

Some hon. Members: Oh, oh!

An hon. Member: Come on.

Mr. Speaker: Order, please. The Leader of the Opposition.

Mr. Clark: Thank you, Mr. Speaker. My question is this: does the government insist on establishing the criteria of rapid progress toward an amending formula as a precondition to serious consideration of any or all of the seven items in the so-called "Agenda for Change" introduced on Tuesday?

Mr. Trudeau: No, Mr. Speaker.

RECONSTITUTION OF COMMITTEE ON THE CONSTITUTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Prime Minister. Would he consider the immediate reconstitution of the Joint Parliamentary Committee on the Constitution which, as he knows, provided him with very valuable advice on the former Bill C-60? Would he consider reconstituting that joint committee, and would he refer to it those proposals which were presented by himself and by other first ministers to the recent first ministers' conference, so that it could study them and provide the right hon. gentleman with an all-party federal input prior to the February conference?

Right Hon. P. E. Trudeau (Prime Minister): I would certainly be prepared to consider that suggestion. I am not sure the premiers consider the committee's advice to be as valuable as I do myself. For instance, there was a unanimous report from the committee that we should entrench the Bill of Rights in the constitution. I regret to say that this advice was not accepted by some of the Tory premiers.

Miss MacDonald: What I am asking the Prime Minister is whether he is really interested in getting all-party input from the federal House of Commons and the Senate of Canada to the first ministers' conference in February, so that it may provide a much broader framework in which he can go to the conference. I wonder if he can give us that assurance.

Mr. Trudeau: That is what I answered: I said I am prepared to consider doing that.

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FINANCE

LEVEL OF INTEREST RATES—EFFECT ON EMPLOYMENT

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question to the Prime Minister arises from the news that the discount rate in the United States has been raised from 8.5 per cent to 9.5 per cent. It is now at an all-time high. In light of the fact that it is the stated policy of the Bank of Canada to keep Canadian interest rates higher than American interest

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rates, we must assume that there will be further pressure on the bank rate and on interest rates in general.

Recent economic estimates suggest that the result of the recent rise in mortgage rates to levels as high as 8.5 per cent has resulted in the loss of some 25,000 jobs in the construction industry and that a further rise in interest rates of 1 per cent to follow the American lead will result in further unemployment in the range of 25,000 jobs. Can the Prime Minister confirm that this is the advice he has been given by the Department of Finance and, if so, will he provide this House with background information on the consequences of interest rate increases?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have not been provided with any such advice. As the hon. member knows, I have been busy at the first ministers' conference for the past three days. The Minister of Finance did reach me on an urgent basis yesterday morning or the night before to inform me that Secretary Blumenthal had informed him that this was going to happen and that the minister would be considering what steps, if any, it would be necessary for us to take.

Mr. Saltsman: Mr. Speaker, in view of the very obvious conclusion to which all economists have come, that any increase in the interest rate could very well put us into a recession and prolong the unemployment problem we now have, can the Prime Minister indicate whether he is prepared to follow any other course which would be less damaging to employment than the raising of the interest rate, as has been the pattern in the past?

Mr. Trudeau: Mr. Speaker, any other course which is reasonable would be considered. I do not think the hon. member has suggested any other course. If he has no interest in keeping the dollar at any particular level, I suppose the advice he refers to could be followed.

Mr. Saltsman: Mr. Speaker, since the Prime Minister seems to be inviting suggestions as to what might be done, that is one suggestion which could be pursued. This is not the time to give the Prime Minister advice, so I will ask another question. Has the government considered exchange controls as an alternative to raising interest rates continuously? Exchange controls would be less damaging to employment.

Mr. Trudeau: Mr. Speaker, I have often discussed economics with the hon. member. I think he has some very wise ideas on the subject. I am glad that when he talked about exchange controls, he was not giving advice because I assure him that I would not accept that kind of advice.