

Private Members' Business

ration in the Yukon and in far northern British Columbia in 1988.

In British Columbia, there were increases in the value of mineral production in 1988 because of new gold mines and increased prices for zinc, copper and coal. In Manitoba, the exploration expenditure levels were maintained at 1987 levels at an estimated \$50 million. All in all, rising base metal prices and the benefit of sustained productivity increases resulted in an earnings boom for Canada's mineral industry.

The *Canadian Mining Journal* even said that earnings for most companies in the base metal industry would be the highest in 10 years. This sounds pretty good, great in fact. However, this cycle of good news was preceded by a severe recession in the economy and the mining industry reacted by tightening up its operation. Of course, one of the measures that was used to cut costs was to reduce the labour force.

Falconbridge Limited, the second largest nickel producer in Canada, reduced its workforce by 38 per cent at its Sudbury operation. The workforce was almost cut in half from over 4,000 in 1982 to roughly 2,500 at the end of 1987. Inco Limited, the largest nickel producer in the world, reduced its workforce by about 41 per cent.

Now that times are good, as I outlined earlier, we must take another look at how these companies, with some guidance from the government, could help in sustaining Canada's economy and provide more security for Canadians who depend on the industry for their livelihood.

The Department of Industry, Science and Technology acknowledges in one of its documents that Inco has only recently resumed efforts in product development while Falconbridge has focused its R and D efforts in improving productivity, which does not create new jobs.

My motion proposes that we discourage the export of raw materials and I want to address this particular point in a little more detail. Mineral resources can be the basis for advanced processing activities and for the manufacturing of industry inputs. We must increase the integration between sectors and promote greater research and development activities while increasing Canadian con-

trol if we are to build these forward and backward linkages from the resource base.

The Department of Industry, Science and Technology has not done enough to promote synergy and create links between the primary sector and the manufacturing sector. More efforts must be made in that department.

The Algoma Steel Corporation announced plans this summer that would in effect take these matters into consideration. There is a strong possibility that it will close its mining operation in the town of Wawa. However, it is also looking into the possibility of the production of a new sinter product or of their sinter plant. Its plan consists of processing mill scale, a waste material that comes off the surface of steel, and blending it with other waste materials or ore.

It is to hope that the government would encourage such initiatives and provide the support needed in order for these types of projects to succeed. In this case alone, the jobs of 300 people are at stake. In fact, the future of the whole community depends on it.

Under the Ontario Mining Act, the Ontario government has the power to require companies to increase further processing of ores in Canada but it has allowed a number of specific exemptions. Falconbridge still exports nickel copper matte to its refinery in Norway while Inco ships nickel oxide, sinter and nickel sulphide to its plant in Clydach, Wales, for processing.

Take the case of copper mining in British Columbia. This is a highly unstable industry in which multinational companies produce concentrates solely for export. The copper is currently smelted in B.C. though the development of a smelter and of manufacturing facilities for the production of copper wire could be established. It is argued by some that the current situation, where more than 40 per cent of copper concentrates are shipped to foreign up-grading plants, is a good situation because there is a huge export market available in Japan and in Europe.

Let us look at how Japan is protecting its own economy. In Japan and most European countries tariff barriers exist against the importation of metals as refined products because they wish to protect their domestic refining and smelting industry.