Dominion Coal Board Dissolution Act

When the Dominion Coal Board came into being in 1947, coal accounted for about 60 per cent of the energy sources in Canada. Today, it accounts for about 10 per cent. The foundation of the board resulted from the recommendations of the Royal Commission on Coal, composed of the hon. Mr. Justice W. F. Carroll, of Halifax, the chairman; the hon. Mr. Justice C. C. McLauren, Calgary, and Mr. Angus J. Morrison of Calgary. Commissioner Morrison, who was then Secretary Treasurer of district 18 of the United Mineworkers of America made a minority report and he was explicitly emphatic on the necessity of establishing a coal board. His report recommended that:

A dominion government agency is needed to coordinate the administration of government activity relating to coal now handled by different departments; to undertake new research work with respect to both technical and marketing problems and to distribute information thereon.

A large part of the work of the proposed Canadian Coal Board would deal with the expenditure of public funds and policy relating to such expenditure must be a responsibility of the government. The board would be an administrative and advisory body rather than a policy making body. It would therefore be appropriate to include upon it representatives of the coal mining industry, employers, employees, as well as of the dominion government.

As a result of that recommendation, the government acted quickly to set up the Dominion Coal Board.

It was not long after the coal board began functioning that the coal industry began to face its most critical test. Large scale discoveries of oil and gas in western Canada brought these energy sources into competition with coal, while in Nova Scotia extensive modernization requirements coupled with the competition from imported oil put extreme pressure on the industry. Particularly because of the grave situation in Nova Scotia, the board was asked to study the existing policy in 1953. The board's first recommendation to the government as a result of this study was that:

The production of coal in Canada continue to be maintained at a level which would preserve the basic structure of the industry and permit rapid and efficient expansion to meet increasing future needs.

I submit that without this determined and foresighted attitude on the part of the board it is entirely possible that the Canadian coal industry could have succumbed. As it was, much of it did not die, particularly in western Canada. Following the oil and gas discoveries in Alberta, markets in western Canada commenced to deteriorate due to the dieselization programs of the railways, the greater use of fuel oil in industry and the building of a vast network of natural gas pipelines which soon covered all the cities and towns of western Canada. This resulted in the permanent closure during the 1950's of most of the bituminous mines, whose principal production was locomotive fuel, and most of the underground mines producing coal for domestic and commercial heating. The ultimate result was that, despite every effort made to assist them by way of subvention, 80 per cent of the mining operations in Alberta and British Columbia were forced to close permanently.

[Mr. Sulatycky.]

Because of the continuing difficulties faced by the coal industry, the government in 1959 appointed the Hon. Ivan C. Rand a royal commissioner to inquire into the problems relating to coal production. The report of Mr. Justice Rand was made in August, 1960 and amongst its recommendations was that the government cease assistance on the export of coal to Japan. The Dominion Coal Board, to its everlasting credit, reacted strongly in opposition to this recommendation. I am sure that many of the people who are today dependant on the coal industry in western Canada shudder to think what the future would hold for them if it were not for the strong reaction which the Dominion Coal Board took to this recommendation of the royal commission in 1960.

The board felt that such assistance for the export of coal to Japan should continue for at least two or three years, at the end of which time another assessment of the situation could be made. It was because of this insistence that the few western mines still operating were able to continue doing so on a limited scale. As far as the western coal industry is concerned, if the Dominion Coal Board did nothing else, it justified its existence merely by insuring the continuation of assistance to western mines exporting coal to Japan. This assistance was substantial and without it it is difficult to say whether the Alberta coal industry would be as sound as it is today. However, it is most likely that it would now be dormant rather than the thriving force it in fact is. This was ably pointed out by M. F. Clemmer of Kaiser Resources Ltd. at the last Canadian conference on coal when he said:

• (12:50 p.m.)

The Canadian taxpayer subsidized the small amount of production that did take place just to keep the industry alive as he still does throughout Canada. Let me say that this last was extremely important, because if the industry had been