

## Ministry of Natural Resources



Unifor has 45,000 members in the natural resources sector, distributed across three main industries: forestry (22,000), energy (13,000) and mining & processing (10,000). We have an additional 8,000 members in the broader fisheries industries. Our members are employed by some of the largest firms in the sector, including Suncor Energy, Enbridge, Mosaic Potash, VALE, Glencore, Rio Tinto, Resolute Forest Products, Tembec and Domtar, among others.



### Unifor priorities

Historically, Canada's approach to resource development has centred on riding the commodity super-cycle. When demand is strong and prices soar, investment pours in, jobs are created, money flows into certain regions and the relative value of the Canadian dollar inflates (which undermines employment and output in other regions and in strategic export industries). When the commodity boom turns to bust, everything shifts into reverse. The free market, boom-bust approach to development can look artificially attractive when prices are high and rising, but when prices crash—as they invariably do—the full socio-economic consequences of the 'gold rush' mentality shine forth. Unifor views natural resource wealth as an important tool in the socio-economic development of Canada's citizenry. Canada's resource wealth can and should be a source of good jobs across many generations. In order for this to happen, Canadian natural resource development must be underpinned by the values of social fairness and inclusion, community health and environmental sustainability.



### Specific issues and policy recommendations

#### Forestry

Canada's integrated forestry sector, including pulp and paper manufacturing, and lumber and wood products manufacturing, is in transition. The past decade delivered incredible challenges, including rapidly changing markets, a shift in consumer demand away from newsprint and other papers in the digital age, the devastation of an over-valued Canadian dollar on exports and a global financial crisis and recession. Over the past decade, the industry has shed a third of its jobs. We need comprehensive policies designed to ensure that forestry is treated as an increasingly value-added industry. Unifor recommends:

- Supporting investments that transition toward growing markets, which means that the federal Investments in the *Forest Industry Transformation* program needs to be significantly expanded.
- Ensuring that trade policies support high-value forestry exports, that we are not the target of unfair trade measures and control the export of unprocessed raw logs.
- Establishing policies for sustainable rules for wood harvesting that secure investments and jobs while meeting the highest environmental standards.

- Working toward stable and appropriately priced hydro-electricity and modernizing transportation infrastructure, pricing and access.

## Energy

There is an urgent need to develop a comprehensive national energy strategy that would enable Canadians to develop the country's vast energy resources in a socially responsible and environmentally sustainable manner. Macroeconomic challenges include the boom-bust cycle in resource prices, which is harmful to workers, communities and to the fiscal capacity of governments. Social challenges include acquiring the free, prior and informed consent of First Nations peoples and their full socio-economic participation in resource development. An additional social challenge is ensuring that the economic benefits of resource development are shared with workers, communities and governments. Environmental challenges include regulating greenhouse gas emissions in a manner that enables Canada to meet its climate change commitments and to mitigating the negative ecological consequences associated with resource development. Unifor recommends:

- The creation of a Canada-wide energy grid so that Canadian energy resources can continue to be used to meet the needs of Canadian consumers and to reduce reliance on imported energy in eastern Canada.
- A greater commitment to refining and processing oil and gas resources in Canada.
- Putting a price on carbon through a carbon tax or a cap-and-trade system.
- Active steps by the federal government to nurture the development of alternative fuels and green energy.
- Opposition to pipelines that ship unprocessed bitumen to export markets.
- A moratorium on new, unconventional fracking exploration and drilling until such a time that the environmental, First Nations and energy supply concerns have been satisfactorily resolved;
- A comprehensive royalty regime that enlarges the economic benefits flowing to Canadians from their energy resources.

## Mining and metals

The mining and metals industry is prone to wild swings in prices resulting from the commodity super-cycle. This macroeconomic challenge is manageable, but requires active government strategy. An unprecedented wave of foreign takeovers in the industry since 2006 has resulted in the loss of industrial sovereignty, with fewer benefits flowing to Canadians from their mineral wealth. New owners such as Xstrata, U.S. Steel, and Rio Tinto quickly closed processing facilities, attacked compensation and blackmailed entire communities. Now is the time for the federal government to address the policy failures of the last decade and adopt effective policies to best position Canada for the next upswing. Unifor recommends:

- Strengthening the 'net benefit' associated with foreign takeovers of Canadian-based firms. Clear thresholds around investment, R&D spending, and crucially, employment, must be imposed on foreign investors. This would impede foreign-based firms from purchasing Canadian operations and assets with the express purpose of shutting them down.

- Ensuring public ownership, use and control of hydro-electric resources, especially pertaining to aluminum smelting operating in Quebec and British Columbia. Given the centrality of low electricity prices in the production of aluminum, it is essential that Canada's hydro-electric resources remain under public control and that these resources are utilized for the purpose of industrial and social development.
- Imposing Canadian content conditions on resource developments, to ensure companies purchase more Canadian-made equipment and services, and meet binding targets for made-in-Canada processing of the resource.
- The collection of higher royalties on non-renewable resource extraction to support all-around economic and social development in mining communities

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