

Income Tax Act

continuing problem which is becoming worse every year. In 1954, Mr. Muir said:

It appears that American capital is going to own Canada. We are getting into the position where, very definitely in the economic sense we are becoming an American satellite. I object to Canada's being regarded as either an economic or political annex of the United States... my fear at the moment is that the government by its inaction is selling Canada into economic bondage.

Before proceeding with my illustrations of the actions of this company in southeastern British Columbia, I want to say it is because of governments inaction we face the present situation in this country today.

Now, Mr. Speaker, this is a rather interesting case. One would hardly credit that such a situation would occur in this country, that a United States corporation would show so little regard for the Canadians who work for it. On October 6, the strike of the mine workers employed by Reeves MacDonald, entered its sixth month. The last agreement with that company expired almost one year ago. In December last a conciliation board, chaired by W. J. Asseltine, recommended a 7½ cent an hour increase, plus 2½ cents an hour company contribution to a severance plan and some improvement in annual vacations. This recommendation was rejected by the company and by its United States representatives who came across into Canada to negotiate with the men concerned.

There have been two meetings called by the provincial department of labour officers in an endeavour to settle this dispute, but the company steadfastly refuses to accept this conciliation board report. The latest meeting held in Vancouver on October 7, under the chairmanship of William Sands, deputy minister of labour, did not resolve the issue. The president of the company, Jens Jensen from Spokane, expressed his opinion—mind you, this is a company exploiting large mineral resources in British Columbia—that the workers in Canada should base their wage demands upon wage rates in effect in South America, and not on the wage rates paid by the same company for the same work in the United States. In my opinion, this statement made the issue not one of economics but a matter of national subservience.

Here are the facts, Mr. Speaker. I bring them to the minister's attention because I think this is the type of situation to which serious consideration will have to be given. The Reeves MacDonald mine is a subsidiary almost wholly owned by the Pend Oreille Company which is closely tied up with the Bunker Hill smelter, a very large corporation in the United States. The mine is located on the border of British Columbia and the state of Washington. Workers on the Canadian side

of the river, working under the same management, and in the same ore body, receive 48 cents an hour less for the same work. This United States subsidiary refuses even to pay the area rate which has prevailed for some time in the southeastern part of British Columbia. In Salmo the Hudson bay mine has a miner's rate of \$2.26½ an hour while Reeves MacDonald pays the miners \$2.04. Even if the whole conciliation board report were accepted by the company, the wages would be much less than those paid in the adjacent mine.

Since negotiations started with this company over a year ago, the prices of lead, zinc, silver and cadmium have risen sharply on the market and there is a shortage of lead. The mine stays shut because the company refuses to pay the prevailing rate of wages, and the president has suggested that Canadian workers should accept the level of wages existing in South America.

Since the operation commenced this company, taking full advantage of the tax free period, has made over \$4 million in profits. Reeves MacDonald is not a very large operation but it does employ somewhere around 100 miners, and in this respect I want to bring to the minister's attention some news items which appeared in the *Northern Miner* of May 8, 1962 and May 9, 1963, to prove that this company, which refuses to pay its workers the prevailing rate of wages and which has closed the mine down, has been milking this corporation and paying its profits into Pend Oreille mines in the United States.

I shall only quote one paragraph, and this is from an article entitled, "Pend Oreille profit shows modest gain":

In addition to production revenue, Pend Oreille received \$74,862 other income and \$279,811 dividends from its Canadian subsidiary, Reeves MacDonald Mines.

This mine was operating at a good rate of profit, and the profit was being paid into the Pend Oreille Company in the United States. The company has refused, for over a period of six months, to pay even the prevailing rate of wages existing in the area. Consolidated Mining and Smelting Company is a large operator in that area and has a prevailing rate throughout the district in all its mining operations, which rate was established as a result of collective bargaining between the union and the company; but here is a company making a good profit and paying it into the coffers of Pend Oreille Company in the United States, yet it refuses to pay the prevailing rate of wages. As a result of this these miners have been on strike, and rightly so, for over six months, during which time