surplus area. We all know that, by this measure the government of Canada agrees to underwrite the cost of moving a man and his family to whatever location in Canada he can secure suitable employment. Not many of our people have taken advantage of this provision to this date. This is not difficult to understand, Mr. Speaker, particularly if one is acquainted with the nature of the people who reside in Newfoundland and the maritime provinces. These people have close family ties. They have close connections with the land they own, and they take pride in their few possessions. Because of their family attachments and their traditional roots, they find it difficult if not impossible to go to an area of Canada that is, in the main, completely foreign to them.

If I may, I should like to go back to this lay-off in 1959. It was designed, in the main, as part of an efficiency program by the new landlord, A. V. Roe. It was alleged that this so-called efficiency program was designed to place the company in a stronger position to compete. Certainly that is a legitimate ground for an efficiency program. We are not unaware of the competition the company is facing today. New ore can be produced in Africa by cheap labour, and new outlets in South America are producing ore similar to the type produced at Bell island.

This program has undoubtedly met with a certain degree of success, just as automation itself has met with success wherever it has been introduced. Certainly it has no bearing on the ability of the human being to produce. Automation is an accepted fact of life today. For example, according to figures released by Dosco, in 1958 at the Bell island mining operation it took some 2,200 men to produce 2,300,000 tons of Wabana ore; whereas in 1960, following automation, it took 1,660 men to produce 2,600,000 tons. In other words it took fewer men to produce 300,000 tons more of ore than had been produced in the two years previous. These facts are indisputable. I think everyone is prepared to accept them, and in accepting them make the necessary adjustments in economic conditions and so on.

However, Dosco's plans with respect to Wabana did not end there. At the end of last year dark clouds began to appear on the horizon. The company announced that as a consequence of a reduction in its anticipated shipments of ore, production would be lower than that for which the company had contracted. They announced that, as a result, the mine would have to close down for seven weeks. This shutdown is now in effect and I understand will remain in effect until March 19.

On December 12 a senior company official stated in a letter to the heads of the unions that because of the competition from countries with lower labour costs and new outlets in Africa and South America, and because of the cut-back in production which I referred, it was evident that shipments in 1962 would be approximately one million tons less than the 2,800,000 tons contracted for and shipped in 1961. The company announced that, as a result, it would be necessary to make substantial reductions in the Wabana work force, and on January 11 they announced there would be further reductions. The company announced that their 1962 ore shipments would be reduced by a further 300,000 tons, and that this would bring the company's production contracted for to something less than 1,500,000 tons. As a result of this further announcement the shutdown to which I referred is now in effect.

Now, you may say that the company had given warning of this. Indeed, they have sounded warnings from time to time. On December 20 the financial page of the Montreal *Gazette* carried this story under the heading "Roe Realigns Operations, Sets Sights on Exports". I quote from part of that story:

A major announcement is expected soon of housecleaning plans in Canadians operations.

Well, it seems that we have seen the results of their housecleaning plans, plans that affect the lives of several thousands of my constituents. The story goes on:

Dominion Steel and Coal Corporation Ltd., a major subsidiary with most of its operations in the maritimes, continues to have troubles and is not making enough money.

That is what the officials say, and it seems to be very important. That is the crux of the matter. Their profits are not high enough; and because their profits are not high enough, because they are not able to pay a big enough dividend to their shareholders, several hundred people lose their jobs at a time of year when Canada is in the midst of a seasonal recurring unemployment problem.

In addition to the new outlets which I have mentioned, in Africa and South America, outlets that produce ore much more cheaply because of low labour rates, Dosco has also been met with competition from the new outlets in Labrador and northern Quebec. Granted that these are much richer grades of ore, nevertheless they are produced by surface operations and they are having their effect on the market. As a matter of fact, in this regard one finds it very difficult to understand why the Dominion Steel and Coal Corporation uses a substantial amount of the Labrador ore in its steel plant at Sydney, Nova Scotia, much to the chagrin of labour unions at Wabana. Incidentally, on January 19 a representative