

Mining Unemployment

were very few compliments paid to the government a few years ago when Sudbury suddenly became prosperous because of new discoveries. In that kind of a resource area, it is expected to have its ups and downs.

Now, with the programs we are proposing to labour and management, some of the workers for several months will earn less income than they were used to earning previously. It is a normal trait for many Canadians, and for many individuals around the world.

What I dislike about the approach of the NDP is its kind of Santa Claus approach to problems, that the government should intervene and artificially maintain the situation, with the result that two, three, four years later you are hit with a disaster, due to the fact that you cannot give more than you receive, in any economy in the world. This is exactly the price we are paying today for some previous abuses.

During the years 1973, 1974, 1975 and 1976, we have had a better economic performance than our neighbours to the south. For three winters in a row we have had less unemployment in Canada than in the United States of America, for the first time in history. What is the result of that? We developed a mentality whereby all of us were asking more from the Canadian economy than we were offering. We were faced by demands which were greater than the capacity of the nation to provide, with the resulting devaluation of the Canadian dollar in that we have overpriced ourselves in international markets.

Not long ago we were talking of the need to catch up with the Americans. That was the big issue a few years ago. I understand that there will be some figures released tomorrow—I have not seen them—but internally in my department I have seen some figures. In Canada now, in the majority of the sectors, we are paying ourselves more than our counterparts are paid in the United States. Of course, because of the size of the plants there, and perhaps in some areas better technology than we have, their productivity is higher. The result of that is we have lost numerous markets. We are now in the process of adjustment because Canadians, both in the private sector and in the unions, realized it was the wrong course to carry on with the treadmill which we had in 1974 and 1975 when everything was increasing rapidly. I commend labour, in many areas, for realizing now that they have outpriced their services and are faced with difficult situations.

The pulp and paper industry is quite a good example, where the workers are making \$1.50 more per hour than workers in the United States. Last summer in my own riding two paper mills were closed for weeks. They had no orders for their goods. The price per ton of paper in Canada is something like \$30.00 more than the price of paper per ton in the United States. So, it can be no surprise to lose markets in those circumstances.

I would like to be a little more positive than the hon. member. I believe that the adjustment process is getting under way; we are becoming more competitive. The settlements for salaries are no longer higher than those in the United States.

An hon. Member: Three per cent below the inflation rate.

[Mr. Chrétien.]

Mr. Chrétien: It could be. But you do not talk about the time when it was way above inflation.

An hon. Member: That has not improved.

Mr. Chrétien: Come on, come on! You have the result; the results are there. We are not lost in this world. We are told by the international market place that our Canadian dollar is going down.

An hon. Member: Right on.

Mr. Chrétien: Here is Canada, my good friend. The guy who was proposing nationalization is three rows behind you. Look at him—he says yes. You should talk to each other because he said—you never proposed that? Perhaps you should check your notes once in a while. I believe we will emerge from these difficulties very soon because of the international readjustment; just as a result of the fact that the Canadian dollar is weaker, we are beginning to be more competitive. Three years ago we had no trade surplus at all. Last year we managed to reach \$1.2 billion. This year, in 1977, our trade balance, I believe, is \$2.5 billion or more. These things are positive factors which mean that we are returning to international markets.

With respect to nickel I have to admit the demand is low; the same is true with copper. But there are other products we can produce in Canada in the mining industry. The demands for and investment in uranium, for example, are increasing because we have great potential. It is normal that some times some metals are less in demand than others. But why would the hon. member suggest that we sock it to some corporations that have been able to grow in Canada and are now trying to compete in the world? I don't think that will solve the problems. The world has to specialize, it is one of the great challenges we are faced with at this time as a nation. If there is more liberalization of trade in the world, where Canada would specialize would be difficult to decide. I agree that we need industrial strategy—

An hon. Member: You have been going on and on like that for years.

Mr. Chrétien: Perhaps the hon. member would let me finish my speech. If he does not understand English, I can try it in French.

There is something in industrial strategy which I would call a catch phrase. We cannot have one industrial strategy in Canada because we have a nation that is so diversified in its nature that we will have to look at it by sectors.

I say let us take the mineral sector—

An hon. Member: Right.