

Adjournment Debate

responding to them with inaccurate information, at least as far as those questions he decided to respond to were concerned.

I want to tell the minister on behalf of the people of Kimberley that we expect more from a minister of this government than a recital of the company line.

Will the minister undertake today to order a full investigation of the reasons for the shutdown at the Cominco mine, including allegations of union busting by the company, the transfer of over 800 jobs from Canada to the U.S. and the role of the American zinc, copper and lead lobby in the free trade negotiations?

Will the minister also tell the Canadian people that decent wages, environmental standards and health and safety regulations will not be seen as a liability in Canada by his government?

Finally, I would like to ask the minister what plans his government has to assist the community of Kimberley. If this government can spend \$79 million helping one of the most profitable corporations in Canada, then surely there is some money available to assist the people of Kimberley.

• (1915)

[*Translation*]

Mr. Benoît Tremblay (Parliamentary Secretary to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, on January 31, 1990, Cominco shut down its lead and zinc mine for an indefinite period. As a result, over 700 workers in and around Kimberley have been laid-off.

Cominco had been operating this mine for decades to supply its smelters in Trail, B.C., with zinc and lead. But the company also sold a lot of concentrates in Asia, mainly in Japan.

Contrary to what my colleague said, the Minister never suggested there was no ore left. In fact, the deposit probably won't be exhausted for many more years. What the Minister meant was that it is becoming increasingly expensive to operate this mine at a greater depth and, in fact, the company has told us that operating and equipment costs are much higher for much lower quality ores.

In general, it must be pointed out that the price of zinc on the London stock exchange has dropped from 75 to 58 cents. In addition, the amount of silver found in the ore is getting increasingly smaller. The bottom line is that it is no longer economic to operate the mine.

In fact, the mining industry has lost \$2 million a month in November and December 1989. You have indicated 9 millions for last year. In fact, if the activities were to be maintained after January 1990, losses would be of \$3 million a month or some \$35 million for this year.

Obviously, if prices go up again, the company could start its activities over again, and the workers' collective agreement states that the workers who have been laid off must be the first to be called back to work for 18 months.

As we have said, the federal government, through our department, is committed in the Trail Foundries with \$79 million worth of stocks in a project totalling \$275 million. In fact, that project is supposed to start this month. However, the proposed closure of the Sullivan mine will not harm Trail, although a much larger proportion of concentrates comes from the Sullivan Mine, because Cominco can obtain the concentrates from many other sources. More and more, the main source of the company will be the Red Dog mine in Alaska which opened in November 1989. It will soon become one of the least expensive mines to run in the world.

According to metal investment analysts, a greater number of companies mining base metals are tightening their belts by reducing production and prospection, now that metal prices are decreasing. The prices of aluminum, zinc, copper and nickel have been declining in the last few weeks.

Mining companies have not forgotten the depressed markets of the early '80s and the huge losses that resulted, so they move quickly to reduce the supply rather than wait until the situation worsens. However, most mining companies had trimmed the fat during the last economic cycle and they should, as a whole, keep lay-offs to a minimum.

As we already said, the government cares for the workers and it will take every possible action to help them.

In the present situation, operation of the mine cannot continue, because prices are too low, should they go up however, the mine might reopen.