

Adjournment Debate

was designed to bring to the attention of the House that there is strong potential competition between Gros Cacouna and the Gabarus Bay super port in my riding as the site of a possible new and very large steel complex in eastern Canada.

Later, after the question period, it was brought to my attention that approximately 27 bus loads of Quebec citizens were engaging in a peaceful demonstration in front of the House of Commons to show their support for the involvement of the federal government in the development of their super port. The people of Cape Breton, and of Nova Scotia in general, are fearful that we will once again lose out in competition with the larger provinces of Canada in trying to attract such an industrial complex.

I had a meeting with three representatives of the Gros Cacouna delegation for one half hour, and they assured me that what they were looking for primarily was dry bulk transportation facilities to transport wheat, paper, etc., and that they wanted a grain elevator built there. They informed me that they were not now interested in the proposed large steel complex as such. Well, I have to take them at their word. There are some 36,000 people within a radius of 25 to 30 miles of Gros Cacouna, and since they have a high unemployment rate in that area of the Gaspé, I can understand their concern.

● (2210)

My worry is the some 130,000 people who live in the county of Cape Breton and who, to a major extent, depend upon either the complete renovation of the Sydney steel plant at the present site, or a new major complex at Gabarus Bay, which is a magnificent superport some 26 miles from the Sydney area. In order to make the Gabarus possibilities become a reality, a consortium of steel buyers has to be put together by the new Canstel Corporation recently set up by the Nova Scotia government.

When he appeared before the Standing Committee on Regional Economic Expansion, the minister, on May 6, 1975, said:

Two provinces, Nova Scotia and Quebec, have indicated a very real interest in having a major steel complex. Newfoundland is in the picture still but—I think this is fair and I believe I saw where Premier Moores was quoted recently on this—they are not as far along the line as the others are.

The minister went on to say:

I am by no means convinced that it is a mutually exclusive proposition, in so far as, let us say, Quebec and Nova Scotia are concerned... I think it is quite possible... to satisfy both provinces and indeed perhaps to have additional benefits for other provinces out of this kind of undertaking.

On that occasion the minister guaranteed to me that nothing would be done that would in any sense jeopardize the Sysco type of operation. I quote him again as follows:

That is to jeopardize the existing jobs or to in some way or other act in a manner that would be detrimental to the future of the Sysco company and its employees.

We in Nova Scotia are glad to have the DREE minister put that statement on behalf of the Government of Canada publicly on the record. However, I want to make two comments on this matter in the short period at my disposal this evening.

First, I think that the failure of the federal government of Canada to make the Cape Breton Development Corporation, which it set up in 1967, responsible also for the development of the Sydney Steel industry was an error of major magnitude—and this is not hindsight on my part for I said so publicly at the time. The result was that a relatively small province with inadequate finances, and little or no bureaucratic civil service expertise on international steel matters, was practically forced to fend for itself without adequate support or leadership from the federal government and its agency, the Cape Breton Development Corporation, even though the latter did indirectly subsidize the Sydney Steel Corporation in the late sixties and early seventies with low prices for coking coal.

It is true also that DREE made intermittent grants to Sysco, but the judgment is still valid that they did not play anywhere near the leadership or support role that they ought to have played. We are suffering to this day for that. As a member of parliament from that area—in fact one of the reasons for my entering into politics was of that failure—I feel that they have a special obligation to the people of that area and to Nova Scotia on this whole question of a future site location for a major steel complex.

Second, while economic factors have to play a most important role in such site location decisions, the political power of the province of Quebec in the federal Liberal caucus and otherwise, should not be a major element to be used against Nova Scotia in its legitimate quest to become a "have" province within the context of this Canadian confederation.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member is aware, the project at Gros Cacouna is under serious consideration by officials at MOT. The Quebec government has approved the project in principle.

The Minister of Transport (Mr. Marchand) has discussed this project with Quebec provincial officials. Talks between MOT and provincial officials are presently under way. They are studying such things as the complementary aspect of this project vis-à-vis other Canadian ports. As the hon. member is aware, the Scott report, presently before Cabinet, deals with this very important issue of port development in Canada.

I am reminding the hon. member that the minister responsible for regional economic expansion tabled a preliminary report on a study commissioned by his ministry on November 26, 1974. In it it was determined that six deep water facilities, including Gabarus Bay and Gros Cacouna, were considered to have potential for development of a steel complex.

I should like to emphasize to the hon. member that it is the responsibility of the provinces to develop viable proposals. Essentially, the provinces will be competing among themselves with respect to the possibility of a steel complex being built. Owing to the magnitude of such an enterprise it is obvious that the federal government will be very interested in proposals brought forward.

Motion agreed to and the House adjourned at 10.18 p.m.