

Oral Questions

maintain production and employment at its present level? If so, what was the response of management? Would he also advise the House what he and his department have done specifically to try to regain the huge share of the world nickel market which Canada once held and which has been reduced from 85 per cent to 30 per cent under this present government. In answering these specific questions, would the minister give specific answers instead of the vague generalities he has indulged in so far this session?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, in answer to the hon. member's question may I say my colleague the Minister of Employment and Immigration has clearly stated that he has been in conversation with management and the union. The problem with INCO is, as the hon. member has already stated, that most of its production is exported and it is meeting severe competition from new minerals and mines in what I might call the third world countries. We have gone out of our way to assist INCO in meeting world competition in every possible way.

Mr. Baker (Grenville-Carleton): What have you done then, Jack?

Mr. Horner: We have assisted in the export of equipment used in mines. I might say to the hon. member for Simcoe North that, on the one hand, he wants the government not to intervene, as I heard him last night, yet today he wants us to intervene. If he could make up his mind on which side of the fence he is, it would help considerably, but he cannot have it both ways. As I was saying, we have gone out of our way to assist. I might add for the hon. member's information that production is off in both Guatemala and Indonesia.

Mr. Hees: A supplementary question, Mr. Speaker. It is obvious from what the minister has said that this government does not intend in any way to try to maintain production at the INCO plant in Sudbury but is relying solely on make-work projects which everybody knows are not the answer to our industrial problems in this country today. As this government only seems to be interested in allowing jobs to be exported by international companies such as this instead of trying to increase our exports of the products which we produce in this country, is this not an example of a policy of defeat and nothing but?

Mr. Baker (Grenville-Carleton): Horner cannot answer.

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FINANCE**SUGGESTED EXAMINATION OF TAX STRUCTURE OF MINING INDUSTRY**

Mr. James Gillies (Don Valley): Mr. Speaker, I had a question for the Minister of Energy, Mines and Resources, but the Minister of Finance shows such a misunderstanding of the problem that I want to get back to the Minister of Finance. I am sure the minister must realize that Canada had 92 per cent

[Mr. Hees.]

of the world market in nickel only 15 years ago. Today it has 42 per cent of the world market in nickel and Sudbury has 33 per cent of the world market in nickel. The problem in the nickel industry in Canada is not that of a short-term variation in world demand, but the fact the Canadian mining industry has become non-competitive, and one of the major reasons it is non-competitive is the tax policy of this government. What I want to know, Mr. Speaker, is whether the Minister of Finance is willing to re-examine the tax structure of the mining industry so that it can become competitive and compete in the world markets?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I do not think the hon. member is very much aware of what is going on. In fact, there is a corporation in the United States called Amex which is selling at this time below cost of production. This is what has depressed the market to the point it is today. This is a fact of life that we have to recognize. Perhaps the only way to get around it would be to form a cartel to fight this depressed market. Then, after that hon. members would tell us that we are doing too much to protect Canadian producers. So they will have to make up their minds about this problem.

Mr. Gillies: A supplementary question, Mr. Speaker. If the government wants to go in the direction of a producers' agreement, then they ought to bring it into parliament and not do it behind everybody's backs. Do it legally.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS**GOVERNMENT ACTION TO DEVELOP MARKETS FOR CANADIAN NICKEL**

Mr. James Gillies (Don Valley): I should like to ask the minister of external affairs what the Government of Canada is doing to help Canadian nickel get into world markets in a more effective way. What is the government doing in negotiating at UNCTAD to get our nickel into world markets? Has he said anything to Japan about buying our coal as well as taking nickel at the same time? What is Canadian government policy in external affairs in regard to developing markets for nickel? That is where the problem lies.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I apologize to the hon. gentleman but I say to him frankly that I did not hear the question. There was so much hub-bub going on that I just did not get his point.

Mr. Gillies: Mr. Speaker, the question I asked the minister of external affairs is, what is the Department of External Affairs doing to try to get our nickel into foreign markets? That is the heart of the problem—to make us more competitive in our dealings in UNCTAD and our dealings with other countries which are buying our products. Are they in fact trying to make tied arrangements or doing something to induce