

Income Tax Act

has been compounded. There is still a partiality on the part of the Minister of Finance, the government and the whole executive structure toward foreign investment, a partiality that other lands can do those things for us which the government feels we cannot do ourselves. It is that partiality that is injurious to us.

When we look at this situation in the context of what we would like to accomplish and what we should try to do, we must assess ourselves. What is the wealth of this nation apart from the people in it and their abilities and skills? What is the wealth of this or any other land? Surely it is not money in the traditional form, which the hon. member for Kamloops-Cariboo mentioned, or in the form we have today. Wealth cannot be measured in terms of money alone. It is true that if you have a lot of money you are wealthy and can get along well. However, in its basic sense the wealth of a nation is in its resources and what it can do with those resources to transform them into something useful. The greater amount of effort we as individuals put into transforming raw resources into something useful, whether in a mental or muscular way by the use of machinery and technology, the greater amount of wealth we create because we have added the component of work. This increases its value and consequently increases the wealth for us.

There has been a deliberate, conscious move on the part of government, federal and in some cases provincial, to export our raw materials either in a raw or near raw state. This was not by accident. We did not suddenly wake up one night to find this was happening to us. To use the classical phrase, we are the hewers of wood and drawers of water for other nations. This can be justified in an area where we are dealing with renewable resources such as timber where the potential wealth and volume of the resource and its productivity far outstrips our ability to consume. We can justify exporting a renewable resource such as timber in its raw state, as logs or semi-refined, because we are able to again grow trees on that spot for future generations. Some of that resource will still be there. If properly harvested, the resource will not diminish. We will be merely wiping out the evidence of over-growth that exists.

By exporting non-renewable resources such as minerals we are doing ourselves a tremendous disservice. If we only employ miners to take the ore from underground mines or open pits and then export this ore, we are exporting the resource in its least valuable state. It has the least attachment to monetary value that we can place upon it. If the ore is run through a crusher and concentrator, we employ more men as well as increase its value. If it is run through a smelter, refiner or manufacturing process, the finished product increases in value to its maximum. More men are required, thereby increasing employment possibilities in this country.

When minerals are run through the mill in concentrate form, loaded on a boat and shipped to Japan, for the sake of argument, we are exporting job opportunities for Canadians. The government participates in this. It says it is a good thing. The government does this deliberately and consciously. I say it is a disservice to the Canadian people and our economy. I will use copper as an example. There are approximately 90 producing mines in Canada. Some operate in conjunction with a smelting system, some do

not. About 15 or 16 of these producing mines are in the province of British Columbia. Almost all the production in the province of British Columbia is shipped in concentrate form to Japan. There are another 20 or 25 relatively small mines in the rest of Canada that do likewise. That is about 7 per cent of the total.

Approximately 25 per cent of the copper production in Canada is exported in the form of concentrates. We are exporting job potential as well. British Columbia produces approximately 18 or 20 per cent of the copper in Canada. It is run through a mill in that province. The production, reserves and expected life of the known reserves is sufficient to warrant the establishment of a viable smelter without any hesitation or question. The resources are there. A smelting structure, refining process, extrusion plants and a whole range of manufacturing of copper to the finished product of wire, cable or in whatever medium it is required, could be established right now.

Because of the conscious, deliberate policies of the federal government endorsing the idea and issuing export permits for raw material, in conjunction with the deliberate policy of the provincial government of British Columbia, a criminal act has been committed in that province. At one time there was a requirement in the British Columbia mineral processing act that 50 per cent of the production of any mine be directed toward a future smelter. In other words, 50 per cent of the production was to be set aside, stockpiled or kept in reserve for the potential building of a smelter. Each mine was to set aside 50 per cent of its production. However, not too long ago the British Columbia government in its wisdom, and because of the great help it wants to exhibit to Japan, cut that figure to 12½ per cent. It in effect said to British Columbia that it is not interested in building a viable smelter in the copper industry.

An hon. Member: The Liberals agree.

Mr. Howard (Skeena): Certainly they agree. Once the mining operations are finished, all that will remain will be a hole in the ground; the non-renewable resource will be gone. As a result of that policy, this nation is filled with holes, stokes and everything else. We must have a policy of what to do with our resources, a policy that will do something that will promote employment.

These remarks are relative to the tax bill. At the present time we have 6 per cent unemployment. I hesitate to guess what the figure will be this winter. I have heard figures, but it is damaging and shocking to guess what they are likely to be. Every day of the week some company is closing down. Workers are being laid off. These companies are going out of business because they are broke. The government feels that this is all right. It refuses to recognize our need to promote jobs in this country.

• (9:40 p.m.)

Look at the tax structure as it relates to mining operations. In 1968, out of 42 companies whose affairs were examined—companies engaged in metal mining operations as distinct from coal mining—it was found that taxes amounting to just over \$45 million had been paid on profits of \$497 million, a tax rate of little more than 9 per cent. Ask the person working for wages at the lowest