

taken will be very much supportive of the strength we have developed in that industry.

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[Translation]

VALUE OF THE DOLLAR

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Acting Prime Minister. Our high dollar is one of the reasons why jobs are being lost, including 15 per cent of the jobs in the manufacturing sector during the past three years. The Minister of Finance has always maintained that we could not manipulate the value of the dollar. Today, however, the minister admitted that the government was manipulating the value of the dollar upwards. Are you giving us a high dollar to destroy more jobs in this country?

• (1440)

[English]

Hon. John McDermid (Minister of State (Finance and Privatization)): No, Mr. Speaker. The dollar has fallen some 4 cents in the last few months.

Mr. Jim Peterson (Willowdale): Mr. Speaker, our interest rates are still more than double those of our principal competitor and our dollar is knocked down to a level where not any business person in this country is happy with it.

There can be only two explanations for stepping in today. This government is either driving the dollar up and is deliberately manipulating it so we will have a high dollar, or else this government thinks that our economy is so hot that it has to put the brakes on it. This means more lost jobs, more plant closures.

Will the minister tell us who, other than our foreign competitors, does this government think it is helping with its high interest rate-high dollar policy?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, this government has neither.

Oral Questions

[Translation]

AIR TRANSPORT

Mr. John Manley (Ottawa South): Mr. Speaker, my question is directed to the Minister of Transport. On Tuesday, he said, and I quote:

It is in the best interests of consumers and the travelling public in this country to have two airline companies that are in the best possible shape, and that is what we want to achieve in the months to come.

[English]

My question is this: Does this mean that the minister does not accept, under any conditions, the proposals of Air Canada that would ultimately lead to a merger of the two Canadian airlines?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I think the hon. member will understand that the Minister of Transport cannot accept any proposal that has not been made to him yet.

Mr. John Manley (Ottawa South): Mr. Speaker, perhaps the minister would answer this question: Is he or the government prepared to ensure that in the next few months Air Canada does not engage in any anti-competitive practices such as predatory pricing which might lead to further destabilization of the airline industry in Canada in order to precipitate the acceptability of such a proposal?

Mr. Speaker: The minister may wish to answer the question. It is getting awfully close to hypothetical.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, again I think the hon. member will agree that we have a very efficient Department of Consumer and Corporate Affairs that is overseeing this matter.

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[Translation]

TAXATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance. For several months we have been working with the Conservative member for Calgary North, who proposed a new federal tax strategy for families. His proposals are a response to concerns expressed by families, family and religious organizations and federal members. Could the