

ments—given the nature of coal production and distribution and international market conditions—the provision in the bill to add some flexibility to the limit on capital advances by allowing the limit to be raised through parliamentary appropriations is a sensible one. Allocating funds through an appropriation vote is simpler and more direct than having to amend Devco's act every time the corporation's working capital requirements exceed the legislated limit.

Much has been said about the original mandate of Devco with respect to future coal developments on Cape Breton Island. As I recall, targets were never set with respect to either the reduction or the expansion of the work force or coal production. Indeed, those recommendations were left largely to the board of directors and the management of Devco.

As an example in this respect, I refer to the *House of Commons Debates* of June 15, 1967, at page 1553, at the time when then Minister Pepin was introducing the legislation covering the Cape Breton Development Corporation. I read from that page as follows. He said:

On December 29, 1966, the government . . . following careful consideration of the Donald report and its recommendations, the receipt of views of interested persons and organizations, and discussions with the government of Nova Scotia, announced in consort with Nova Scotia certain basic points of policy. The Minister of National Health and Welfare—

who was Mr. Allan J. MacEachen—

and I went down to the area to listen to the views of the people. We have received many views since then, just as other ministers had received many views before. As I say, on December 29 in consort with Nova Scotia we announced certain basic points of policy. May I spell them out?

I will refer to just one of those basic points, Point 10. He was referring to the possibility of a new mine opening, which had been discussed both in Cape Breton, Nova Scotia, and by those who were interested in this particular problem. It states:

The opening of a new mine at Lingan has been a matter of much controversy. In view of the government undertaking of October, 1965 and of Doctor Donald's strong recommendation against it, the government agreed to allocate sufficient money to fulfil its own commitment but to leave to the crown corporation the decision as to how these sums can best be used in the interests of the community.

Devco has been in operation for 20 years. As was stated in the brief by the corporation to the legislative committee on Bill C-103 in Port Hawkesbury on March 8 of this year:

Through its successes and its failures it has developed substantial institutional experience and has become very much part of the fabric of Cape Breton.

Devco's development mission has been difficult, and clearly much more needs to be done. Economic conditions in Cape Breton remain hard and the Island's development lags far behind that of the rest of the country. The labour force

[Senator Graham.]

participation rate in Cape Breton last year averaged 54.7 per cent compared to 66.2 per cent for the country as a whole, reflecting the lack of adequate employment opportunities on the Island. Cape Breton's unemployment rate for April of this year was 17.5 per cent—more than twice the national average. The incomes of Cape Bretoners remain at less than four-fifths the national average. Devco's expanding operations are vital to the future development of that part of Canada.

It is important, therefore, that Devco's growth and competitiveness not be hobbled for lack of working capital. To this end, the bill's proposal to increase the limit on advances of working capital to Devco deserves to be supported.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Orville H. Phillips: Honourable senators, I move that Bill C-127 be referred to the Standing Senate Committee on Banking, Trade and Commerce.

The Hon. the Speaker: It is moved by the Honourable Senator Phillips, seconded by the Honourable Senator Roblin—

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, would it not be compatible to send it to the Standing Senate Committee on National Finance, in view of the fact that we have just sent the earlier bill there?

Senator Phillips: Honourable senators, I would have no objection to the suggestion made by the Honourable Senator MacEachen, but my understanding of the rules is that this is a corporate matter. Therefore, it would normally go to the Banking, Trade and Commerce Committee. However, I would be quite happy to have it go to the National Finance Committee if that is the wish of the Senate.

The Hon. the Speaker: Does the honourable senator wish to send it to the National Finance Committee or the Banking, Trade and Commerce Committee?

Senator Phillips: Honourable senators, I move that it be referred to the Standing Senate Committee on National Finance.

On motion of Senator Phillips, bill referred to the Standing Senate Committee on National Finance.

RAILWAY SAFETY BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Spivak, seconded by the Honourable Senator David, for the second reading of the Bill C-105, An Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof.—(Honourable Senator Turner).