

and Germany, rather than in their own country. We have established a committee of officials and eventually of ministers to try to find means to make this sharing more equitable. As the hon. member knows, we already have a defence-sharing agreement with the United States, but this concern is shared by all NATO countries.

ESTABLISHMENT OF LIAISON GROUP BETWEEN NATO AND  
WARSAW PACT BLOCS

**Mr. Léonel Beaudoin (Richmond):** Mr. Speaker, here is my last question to the right hon. Prime Minister. Could he tell us whether he had time to set some bases in their discussions about further disarmament especially to achieve the détente sought by the Soviet bloc?

Could the Prime Minister tell us whether they reached an agreement to set up a liaison group which could commute between the two blocs, i.e. namely NATO and the Warsaw pact blocs?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, for the moment there is no question of commuting, as the hon. member put it, but of course the Vienna meeting includes representatives from the two blocs. What I have suggested at the NATO meeting, as it had also been suggested indeed by other heads of state, is that at some time we should see to it that the Vienna negotiations be conducted at the ministerial level rather than at the official level and then hopefully there could be a positive breakthrough, and we are ready to take that decision if necessary.

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[English]

FINANCE

REASON FOR DECLINE IN VALUE OF CANADIAN DOLLAR

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, my question is for the Minister of Finance. As the dollar shows renewed instability now and it is hovering again in the 89-cent range, would the minister indicate to the House and to the Canadian people why it appears to be dropping once again, notwithstanding the fact that he has arranged \$7 billion in loans and credit, presumably to try to shore-up the dollar?

**Hon. Jean Chrétien (Minister of Finance):** I think probably one of the reasons is that the hon. member is back in town.

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

● (1442)

**Mr. Chrétien:** Mr. Speaker, of course, the dollar is a floating dollar, as I have said a few times in this House: that means it can go up and it can go down. This morning it has recuperated somewhat, and at 1.45 p.m. it was at 89.43 cents.

Oral Questions

**Mr. Stevens:** Mr. Speaker, the Minister of Finance has indicated that the dollar might go up or down. In the event the dollar continues to go down, would the minister indicate whether he is content to see it fall even further as long as this is done in an orderly way?

**Mr. Chrétien:** Mr. Speaker, I do not reply to that kind of hypothetical question because it leads to speculation, and that is also a factor that influences the dollar. For example, when the minister of finance for Quebec said he was going to have his own currency, that stopped the upward movement of the dollar. That is the kind of intervention made off the cuff that influences the dollar, and that is why I said earlier—in a half joking way, although with some seriousness—that the Canadian dollar does not gain anything when members of the opposition, like the hon. member for York-Simcoe, try to speculate in respect of the value of the dollar by asking that kind of question.

**Mr. Stevens:** Mr. Speaker, my final supplementary question is again to the Minister of Finance. Surely he does not expect members of this opposition to stop asking appropriate questions, even though they are embarrassing to the government.

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

**Mr. Stevens:** My question centres, really, on the basic reason our dollar has deteriorated in value, and that is the chronic current account balance position of this nation, which is running at a deficit double that of the United States in relation to our gross national product. Will the minister indicate whether any steps of a concrete nature are being taken to narrow this deficit so there will not be this continuing pressure on the dollar?

[Translation]

**Mr. Chrétien:** Mr. Speaker, the best way to correct that situation lies in the performance of the economy since the beginning of this year. As for the balance of payments in respect of trade, the performance of Canada has been very good for the first four months of this year. Last year we had a trade surplus of \$3 billion and if the present trend goes on the surplus could reach \$5 billion this year. That is the best way to correct our balance of payments problem.

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[English]

CONSUMER AFFAIRS

ORGANIZED REBATE PROGRAM BETWEEN FOOD RETAILERS  
AND PRODUCERS

**Mr. Bill Kempling (Halton-Wentworth):** Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Will the minister advise whether there is an investigation under way by the director of combines investigations into the organized rebate program between some large food retailers and certain producers?