

HOUSE OF COMMONS

Tuesday, April 1, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

NATIONAL RESOURCES AND PUBLIC WORKS

Third report of the Standing Committee on National Resources and Public Works—Mr. Hopkins.

INDUSTRY

COPPER—STEPS TO ASSURE SUPPLY FOR CANADIAN USE

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to inform the house of a change in the arrangements for control to offshore destinations of copper in refinery shapes. Since November, 1965 copper in all forms has been under control by the authority granted under the Export and Import Permits Act. However, in the case of refinery shapes permits have been issued on a yearly basis valid for multiple destinations.

The change that we contemplate has been brought about by the fact that over the past several months the London Metal Exchange price for copper has continued at a significantly higher level than the North American producer's price. This continuing price differential has intensified interest on the part of some of the copper concentrate producing mines, which have their concentrates smelted and refined in Canada, to sell their resultant copper at the London Metal Exchange price. These mines have traditionally sold a portion of their refined copper in Canada at the North American price.

Current conditions in the industry are such that there is a danger the continuing higher overseas price would attract away from Canada some of the normal and reasonable supplies of copper required by our copper consuming industries. In order to prevent this happening, several meetings have been held with the various sectors of the Canadian copper industry. I continue to hope that the industry will find its own solution to this problem. I consider it desirable however to

make clear at this stage the action the government will take should a shortage in the supply of copper, traditionally available in the usual way for our users, develop in Canada.

If a legitimate shortage of copper for the Canadian fabricating industry occurs and is substantiated we will, under the authority of the Export and Import Permits Act, take the following steps:

1. Withdraw or withhold export permits for refinery shapes;
2. Ensure that Canadian fabricators of rod and wire products return all new bare copper scrap generated in their operations through normal trade channels to Canadian refineries for conversion or exchange for primary copper;
3. Ensure that the Canadian brass mills arrange for the return to their own mills of all useable scrap generated in their customers' operations.

These measures would be taken to the extent and degree necessary to ensure the reasonable requirements of Canadian copper users on a competitive basis.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am sure there will be some questions later on arising out of the minister's statement. I would like to make just one point at the moment, and that is that I emphasize the importance of the government taking whatever steps prove to be necessary in due and adequate time to prevent a very substantial copper shortage from developing in this country, impeding the normal operations of our economy and perhaps resulting in very substantial inflationary pressures within the country.

In a minute my hon. friend from Peace River may have something to say about the lumber industry in which there has been a very substantial increase in prices of certain lumber products arising from a very substantial shortage of supply in relation to demand.

While I share the views of the minister and hope that the industry will work this problem out itself, I also hope that the minister will act in adequate time to make sure that the Canadian economy and the Canadian people are protected.