

Phase 1, we have said we will not in Phase 2, and we are going to hold ourselves to that commitment.

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REGIONAL INDUSTRIAL EXPANSION

PROPOSED QUÉBEC AND MANITOBA ALUMINUM SMELTER PROJECTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Deputy Prime Minister. This weekend the Prime Minister announced the federal Government's endorsement of a proposed aluminum smelter plant in Sept-Îles in his riding in Quebec.

Is the Government aware that Alumax, another consortium, is presently examining the possibility of an aluminum smelter in the Province of Manitoba? The Prime Minister's announcement this weekend will severely prejudice the decision being made on that aluminum smelter, by indicating support for one region of the country and not for another.

Why did the Prime Minister make this announcement before the Government has had a chance to undertake the proper feasibility studies, to announce a policy related to the support for aluminum smelters, and to ensure that there was a proper regional balance of support and resources for those kinds of initiatives all across Canada?

[Translation]

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, with reference to the proposal for setting up an aluminum smelter plant in Sept-Îles, of course the Government is quite favourable to having this plant in Sept-Îles, a region that was severely affected during the last recession. However, this does not mean we will not consider other regions in Canada. It does not mean a decision has been made. It means that the Government looks very favourably on the proposal made by members of an international consortium that wants to set up operations in Sept-Îles. If they want to go ahead, the Government will support such action, but we intend to support other proposals along the same lines in many other regions in this country.

[English]

MANITOBA PROJECT—REQUEST FOR FEDERAL SUPPORT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I am asking a serious question about whether the Government is prepared to support two massive aluminum smelters in Canada for an export market which has already virtually reached capacity.

My supplementary question is directed to the Minister of Regional Industrial Expansion. The Conservative Government of Manitoba has already asked the federal Government for support and endorsement for the project in Manitoba but has

yet to receive any kind of acknowledgement, support, or promise of any resources for that project. Therefore, in order to ensure a proper balance, fairness, and equity, is the Government prepared to support the project in Manitoba as equal to that in Sept-Îles?

[Translation]

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I fail to understand why the Hon. Member is apparently opposed to job creation and economic development across Canada. The Government has always said it was in favour of creating jobs. And that is exactly what we are trying to do. We are trying to create jobs where there is genuine potential for doing so, and we intend to support projects as they are submitted, in all regions across the country, as we have been doing for the last four years.

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[English]

THE ECONOMY

EFFECT OF INTEREST RATES ON EMPLOYMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct a question to the Minister of Finance. An analysis by the Economic Council shows that a 1 per cent drop in interest rates in the U.S. and Canada would increase jobs in Canada by 84,000 jobs by 1990. Could the Minister tell us the job losses that Canada will suffer from last week's large interest rate increases in the United States and Canada?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member is honest with himself and the people of Canada, he will read much more from that study by the Economic Council where they point out to the Hon. Member a number of aspects of such a study that they probably sensed the Hon. Member would ignore.

If the Hon. Member wanted to put the total question to the House he would also say that if we do not address the problem of inflation now we will see interest rates rise on a much more permanent basis, with a far more deleterious effect on pricing levels in this country, on the competitiveness of this country, and therefore on our job creating capacity.

I have said in the House on many occasions that we are trying to avoid that with the interest rate policy that the Bank of Canada is following today.

GOVERNMENT POLICY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this is a case of interest rate increases in both Canada and the United States. How much will that cost across Canada in