

Coal Production Assistance Act

parts of Canada. It was because of this situation that it was found necessary to introduce the Maritime Coal Production Assistance Act in 1949. This act was later amended in 1959 to eliminate the word "maritime" from the title. The original intent of the act, and an intent that still remains basically the same, was to provide loans to the various coal companies throughout Canada to provide them with capital to modernize or provide more automation for their plants and thus cut down production overhead costs and help them maintain a more competitive position in both local and world markets.

The minister went into some considerable detail in this respect regarding the amendment to this act when he introduced it into the house, and I will not transgress on the time of the house by repeating these details. I would, however, like to say that in the old act brought in under the former government there was a serious discrepancy that prejudiced the position of the lignite industry when it required to make use of the benefits under this act. This discrepancy was in the repayment of loan terms of the act. Under the former act the repayment by coal companies borrowing for modernization was assessed on the basis of 30 cents per ton semi-annually for each ton of coal produced in each year. This formula appeared fair until it was applied to the lignite industry, when the discrepancy I have previously mentioned became apparent. The average wholesale value for bituminous or semi-anthracite coal is roughly \$8 to \$10 per ton at the pithead, whereas the average wholesale price of sub-bituminous and lignite coal ranges down in value to the lignite industry in my area, where the average value per ton ranges from \$1.90 to \$2 per ton at the minehead.

It immediately becomes apparent that percentage-wise 30 cents per ton repayment on a wholesale value of \$10 per ton is much smaller than 30 cents per ton on a \$2 per ton value; or conversely, the 30 cents per ton repayment on the \$2 per ton lignite is proportionately much too high. It was on this basis that I had the pleasure of making direct representation to the acting minister of mines and technical surveys, the Minister of Northern Affairs and National Resources, and to Senator Flynn, the former minister of mines and technical surveys.

Mr. Speaker: Order. I hesitate to interrupt the hon. member, but I think he knows the rule about reading speeches. I have not said anything about this in the past, and I do not want to pick on the hon. member particularly; but I think that now we have been in session for some two and a half months we could

adhere more closely to this rule. While it is permissible to have notes for statistical information, and so forth, I think hon. members will all recognize that they were not so long ago very eloquent without any notes, otherwise they would not be here. I do not think the fact that they were elected to this house made them lose their natural eloquence. I would prefer that we come back to the idea of more spontaneous speeches. This applies throughout the house.

Mr. Southam: Thank you, Mr. Speaker. I will try to refer only occasionally to my notes. It was on the basis of the foregoing that I had the pleasure of making representation to the acting minister of mines and technical surveys, and then to the present Minister of Mines and Technical Surveys. Through those representations this important amendment to which I have been referring has been brought into being. And, as a consequence, our present Minister of Mines and Technical Surveys has introduced this bill into the house to amend the act to eliminate the present anomaly I have pointed out. This important amendment I have been referring to, in effect reduces the repayment of loans on a per ton basis to 30 cents, 24 cents and 18 cents respectively, according to the aforementioned qualities of coal.

Mr. Speaker, this action has received the approval of the lignite coal industry, and I must also say at this point that the appointment last May of Mr. John Malcolm Brodie, managing director of the Great West Coal Company to the vacancy on the dominion coal board found widespread approval in the lignite coal industry in my riding. Mr. Brodie's father, now retired and living in Victoria, had a long association with the coal industry, not only in Saskatchewan but throughout Canada, and was chiefly responsible through years of effort and research for bringing the lignite coal industry of Saskatchewan to its present high standard of development, and state of efficiency.

Mr. Brodie's appointment to this board places him in a position to give the lignite industry of Saskatchewan the representation it so sorely needed in the higher councils dealing with the coal economy of Canada.

Mr. Speaker, at this point I should like to express my personal thanks to the Prime Minister for taking cognizance of my representations on behalf of Mr. Brodie and for allowing me the privilege last May to make the press release announcing Mr. Brodie's appointment to this important position.

Mr. Speaker, these timely actions on the part of the Prime Minister and the Minister of Mines and Technical Surveys once again