

*Oral Questions*

● (1112)

**PRIVILEGE**

MR. COSSITT—NATIONAL SECURITY—VISIT OF SOLICITOR GENERAL AND HEAD OF SECURITY SERVICE TO HON. MEMBER'S OFFICE

**Mr. Speaker:** Order, please. Before beginning the oral question period, and because it might influence questions put during the question period, I might take a moment to indicate that since yesterday's rather extensive discussion I had conversations this morning both with the hon. member for Leeds (Mr. Cossitt) and with the Solicitor General (Mr. Blais).

I am happy to advise the House that the matter appears to be resolved in the following way. Pursuant to the undertaking that was given to the House yesterday by the hon. member for Leeds, which he repeated to me in respect of the safekeeping of the document or documents, that they would not be moved or touched or used in any way during the course of the weekend, and that while it will be necessary for the Solicitor General to serve the hon. member with a document of some sort, pursuant to the Official Secrets Act, and that having been done some time today, the matter will stand in abeyance until Monday morning.

This will permit the hon. member for Leeds to pursue legal advice which he began yesterday. But, reasonably, having found a solicitor who is expert in these matters, the solicitor requires some time to properly advise the hon. member for Leeds after service of the document by the Solicitor General under the Official Secrets Act. The matter will stand in abeyance until Monday morning so that the hon. member for Leeds can communicate to the Solicitor General or to me the position he proposes to take in respect of it.

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

**Mr. Speaker:** Needless to say, I should like to thank both hon. members and the House for their extensive contributions yesterday to a most important, fundamental matter and to a very vigorous and useful discussion. This will form part of our deliberations, no matter how this question is resolved. I want to thank all members who co-operated throughout in this rather difficult matter.

**ORAL QUESTION PERIOD***[English]***THE CANADIAN ECONOMY**

GOVERNMENT BORROWING TO BOLSTER VALUE OF CANADIAN DOLLAR

**Mr. Joe Clark (Leader of the Opposition):** Mr. Speaker, I have a question for the Minister of Finance. Yesterday, the minister issued a press release announcing the intention of the government of Canada to go to the United States on a

*[Mr. Speaker.]*

borrowing venture. What is surprising about that is the amount of money the government proposes to borrow.

As the minister must surely know, if we wanted to maintain our traditional reserves in United States dollars, we would need to borrow almost \$5 billion U.S. Can the minister tell the House why he is seeking to borrow only the token amount of \$750 million, in light of what has happened to the Canadian dollar?

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, we decided that was the appropriate amount of money to borrow, in the circumstances.

**Mr. Clark:** A supplementary question, Mr. Speaker. My question was why this amount was decided upon. There is a very real question about whether the decisions that this minister calls appropriate are appropriate in fact. I should like to ask the minister whether he considered indulging in the normal practice of trying to place this proposed issue privately, and whether he was turned down. I should also like the minister to tell the House whether the original request was for a larger amount than \$750 million.

**Mr. Chrétien:** Mr. Speaker, we had both options, and we decided to go public. The amount was the amount discussed between my agent, the governor of the Bank of Canada, and the institutions. It is a public issue. More details will be made public later on.

**Mr. Clark:** Once again, the minister did not answer the question, Mr. Speaker. He said they had both options. My question was whether they decided to go public because they were turned down privately. I hope the minister can address himself to that question. Since he has made this decision to go to the Securities and Exchange Commission of the United States, he must surely know it will be necessary for the government of Canada to file a registration statement with the SEC. This will mean the Minister of Finance is proposing to give the Securities and Exchange Commission of another country more information about our economic situation than he is giving the House of Commons of Canada.

● (1117)

Will the minister give us a commitment now that he will file on the floor of the House of Commons and make available to the people of Canada exactly the same information he is going to make available to an agency of another government, before he makes that public declaration to the SEC?

**Mr. Chrétien:** Mr. Speaker, I knew I had to file a prospectus like any other institution that goes to the American market. I was aware of it and I have no problem with it at all. I think the story we can tell about Canada is a very good one. When I said I had the two options, I hoped the hon. member would have realized that when you have an option you can choose either way. We decided to go public. We were not turned down on a private placement, but we felt it was better in the present situation to go public.