

Oral Questions

ment is going to respond to the devastation that is being directed on industry in this country, especially exporters. When will the government act to allow the Canadian dollar to come down?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would really be interested in knowing from the hon. member where in the budget that precise quote stating exactly that the value of the Canadian dollar will come down as interest rates fall appears. I think the hon. member may be making a supposition but I do not believe that he will find it in the budget.

What the hon. member is saying is that the Canadian dollar is showing considerable strength and a lot of it has to do with the borrowings by the provinces and the inflow of Eurodollars and other foreign currency which is being transformed into Canadian dollars and therefore driving up the price of the dollar. There are a whole host of factors that enter into the exchange rate and the hon. member knows that very well.

I think the bottom line is that there is an inherent strength in the Canadian economy that others see that perhaps the hon. member and others in this House do not see.

If the hon. member is suggesting that one can just simply snap one's fingers and bring the value of the dollar down, I would be interested in knowing how he would propose to do that. The value of the dollar is not set by the government, it is set in the marketplace and the hon. member should know that.

[*Translation*]

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, the Minister of Finance loves to look at headlines, but yesterday's headlines in New Brunswick read as follows: "Stone Consolidated of Bathurst to cut back. Fraser to suspend operations at Atholville plant. Brunswick Mining no longer competitive, mainly because of high dollar".

Does the Minister of Finance agree with the Prime Minister of Canada who said this year that when interest rates went down the Canadian dollar would also drop substantially? Does he agree or not?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I can only indicate to

the hon. member that in spite of what he is saying, we have a merchandise trade balance of about \$13.5 billion and it is increasing. It is a positive trade balance and it is increasing.

Our trade with the United States is increasing. We realize that the exchange rate has an impact upon competitiveness in the international marketplace, but it clearly demonstrates that we are doing very well in terms of what we are achieving in the export market.

I should also say to the hon. member that the impact of interest rates, for example on a person who is carrying a \$50,000 mortgage, his monthly payments today are about \$130 a month less than they were a year ago. On a \$20,000 loan on a car, a person is paying \$50 a month less on the payments on his car than he did a year ago. A small business firm with a \$200,000 amortized loan over 10 per cent is paying about \$600 per month less than he was a year ago. Those are pretty positive features and the hon. member should recognize that.

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CANADA—U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is for the Deputy Prime Minister. Many questions exist surrounding the events that led up to that final signing of the free trade agreement.

The minister responsible for stick-handling those final negotiations today in the press astonished everyone by saying that her files had been destroyed on purpose. She said the government actually stole her files and destroyed them. She went on to say that as a former minister her files would not have been destroyed without someone's authority.

My question to the Deputy Prime Minister on this incredible act of sabotage within the government is this. Who authorized the destruction of those files?

Some hon. members: Oh, oh.

Ms. McLaughlin: Hear, hear. Good question.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Senator Carney has her version of events. My department looked into this in some considerable detail.

Files were inadvertently destroyed following her departure from the portfolio. By examining material in the National Archives, we were able to estimate what the