

which can meet both the need of Canadians, on the one hand, for those services and products, and meet the need of Canadians, on the other hand, for jobs?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has asked another question.

Mr. Nielsen: Glad you noticed it!

Mr. MacEachen: In his question, he has not even mentioned the fact that Canada has a very high inflation rate at the present time. Our inflation rate is higher than the United States. Our wage settlements are higher than the United States; they are increasing while wage settlements in the United States are decreasing. In all his questions the hon. member has not yet realized that the main reason we have high unemployment in this country today, and the reason the world has high unemployment, is because we have been unable to bring down inflation. Every item he has put forward at the present time—

Mr. Huntington: Tell us how you would bring it down, Allan.

Mr. MacEachen:—and every proposal is intended to add to inflation and to make our unemployment problem more difficult.

Miss MacDonald: That's what you are doing.

Mr. MacEachen: That is the result of the hon. member's proposal today.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Your policies are doing the same thing, Allan.

REQUEST THAT MINISTER RECONSIDER DIRECTION OF GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): I want to suggest to the minister that the results we are seeing today are the results of the dogmatic attitude of the minister. It is not a matter of whether it adds to inflation. How, in heaven's name, does building a house, that people need and that they can afford to buy, add to inflation?

Some hon. Members: Hear, hear!

Mr. Deans: I suggest to the minister that the inflationary policy and direction that he is pursuing have not brought down inflation. All they have done is to make it impossible for Canadians to buy the products that Canadians manufacture.

There is now a wide range of political opinion, from all of the premiers, to the opposition parties in the House of Commons, and the commentators who watch politics, that the policy which the minister is now pursuing almost relentlessly,

Oral Questions

without any concern for the effects on individual Canadians, is not an appropriate policy. Given that fact, I simply ask the minister that he reconsider the direction he is taking in this country. I ask that he consider the effects on those 1.8 million Canadians. I ask that he no longer pursue his policy and that he find, in our domestic economy, the necessary tools to create the kind of employment that people want, in order to get this country moving again.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has asked me to reconsider the policy. What I am constantly doing—

Some hon. Members: Oh, oh!

Mr. MacEachen:—is listening to viewpoints, as I have done for the past three days at the first ministers' conference.

Mr. Wilson: Sure showed it!

Mr. MacEachen: The hon. member is asking me to consider the plight of the currently unemployed. I really am doing that. However, what he is asking me to do now is to adopt policies which would not reduce unemployment; rather, he is asking me to introduce policies which would add to the unemployment list.

Mr. Deans: No, no!

Mr. MacEachen: That is precisely what the hon. member is doing.

Mr. Deans: Not so!

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MINES AND MINING

WITHDRAWAL OF SPECIAL RESOURCE ALLOWANCE

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my questions, as well, are directed to the Minister of Finance. Investment capital is flooding out of this country from the resource of exploration sectors of the mineral industry. The major mining giants of Canada are declaring record losses. Lay-offs and pending lay-offs in the mining sector will amount to hundreds and even thousands if corrective action is not taken soon. We now see that the withdrawal of the northern living allowance will cost mining personnel thousands of additional dollars in cities, like Labrador City, in coming years.

An hon. Member: It's not withdrawn.

Mr. Siddon: Why has the government proposed to withdraw the 25 per cent special resource allowance, which would discourage Canadian mining companies from upgrading iron ore to the pig iron stage, iron ore which is heavily used and