

The Address—Mr. Rodriguez

Mr. Rodriguez: Members opposite should be pushing to get some changes in the economic planning of this country. Yesterday the community of Sudbury received a disastrous blow. We have consistently stated in this House that this government has permitted the Canadian economy to develop as a resource economy. I have here a booklet entitled "100 Years of Trade and Commerce between Canada and Japan", put out by the Japan trade centre. I have looked at the 1976 figures for Canadian exports to Japan, and Canadian imports from Japan. It is a microcosm of the situation we find ourselves in.

We have been ripping our resources out of the ground, putting them into a semi-processed state and shipping them abroad, where they are made into a processed state or final product. On page 20 of this booklet, it shows that total Canadian exports to Japan in 1976 amounted to \$2,387,942,000. All the items are listed, with the amounts, which we exported to Japan. No less than 95 per cent of these items are raw resources. When I look at the imports we buy from Japan, I find that in 1976 the total figure was \$1,525,560,000. All the items are listed here, with specific amounts against them. I found, as I looked at them last night and made a calculation, that 96 per cent of those amounts consist of finished products, primarily cars, cameras and electronic equipment.

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That is where the jobs are. They are in the manufacturing sector. They are not in the resource sector at all. Just yesterday I happened to be holding one of the microphones attached to our desks, the new equipment we have brought in and for which we have paid, I don't know how many millions. I found that it was made in Austria, a country which has a population of about six million. What is the unemployment rate there, I wonder. Mr. Speaker, I bet you there is Canadian copper from the Sudbury basin in these microphones. Here is a prime example of Canadian parliamentarians speaking right into a symbol of our problem, the hinterland economy. These products have crept right into the House of Commons, not only on the government side but on the opposition side.

I do not think the answer lies in saying, as did one spokesman for the official opposition, that we ought not to be ashamed of being hewers of wood and drawers of water; that we ought not to be ashamed of selling our raw resources. That is a lot of baloney. One of the official critics for the Conservative Party, the hon. member for Don Valley (Mr. Gillies) said, and I quote him: "There is nothing disgraceful about being hewers of wood and drawers of water if that is where you find your competitive advantage."

We in the mines of the Sudbury basin have been hewers of wood and drawers of water, and every time the multinational mining companies want to pressure the government for tax concessions they diversify their operations into Third World countries and say, "Either you give us a tax break or we lay off workers". They do not even give notice. They call ministers in the dark of the night before making the announcement. I think this is treating the people's representatives in a most cavalier manner. I would point out that the minister of labour of

[Mr. Hogan.]

Ontario, Betty Stephenson, was also notified the night before the lay-off announcement.

Today we asked questions in the House about the whole subject of jobs and the Sudbury basin. Some of the answers given by the Minister of Finance (Mr. Chrétien) were really revealing, and I would like to deal with them. First of all, though, I wish to bring the House up to date on exactly what is the Canadian investment in the International Nickel Company. I would like to put it into the context of INCO's lay-offs. INCO will lay off, by the end of January, 2,200 hourly-rated and staff employees in the Sudbury basin. They will use attrition to wipe out 600 additional jobs in the Sudbury basin, and 600 in Thompson, Manitoba. We must bear in mind that for every permanent job there are about three service jobs which go with it. In effect, then, one is looking at some 6,000 to 7,000 jobs. Failure of the income from that number of jobs to flow into the community will certainly be a massive economic blow to the Sudbury basin.

What is our investment, as taxpayers, in INCO, Mr. Speaker? We have allowed INCO, to date, to defer \$378 million in taxes. That is the amount of tax they have not paid to the people of Canada and, in effect, it becomes an interest-free loan because it is only a paper entry; that money is not set aside in any bank. So INCO has been getting the use of that money. That is one of the investments we have in the International Nickel Company of Canada.

Then, again, under the March budget which was brought down by the previous minister and reiterated by the present Minister of Finance, INCO, using 3 per cent depreciation on its reserves, in terms of inflation accounting, plus the other goodies contained in that budget, received a benefit of \$10 million. So they owe us \$10 million. As well, we have loaned INCO over \$70 million through the Export Development Corporation; over \$70 million was loaned in Guatemala to a subsidiary of INCO called Exmibal. It involved a two-phase loan; the first phase was \$17.25 million and the second was \$3.5 million.

I remember, when we were considering Bill C-9 which was intended to increase the capitalization of the EDC, back in 1974, I raised the question of INCO's loan from EDC to their subsidiary in Guatemala. The question I raised was whether, in fact, this would have a disastrous effect on the INCO operations in Sudbury. I also raised the question of the \$128 million loaned to the Argentinian government in connection with the CANDU reactor, a deal which we now know was so smelly it was like a barrel of fish which had been left in the sun for six days.

Then there is the loan made to an INCO subsidiary in Indonesia by the name of P.T. International Nickel (Indonesia). Again, under a two-phase program it involved some \$17.25 million and \$40 million. We raised questions about that loan earlier this year during the committee hearings on Bill C-47 which was to further increase the capitalization of the Export Development Corporation. We also loaned INCO an additional \$20 million through a New Caledonia subsidiary