply ordinary maintenance of the marketplace?

**Mr. Chrétien:** Mr. Speaker, the hon. member should know that fluctuations in the exchange reserves are known on the first Tuesday of the month. Hon. members and Canadians generally will know at that time what fluctuations there were in the reserves in the month of February. The law does not permit me to say more.

**Mr. Stevens:** Mr. Speaker, my further supplementary is also directed to the Minister of Finance. As the dollar responded very little this morning to the announcement by the minister yesterday, and as there is continuing uncertainty in the marketplace, triggered to a great extent by the inept handling of this subject by the minister—

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

**Mr. Stevens:**—would the minister try to give a little clarity to the situation and indicate now what the nature of the foreign borrowing is that he is referring to? Who will he borrow the funds from? What is the term and the interest rate? In short, will he set it out more fully in a statement to the House, as he should have done last evening?