

I asked the minister whether he had received any information indicating that the International Nickel Company of Canada was restricting the supply of nickel for use in Canada and, if so, what action the government was taking to ensure that the needs of Canadian industry are being met.

It seems that the production of nickel has declined this year. It declined last year as well. At the same time the export of ores, nickel anodes and other products has increased. I hope I am not misreading the statistics. I certainly look forward to an answer from the minister which will indicate what is happening in connection with nickel production in Canada.

In 1965 we produced 44.6 million pounds. We exported in that year 43.1 million pounds. In 1966 we produced 40.5 million pounds and exported 41.7 million pounds—in other words, we exported 1.7 million pounds more than we produced in Canada.

If we look at the export figures for two years we find that though production dropped about 10 per cent in 1966, exports in the category of nickel anodes, cathodes and ingots were only diminished by 5 per cent, while the export of nickel and alloy fabricated materials was increased by 50 per cent. I believe an explanation is in order because it has come to my attention that manufacturers in Canada who use nickel in the production of their goods are finding this material in short supply. Their needs are not being taken care of adequately.

While all of us are desirous of seeing that our exports are maintained we are also interested in seeing that secondary manufacturing in Canada is not starved for lack of supplies and that every possible encouragement is given to those who engage in it. I welcome the presence of the minister tonight and look forward to his answers to these questions.

Hon. Robert Winters (Minister of Trade and Commerce): The world situation of nickel is one of short supply.

The situation with regard to demand and supply has been rather odd for some time, principally because of the large American stockpile, with demands being met by a draw down on stockpile. It is only since the stockpile has been substantially depleted and world demand has had to rely solely on world supply that the true situation respecting nickel has come to light.

The nickel producers in Canada have been aware of this for some time. They have been searching diligently for new nickel deposits

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around the world and have been endeavouring to bring them into production. Some of the most recently discovered deposits have been of relatively low grade in relation to those at Sudbury and Thompson. This is one of the reasons why we were agreeable to a higher price for nickel when the International Nickel Company made its appeal to us some time ago, so that it could arrange and could plan on bringing in these new lower grade sources of supply at an economic return.

In the light of the current shortage of demand the companies producing nickel in Canada have been working with us in the government, and although we have taken no steps to provide means of allocating within the government's hands, the companies themselves have, on a volunteer basis, been contributing very fully indeed. We have undertaken with them to point out to them instances which come to our attention in which domestic users of nickel are to get sufficient supplies of nickel, and to get this through co-operative effort.

We have been able to assure nickel consumers of at least as much nickel as they had last year, which was a high point in the consumption of nickel in Canada. I think that any consumer of nickel has been assured of 100 per cent of the amount he used last year, and this is a higher level than the companies have been able to guarantee to users of nickel abroad. When you have to weigh domestic requirements against the need to export nickel you have a very fine balance, as the hon. member said, but we have been trying to ensure through co-operative effort that domestic supplies are met.

In any cases of hardship to Canadian consumers that come to our attention because of a temporary shortage of nickel, arrangements for relief are made with the producers. They have been very good about this, and consideration is given when necessary to making appropriate provision for defence and other essential requirements. I think that provides the answer which the hon. member is seeking at the moment. At least I hope so.

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Mr. Robert McCleave (Halifax): Mr. Speaker, I suppose on this rather awesome day in human affairs it is comforting that the Associate Minister of National Defence and myself are dealing with matters that are far from military in nature. They concern a dispute and a labour problem in the Halifax