

**Mr. Whelan:** Mr. Speaker, I ought to inform the right hon. member it was only one week ago Monday that the cattlemen decided that the government should take any action. They made requests at that time. We have compiled all the facts and I have submitted a suggestion to my colleagues. I hope a decision will be made soon.

**Mr. A. P. Gleave (Saskatoon-Biggar):** I have a supplementary question, Mr. Speaker. May I ask the minister if he has had a request from farm organizations, either the general organizations, the National Farmers Union or from the Canadian Cattlemen's Association, for an embargo on fat cattle coming into Canada or for some type of restriction governing cattle coming into Canada from the United States?

**Mr. Whelan:** Mr. Speaker, I think most farm organizations have made public the demands or suggestions they are making. They predominately favour some type of surcharge being placed for a period of time on cattle entering from the United States. The suggestions of some are different from those of others. We are not getting any unanimous opinion from them. However, most of them are of the opinion that something should be done.

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[Translation]

#### FEDERAL-PROVINCIAL AFFAIRS

##### POSSIBILITY OF CONSTITUTIONAL CONFERENCE— DISCUSSION BY PRIME MINISTER WITH QUEBEC PREMIER

**Mr. Roch La Salle (Joliette):** Mr. Speaker, I have a question for the right hon. Prime Minister.

Since the Prime Minister said yesterday that he would soon meet with the Quebec premier who stated two weeks ago that after the provincial election he would ask for the resumption of constitutional talks, will he take this opportunity to discuss the possibility of holding a constitutional conference and is he himself in favour of such a conference?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I thank the hon. member for having given me notice of his question. Unfortunately, I cannot add anything new. The position of the government is that the Canadian constitution should be repatriated, that a truly Canadian amendment formula be adopted, that a bill of human rights and linguistic guarantees be incorporated into the constitution. Those were the views that we held at the Victoria Conference which regrettably failed because the province of Quebec did not accept the federal proposals. If the new government of Quebec can present proposals compatible with the federal position and generally acceptable to Canadians, we will be extremely happy to resume constitutional conferences.

#### Oral Questions

[English]

#### FINANCE

##### CONTINUATION OF FLOATING EXCHANGE RATE

**Mr. Gordon Ritchie (Dauphin):** Mr. Speaker, my question is for the Minister of Finance. As it is now more than three years since the adoption of the floating exchange rate, does the minister intend to continue this policy, particularly in view of his recent statement calling for stable but adjustable par values and wider margins, with the possibility of floating rates in particular situations under IMF supervision and surveillance?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, that report of the deputies of the group of 20, from which the hon. gentleman has quoted, also contemplates in the ensuing sentence that floating will be contemplated under the supervision of the International Monetary Fund.

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#### THE CANADIAN ECONOMY

##### RELATIONSHIP OF BANK RATE TO FALL IN REAL DOMESTIC PRODUCT FOR AUGUST

**Mr. Elmer M. MacKay (Central Nova):** Mr. Speaker, my question is supplementary to those asked previously by the hon. member for Don Valley. As bank rates in London, England, and New York have fallen by a quarter of one per cent and as the bank rate has not fallen in this country, to what extent does the government attribute the fall of 2.2 per cent in the real domestic product for August to an economic policy of so-called expensive money?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, this country, as I said to the hon. gentleman and some of his colleagues when interest rates were going up, sets its own monetary policy.

**Mr. MacKay:** May I ask the Minister of Finance why the bank rate continues to be so high? Is it the policy of the government to have the bank rate in this country so high? If not, is the government going to do anything about it?

● (1450)

**Mr. Turner (Ottawa-Carleton):** Interest rates in this country still tend to be lower than those in the United States and in Europe and consequently there is still a differential which causes a certain pressure on foreign exchange. The other factor is, of course, that interest rates reflect the continuing expansion of the economy as evidenced last week by over \$300 million in new chartered bank loans.