

*Oral Questions*

date. Is he now able to say whether his department has taken a decision concerning the possible closure of this Indian school?

**Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):** Mr. Speaker, we have taken no final decision at this time. When we do, I shall inform the hon. member, but before taking any action whatever, we shall certainly inform the communities involved.

**Mr. Laprise:** Mr. Speaker, I have a supplementary question.

May I ask the hon. minister whether he can assure the House that a decision will be made as soon as possible so that schools can open on time next fall?

**Mr. Chrétien:** Of course, Mr. Speaker.

[English]

**Mr. Speaker:** Perhaps we might have a few supplementaries on the first question asked this afternoon. I will recognize the hon. member for Gander-Twillingate and then the hon. member for Oshawa-Whitby.

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**FINANCE**

BANK OF CANADA INTEREST RATE INCREASE—  
STATEMENT BY GOVERNOR AS TO REASON—REQUEST FOR  
SPECIAL CONSIDERATION FOR HIGH UNEMPLOYMENT  
AREAS

**Mr. John Lundrigan (Gander-Twillingate):** Mr. Speaker, my supplementary question is directed to the Prime Minister. In view of the fact that today in Quebec City, when talking to the Investment Dealers Association, the governor of the Bank of Canada indicated that the move to increase the bank rate was based on tight conditions in the labour market in certain regions of Canada which, translated into simple English, I suppose means there are full employment situations in certain areas, could the Prime Minister indicate whether this is the position of the government and, if so, in what regions of Canada would these conditions prevail?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I have not read the speech that is referred to by the hon. member so I cannot vouch for the quotation he just gave. Perhaps I can answer generally by saying that of course there is frequent contact between the governor of the bank and the Minister of Finance, and that the monetary policy they are following generally is one which has the government's support.

**Mr. Lundrigan:** May I ask the right hon. gentleman to indicate, or have the Minister of Finance indicate tomorrow or later today, the basis of the policy which has been taking shape for the last two months, and indicate whether in fact he can clearly define the position as based on a full employment situation, which appears to be the import of the statement of the governor of the Bank of Canada in Quebec City? Further, if this is the position of the government, would he consider some special arrangement for the areas of Canada that have a 6.3 per cent unemployment

[Mr. Laprise.]

rate, or 570,000 people out of work, based on the latest statistics?

**Mr. Trudeau:** With respect to the latter part of the question, Mr. Speaker, such special arrangements are, of course, those which have been suggested to the banking system by the Minister of Finance, when it was suggested that they do not have the same rate, that they have a dual rate, and that there be a lower rate for the slow growth areas, that is, those with high unemployment statistics.

BANK OF CANADA INTEREST RATE INCREASE—REQUEST  
FOR ACTION TO PREVENT MORTGAGE RATE INCREASES

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. In view of the fact his statement in his earlier answer that the supply of mortgage money is exactly equal to the demand is the same as saying that the supply of Cadillacs and penthouses is equal to the demand for those things in Canada—

**Mr. Speaker:** Order, please. The hon. member will appreciate that a question asked in those terms is really put in the form of an argument. Perhaps the hon. member might like to rephrase the question to make it acceptable from a procedural point of view.

**Mr. Broadbent:** Mr. Speaker, I thought that was a very reasonable beginning. In view of the fact that housing is not a commodity just like any other commodity but is an essential requirement, would the government take steps in its future interest rate policy to distinguish between interest rates in general and interest rates that affect mortgages and make sure that the latter do not increase?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, what I did attempt to indicate in answer to a previous question was that there is no apparent shortage, that in fact there is a substantial flow of mortgage funds, and that is indicated by the fact that housing starts are at all-time records.

**Mr. Speaker:** Order, please. The Chair will recognize the hon. member for Fundy-Royal on a last supplementary. Hon. members will appreciate that we are still on the first question. After that I will recognize the hon. member for Hamilton West.

**Mr. R. Gordon L. Fairweather (Fundy-Royal):** Mr. Speaker, I would like to return to the use of the word medicine by the Prime Minister. Why does the government persist in prescribing the same medicine for those who are suffering from dysentery as for those who are suffering from constipation, when it knows perfectly well—

**Mr. Speaker:** Order, please.