

Adjournment Debate

I think it is obvious this means that we should not postpone the opening of Donkin any longer. The extra test hole drilling that began in September is now finished and confirms more accurately the quality and quantity of the coal in the Donkin area, as well as off Point Aconi.

Considering that in the first two years of constructing these tunnels to get at the coal about 500 persons will be employed in the construction process, and that when finished 1,150 will be employed at the mine by 1985 or 1986, if it is started now, and when you consider the help this would be in terms of our balance of payments problem, which is now very acute and will remain so for some time, the minister will understand why we are impatient with the speed at which this mine is being developed.

Surely the financial cost to the federal government, through the Cape Breton Development Corporation, will be high, but it would be spent over a period of four or five years and there is a good chance that all of these capital costs would be returned to the government because the prospects for this mine are so good.

We have thousands of people looking for jobs at the Cape Breton coal mines. The savings in unemployment insurance and, in some cases, in welfare payments, would be very noticeable in such an area. The spinoff effects from this mine would give a stability to the mining areas on the south side of Sydney Harbour which they have not seen since the Second World War, and this time it should be of much longer duration.

I hope the minister will convince the cabinet to proceed quickly on this vital labour-intensive and energy-intensive project that would be good for the province of Nova Scotia, the people of Canada, and the industrial area of Cape Breton.

A friend whom I have known for many years, with the Department of Energy, Mines and Resources, has warned me that, given the present restraints program, the President of the Treasury Board (Mr. Stevens) might prefer to help two private foreign firms to invest in Cape Breton coke production. He estimated that this would bring about 400 new jobs. We are anxious to see the Cape Breton coke production increased since that could only be good for the area, including the coal mines. Surely, though, the minister will not allow the priority of the Donkin mine, with its 1,150 potential employees, to be scrapped by the Treasury Board in favour of private foreign firms producing coke that would give us 400 jobs.

● (2225)

If the coke oven consortium can be a viable thing for Cape Breton, it should go ahead as soon as possible after the Donkin mine is started. Such productive expenditures could only be good for this long suffering area of Nova Scotia and, as I mentioned, ultimately redound to the good of Canada.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I want to say to my friend opposite that I enjoyed the informative presentation which he made tonight. I want to assure him that, as far as I am concerned, there is no danger of scrapping the Donkin mine per se in favour of any coking operation.

As the hon. member knows, because he is knowledgeable about mining and comes from that area, currently Devco supplies coal to two distinct segments of industrial activity. He knows that there is high grade metallurgical coal for coke making operations as well as thermal coal which is purchased by Nova Scotia Power Commission. Devco has demonstrated over the past five years the capacity to develop markets for its coal. As its production has increased I believe from one million tons to 2.6 million tons, a planned increase of the thermal portion of this coal production from 1.3 million tons to 4.2 million tons over the next five years will require the development of further markets.

The major increase in consumption is expected to be from the Nova Scotia Power Commission. There is also a possibility, of course, that should it be possible, as the hon. member has said, to have an auxiliary coking capacity because of some merchant coking operation, that would also require additional coal. The corporation intends to press ahead with plans by the new mine.

The premier of Nova Scotia has recently indicated that for the best long-term advantage of Nova Scotia, a further reliance must be placed on coal. Like the hon. member opposite the premier of that province is impatient for this to commence. There has been excellent co-operation between the two levels of government, and the drilling operations that were conducted this year, and for which the province of Nova Scotia will be reimbursed, were in my view done within the proper time. They could have been done a few weeks or months earlier, but the main thing is they were done within the limit of the weather which would have soon made it impossible had weather conditions worsened.

The hon. member also knows that very shortly there will be financial and technical people from the Cape Breton Development Corporation appearing before the standing committee. He can be assured that he will have an opportunity to speak to these people about these conditions and the Lingan mine which has had a strong performance recently. The No. 26 colliery is of particular interest because of the type of coal it produces. There is also the Prince mine.

As far as segregating funds or giving the member a definite commitment about the precise amount of money that will be used, for example, in the Prince mine, or the allocating of funds for the starting up of the Donkin mine, I have to be honest and say that at the present time I do not know what kind of money is involved for each of these operations. They are all part of the general coal strategy. It is a high priority with myself and my government. It is true that some time has gone by since I indicated to him that we would be talking about this matter in cabinet. We are still at the discussion stage and I am hopeful that quite soon we will have more definite information for him. In the meantime he can pursue this matter with myself and the officials in committee.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.