

Supply—Regional Development

day for the last three weeks. They are still looking for box cars to carry their grain.

The minister implies that Cape Breton should be grateful for what is being done for the island. I suggest members should look around at what is being spent in support of other industries in this country and keep in mind that on the very day the corporation came before the committee saying that one of its biggest problems was transportation, an announcement came from the west coast that Kaiser was thinking about shipping coal from Cardiff, Wales. And the development corporation complains about a transportation problem!

Certainly we have a transportation problem, but it is mostly underground. Dr. Donald never went down to see it, though. The government put so much faith in his report they were willing to condemn the report of a previous commissioner who maintained there were 190 million tons of Cape Breton coal which could still be economically mined. Dr. Donald never went to the Cape Breton coalfields. He never went into a mine. But the previous commissioner did, and if the minister would read his report, which is available to him, he will see it is estimated there that 190 million tons of Cape Breton coal could still be economically brought to the surface.

The minister referred to the preamble to the bill. I would ask him to look at it closely and show me where there is authority given to the corporation to phase out this coal mining operation over a five year period in accordance with the plan to which reference has been made. I will read the preamble:

Whereas it has been estimated that the realistic working life of the Sydney coalfield on the Island of Cape Breton is only about 15 years and that as a result of rising operating costs the future operation of the mines in the coalfield will require the continuance on an increasing scale of the subsidies and other government assistance which have been provided over a period of almost 40 years—

They are rubbing it in. For 40 years the government has been helping them, it says.

And whereas the mines in the Sydney coalfield are faced with imminent closure unless a substantial capital investment is made for their rehabilitation and modernization and as a result of the aforementioned factors and the substantial dependence of the people of Sydney and the surrounding area and of the economy of the Island of Cape Breton on the coal mining operations in the coalfield, a critical situation exists on the island which is a concern to Canada as a whole;

And whereas it is considered desirable and the governments of Canada and Nova Scotia have agreed that a Crown corporation be established

to promote and assist the financing and development of industry on the island to provide employment outside the coal producing industry and broaden the base of the economy of the island, and to acquire the interests of the major coal producer in the Sydney coalfield and reorganize and operate the mines with a view to the rationalization of coal production therefrom and the progressive withdrawal of the corporation from such production in accordance with a plan that takes into account progress in providing employment outside the coal producing industry and in broadening the base of the island's economy;

Where in that preamble does the corporation get the idea, as expressed on October 1, 1968, that it can close down this mining operation? It is stated here in the second paragraph of the report: "It is the intention of the corporation to reduce coal mining employment as quickly as possible." Let the minister show me how the corporation has been guided by the preamble to this bill, or, for that matter, by any portion of this legislation.

The minister should become acquainted with the terms of this measure. I would refer him to what appears a little farther on in section 19 where it is stated:

(b) in accordance with approved budgets, paid to the corporation from time to time as required by it amounts not exceeding in the aggregate twenty-five million dollars for the purposes of reorganizing and rehabilitating the coal mining and related works and undertakings referred to in section 15 and for preparatory work in connection with conduct by the corporation of coal mining and related operations.

If the minister would read what section 15 says he would find it does not detract from the argument I am making now. The people of Cape Breton have been waiting for the fulfillment of promises made to them by this and previous governments with respect to the coal operation. They do not consider that the present and previous governments have taken into account the manner in which the nation was served by Cape Breton miners during the war when coal was so urgently needed. The corporation said it would spend \$25 million on reorganizing the industry and rehabilitating the men concerned. Now it comes out with a report promising: We shall rid you of these men in five years.

The hon. gentleman talks about his concern for the unions. He says he believes there should be discussion with the unions. At the same time, the man in charge of the coal division of the corporation says before the committee that there is nothing in the legislation which requires the corporation to negotiate. According to him, these matters had not been discussed with the unions involved, and we were "drawing a thin line".