

Base Metals Industry

The government, in my opinion, is not doing enough to bring before the authorities in the United States the serious situation that will develop in the base metal industry if they are to go forward with their plans; and from reports that I have received from Washington it appears that the United States tariff commission, when it has heard the evidence, is in all probability going to recommend to the president that the proposed tariffs be imposed. I know that there are other important matters to be dealt with such as the bill to provide for guaranteed prices for farm goods. But in my area alone, in Kootenay East and Kootenay West, if this proposed tariff goes on, the market for the farm produce in that area is going to be seriously affected. There is going to be a lay-off of perhaps one third of the employees in the base metal industry. That is a dire possibility and I think that it should be discussed here tonight.

The government should point out to the United States authorities that the lead and zinc industry is of major importance, that zinc production in Canada ranks second only to that of the United States and that in Canada lead production is fourth only to that of the U.S.S.R. Of the imports of lead and zinc to the United States, Canada supplies 25 per cent. The United States authorities do not dispute the fact that they must depend on our base metal industry for their industrial survival. Yet if this tariff is imposed they expect to keep us on a string and to have our mines shut down and be reopened when their necessity arises. The flow of base metals cannot be turned on and off like a tap. They are strategic metals and there must be assurance that there shall be no interruption in their production. This should be pointed out by representatives going to Washington at this time.

It should be pointed out that it is not only the base metal industry in the United States that is suffering under adverse prices at the present time. The prices of base metals are low all over the world and there has been a general reduction in the production throughout the world. The United States producers in many cases are operating uneconomic mines with low grade ores and in many cases inefficient mines. It must be pointed out that the Canadian industry should not be expected to subsidize them. In 1954 President Eisenhower decided to forgo an increase in customs duties and asked instead that the foreign suppliers of United States

markets make an effort to reduce their production. Canada co-operated in every respect. I have here a submission by the Canadian Metal Mining Association to the United States tariff commission. At that time, when they appeared before the commission they pointed out:

(2) Canada's exports of lead to the United States have been cut in half since 1953.

(3) Canada's exports of zinc to the United States have remained reasonably steady and show a very slight increase from 1953 to 1956. The reason for this is two-fold. First, a substantial quantity of Canada's zinc exports to the United States is in the form of concentrates on which certain United States smelters are entirely dependent as the indispensable feed for their operations. Secondly, refined zinc is equally required to fill the demands of the United States market.

As I have pointed out, Canadian producers have curtailed their production. There has been a curtailment in the production of zinc of about 86,000 tons annually and in the production of lead of about 9,950 tons annually, or a 21 per cent reduction in the production of zinc and about a 5 per cent reduction in the production of lead.

What is the picture having regard to the employment question? The present closures have resulted in the layoff of 818 employees. The anticipated closures, should this measure be adopted in the United States, would result in the layoff of another 1,440 employees. I need not say that Kootenay East and Kootenay West, the largest producers of lead and zinc in Canada, would certainly be adversely affected. It has been said by some of the members of the industry in the United States that these imports are coming from countries with a low wage scale and for that reason result in unfair competition in their market. I should like to quote again from the brief presented by the mining industry. They have this to say with regard to wages:

As regards wage rates we record that our principal Canadian producers pay miners \$2.45 (Can.) per hour and smelter workers \$2.12 (Can.) per hour. Each of these figures represents average gross earnings from January to June, 1957, excluding all fringe benefits. We understand that an average figure for miners in the lead and zinc industry in the United States is \$2.30 (U.S.).

Now of course the Canadian figures include the fringe benefits and bonuses paid to miners. Nevertheless there is conclusive evidence that there is no question of low rates of pay having an unfair advantage over the United States system. Now the United States metal industry have requested the maximum tariff allowable under the president's orders and