

Adjournment Debate

Sudbury Basin to refine Canadian ore. Let the Norwegian plant refine the Botswana ore.

To me, Mr. Speaker, this decision flies in the face of what we have been discussing in committee and in this House with respect to Bill C-15. Surely the surplus earned through the labour of Canadian workers and Canadian resources should be plowed back into Canada. Falconbridge should build a refinery and at least hire back the employees who lost their jobs. Not only do we Canadians have a vested interest in that we lose employment opportunities when we ship out the semi-processed ore, but we have allowed Falconbridge to defer \$150 million of federal corporate tax in the last two years. Last year it paid no corporate income tax at all and it paid none the year before. I have nothing against that, but at some point in time we have to receive a benefit from that company. Where is that benefit?

We have said that Falconbridge should build a refinery in the Sudbury Basin. Falconbridge made the decision to expand the refinery in Norway. They have been saying they are going to spend \$70 million in the Sudbury Basin next year. Well, that includes the payroll. They have not spent any money on development of new mines in the last two years and here is an opportunity for the Government. I asked the Minister to do that. I asked him to contact the leadership of Falconbridge to impress upon them that now is the time to put the \$41.5 million toward the building of a new refinery. We understand it will cost in the vicinity of \$125 million to \$147 million, and \$41.5 million as a good down payment to make. We could look at participation by the federal and provincial Governments in building that refinery in the Sudbury Basin. I asked the Minister to do that and he said he would look into the matter and report later.

● (1805)

Mr. F. Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I am pleased to respond to the Hon. Member for Nickel Belt (Mr. Rodriguez). He raises a very interesting matter, one which is of concern to all Canadians, that we are from time to time shipping semi-processed raw materials to other parts of the world for further refinement. That is not something engaged in solely by Falconbridge or the mineral industry. Our forest industry and many other parts of the primary resource sector are often accused of the same sin.

One should ask immediately why a company like Falconbridge, which has such an exemplary record, would build a refinery in Norway in the first place. The Hon. Member for Nickel Belt may not know it, but the reason was that Inco had developed a refining process that was then state of the art, still is for that matter, and had the North American patents. In order for Falconbridge to get its ore refined, they would either have to make a deal with Inco or go somewhere else to build a refinery. That is why the refinery was built in Norway in 1928 to 1930, and they have been refining ore there ever since.

It is quite true that this patent protection just recently expired and it would now be possible for Falconbridge to build

a refinery in Canada. However, the Hon. Member is from the Socialist Party and I want to just put to him this proposition. It is one thing to impose on or intrude in corporate decision-making in the manner which the NDP would prescribe. To impose export limits on natural resources would be one way of doing that. Indeed, we are doing it where the Canadian interest is involved, for reasons of security of supply. In the oil sector there are very strict Government rules concerning exports. But surely the Hon. Member knows that there is no shortage of nickel in Canada; nor are there any security reasons for which the Government would in any way feel justified in imposing such restrictions. It is, as I said, one thing to do that, but it is quite another thing when you have to sell these materials.

Let me just tell the Hon. Member that Canada purchases only 5.1 per cent of the total production of Falconbridge, including some product from the Dominican Republic. The rest is sold all over the world. Only 7.1 per cent of the Norway refined product finds its way back to Canada. As well, there are some very significant trade advantages to Falconbridge because the Norway refinery's product goes into the markets of the European Economic Community without trade restrictions. That is a very distinct advantage.

The Acting Speaker (Mr. Charest): Order.

● (1810)

[*Translation*]

RAILWAYS (A) CN LAYOFFS. (B) TRANSFER OF RESPONSIBILITY FOR CN EMPLOYEES TRANSFERABLE TO VIA RAIL

Hon. André Ouellet (Papineau): Mr. Speaker, on February 26 last, I asked the Minister of Transport (Mr. Mazankowski) to pay particular attention to the fact that CN workers would be transferred to VIA Rail, and that the decision which had just been announced by the Progressive Conservative Government to allow VIA Rail to do its own car repair and maintenance was likely to be a source of great concern for some 3,000 rail workers in Canada. I asked the Minister to assure the House that no Canadian National worker who had been working for several years, seven, eight years, for VIA Rail, would be affected by this new decision of the Government. The Minister of Transport told me at that time that a deal between the parties would be made about those CN workers who would be transferred to VIA Rail, and that negotiations were under way, and I quote:

—I understand they are proceeding very smoothly and satisfactorily.

However, reminding him of the responsibility of the Government in this decision, I asked the Minister, to take a closer look to ensure that the whole thing would be done without any layoffs. I quote him again as he told me:

—as I previously indicated, the negotiations are taking place very smoothly between VIA Rail and the respective unions. I can assure the Hon. Member that a deal will be resolved which will be satisfactory to both parties concerned.