

Oral Questions

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary question is for the Minister of Finance. The minister yesterday for the first time talked about the probability of a recession in this country. Today we have seen the Bank of Canada raise its interest rate instead of continuing to decrease it. I want to ask this minister why he has been prepared to permit this final guarantee of recession to be taken on the part of the Bank of Canada.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have been talking about a potential weakness in the economy going back to my budget of February of this year. I do not know where my hon. friend has been. He refers to the question of interest rates today. There is a seven basis point, seven one-hundredths of one per cent, increase in the bank rate today, but there has been a 150 basis point drop since the end of May of this year.

I would also remind my friend that this is against the backdrop of over a one-cent drop in the Canadian dollar and it is a natural response of the marketplace to see some upward movement in interest rates as we have seen that significant drop in the level of the Canadian dollar.

As I have said on many occasions, as we see further continuation of the easing of inflationary pressures, if there is further weakness in the economy, we will be able to get interest rates down further.

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[*Translation*]**MINING EXPLORATION**

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. For several months now mining exploration has been practically moribund in Quebec, particularly in the Abitibi-Témiscamingue region. Can the minister tell us today whether he has new measures to help the mining sector in Quebec and in the rest of Canada?

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as my colleague from Abitibi realizes, the mines ministers' conference in August discussed exploration across this country.

• (1450)

This year in Canada, between \$750 million and \$850 million worth of exploration is going on across this country.

There are regions in the country where there is not the amount of exploration going on that has gone on in other years. Our department will continue to work with the industry to see what can be looked at.

I should say, Mr. Speaker, more than incentive programs are required with the price of metal today. The stock market and investment for Canadians in Canada Savings Bonds seems to be areas in which investment is being looked at.

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[*Translation*]**THE CONSTITUTION**

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Minister of Justice I direct my question to the Deputy Prime Minister. I want to ask him what is the constitutional policy of his government with respect to the Quebec-Canada axis, considering that last June the Prime Minister told Canadians that the government would never take unilateral action in the constitutional field. A few days later the Premier of Quebec said that never again would there be multilateral constitutional negotiations, and finally in August the Prime Minister also rejected any bilateral action. For all practical purposes, the Quebec-Canada axis is in a state of limbo and all bridges have been cut. My question to the Deputy Prime Minister is this: Is the status quo the constitutional policy of his government or, better still, is the Prime Minister increasingly prepared to acknowledge Quebec's de facto sovereignty?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, there have been ongoing federal-provincial meetings in various sectors, be it agriculture or energy. It is entirely up to the government of the Province of Quebec as to whether it wishes to participate.

Speaking from an agricultural point of view, we continue to have ongoing discussions. At our recent meeting of federal-provincial ministers held in Moncton, the minister of agriculture for the Province of Quebec did attend and did participate.