

Supply—Mines and Technical Surveys

assist in the use of that coal in competition with oil, assuming that the temporary condition may not continue and the price of oil may drop?

Mr. Lesage replied:

If the hon. member will read my statement he will find that I said or implied we did not consider it was necessary to give a subvention on coal so it would be competitive with oil.

In other words, as I said this morning, the government of the day was relying upon the unusually high cost of oil at the time because of the temporary blockage of the Suez canal to pretend that no subventions were needed to move Nova Scotia coal to thermal plants in the maritime area. Furthermore, Premier Flemming and Premier Stanfield both preferred to have their provinces hold title to plants to be built within their provinces, particularly inasmuch as they wanted some say in the cost of construction. At the time the Liberal party made it sound as if there were grants being made available under this thermal power program. In fact, the proposal was merely in the form of a loan to Nova Scotia, New Brunswick and the other Atlantic areas. These plants were to be built by the federal government and the cost of construction of the plant and the cost of the power, whether produced by oil or by coal, would be paid for in the price of electricity used. There was no gift to the people of Nova Scotia. When we looked carefully at this so-called thermal power program we saw that it was of no use to us whatsoever.

There has been some mention by the hon. member for Bonavista-Twillingate about the fact that the thermal power plant at Saint John in the province of New Brunswick burns oil. He said that if their plan had been put through the government would have owned these thermal plants and they would have seen to it that coal was burned in them. In other words, he was saying that they would have been in a position to force the province of New Brunswick to burn coal or else presumably, to cut off the power generated by the plant.

It was of no use to the Atlantic premiers to have a program where they would not know what the cost of power would be. The cost of construction of these plants plus the price of coal at the tonnage cost at which it was being produced in 1957 would mean that the cost of power would have been prohibitively high. After 1958 and after the power program had been changed to allow the provinces to hold title to these thermal plants, as I believe any province should be entitled to do, after arrangements had been made for subventions to move coal to these plants by the Conservative administration, the Irving Oil Company of New Brunswick decided to build a refinery at Saint John alongside the proposed

[Mr. MacLellan.]

site of the thermal power plant. Regardless of subventions that were made available on coal, coal could not under-sell residual oil from this nearby refinery, and the province of New Brunswick felt it was in the best interests of that province to burn residual oil from the Irving refinery in order to provide cheaper power to the province of New Brunswick.

I do not see how any member, let alone the hon. member for Bonavista-Twillingate, can rise in the house and say that if the Liberal government were still in power they would have been able to force the province of New Brunswick to burn coal in that plant. Furthermore, it should be obvious to every hon. member that a plant in the province of New Brunswick would burn New Brunswick coal, not Nova Scotia coal. The undertaking the Conservative party made to Nova Scotia in 1958 was that if any thermal power plants were built to use fuel other than coal they could not be financed by federal funds.

To turn to the second point made by the hon. member for Bonavista-Twillingate, namely that in 1957 the Conservative party had guaranteed that the production of coal would be increased—

Mr. Pickersgill: I never said that.

Mr. MacLellan: The hon. member mentioned a promise that the production of coal would be expanded, even though he did try to weasel out of the expression—

Mr. Pickersgill: On a question of privilege, Mr. Chairman, the hon. member is usually very fair, but would he use the words inserted in the advertisement? I did not put words into the mouth of the Conservative party. I used its own words.

Mr. MacLellan: The hon. member was taking a straightforward advertisement which told the people of Nova Scotia at that time that the members from Nova Scotia would do everything in their power, if possible, to increase the production of coal. But never at any time did we promise without reservation that we could expand coal production if there were no markets for that coal.

Mr. Deschatelets: You were elected on that promise. Do not forget that.

Mr. Pickersgill: I read the advertisement. It speaks for itself.

Mr. MacLellan: Had it not been for the action which this government took in 1957 and the increased subventions on coal, the situation would have been infinitely worse. If the policy of the Liberal party as made known by cabinet ministers speaking in the province had been followed through, we would not now be worrying about the closing of coal mines in Nova Scotia; they would have