

*Mining Unemployment**[Translation]*

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, I listened with great interest to the speeches that have been made on the motion of the New Democratic Party. I wish to commend that party for bringing up such an important matter. However I must say that I am surprised at how lightly the Minister of Finance (Mr. Chrétien) is taking that matter. He readily admits that there is a problem in the mining industry.

Yet, in 1974, 1975 and 1976, as he mentioned, the situation may have been better than today, but every year a gradual deterioration in the mining industry was noted. Every year some new restriction was added, there were lay-offs and suddenly in an industry like INCO in Sudbury, there is a massive loss of 3,000 to 4,000 jobs.

When the Minister of Finance argues that the bad situation now prevailing in Canada is due to outside conditions, I would say that it was brought about by the poor performance of the minister and his officials. In fact the minister, his officials and their plethora of highly paid civil servants, economists and statisticians were not able to understand the situation and prevent the problem we are facing now.

It was said in the Speech from the Throne that, and I quote once more: "... high rates of unemployment and inflation are clear signals of the inadequacy of the economic strategies appropriate to simpler times ...". It was in the Speech from the Throne. We are aware of that situation and what is the minister's response to the present problem in the mining industry? Absolutely nothing! He is good at laughing at others and sneering at other parties, but he is unable to make a valid suggestion. He admits that tax reductions and subsidies have been granted to mining companies and multinational corporations but—as everybody knows—instead of expanding their operations and increasing their production in Canada by investing in secondary industries they invested the money and extra profits in other countries, which means they are competing with Canadian industries and contributing to the reduction and elimination of jobs in this country.

● (1642)

If the government had been a little smarter in the past or if, at least, it could smarten up right now, subsidies and tax credits granted to those companies should at least be made subject to reinvestment in the manufacturing sector in Canada so that we could use the primary industry to obtain minerals, process them in this country, develop our industrial production at home and create jobs.

The minister has advised miners to look for employment elsewhere, and accept the principle of job mobility. He is even cynical enough to suggest that miners divide their working hours, reduce their wages and distribute them on the basis of four working days a week. This government has created the problem and now they say to the workers: It is up to you to solve your problem, it is up to you to work out agreements between yourselves. I would like to see the miners split their time and salary with the Minister of Finance, to see if he would accept that kind of offer. If he did, let him say so and

[Mr. Caouette (Témiscamingue).]

let him actually do it instead of merely suggesting it to them! Manpower mobility! When the emphasis is on decentralization so that people in outlying areas may have jobs. So I come back once more to the government's attitude. How come the government did not use the grants and tax cuts given to corporations to get them to create secondary industries in mining areas? Northwestern Quebec is no exception. Today Noranda Mines is not mining anymore in northwestern Quebec. They only have a smelter that depends on section Horne in Noranda and other mines throughout the country. Although that plant had to lay off people, it still has 1,000 employees or so, even though it is facing competition from foreign countries, not because of material or smelting costs, but because of transportation costs to bring the material to the smelter. There are mines in western Canada, but they find it cheaper to send the material to Japan where it is smelted, because shipping costs are lower. So Canadian material is smelted in Japan, and the government does nothing to stop that and allow our smelters to smelt our own material. The government remains idle.

Recently, I urged the Minister of Transport (Mr. Lang) to see to it that our mines get, not grants but special transportation rates for the material going to our smelters, so that we may save jobs in Canada. We are still waiting for an answer. In such matters, the government is in no hurry to answer. Mines were and still are forced to absorb a 21 per cent cost increase because of fringe benefits, anti-pollution expenditures that did not exist before. Smelters had to absorb extra production costs as high as to 10 per cent to invest in the environment. Those are real costs absorbed by the mines, by the smelters. The government is forcing them indirectly, to get more involved in the environment, but it gives them nothing in return except tax controls, double tax controls. It prevents them from operating on a sound basis. If there is some money to be made, the government does not hesitate. It overtaxes, it double taxes in some cases, when obviously royalties should be at the provincial rather than at the federal level. Because under the Canadian constitution, direct taxation should be at the provincial rather than at the federal level.

● (1652)

We know that the federal government has taken over the power of taxation, which is causing great problems to these companies today. However, when we consider these problems as a whole, is Canada short of mineral ores? Absolutely not. The Minister has just said that everything depends on foreign markets, that other countries are producing nickel, copper and gold, and that those countries are our competitors. Does the fact that other countries are producing minerals warrant dividing or reducing the workload of our people, our work potential? Definitely not. Those two things are unrelated. The simple truth is that we, as Canadians, have not been able, through our government, to develop our secondary industries to the same level as some other countries like Japan or Germany, countries which, we are all aware, were destroyed during World War II. They set up for themselves financial and economic systems which are different from our own to ensure the recovery of their economies. What are we waiting for, in