

*Atlantic Provinces Power Development*

The minister has told us that parliament would be asked to provide an additional sum of \$1,700,000 annually to provide this subvention for the use of coal in thermal plants. That is in addition to the sums that parliament has been asked to vote in previous years under the subvention program amounting last year, I believe, to something in the neighbourhood of \$10 million and in the preceding years to something in the neighbourhood of \$11 million. We are now adding further sums of the substantial moneys already voted by this parliament to stimulate coal production. The use of this subvention will certainly stabilize the coal markets in the Atlantic area which, according to the minister, amount to approximately 900,000 tons for the production of thermal electricity in the provinces specified. I just want to say to the minister that while I concede that the formula which he has devised is new I do not at all concede his suggestion that the former government did not commit itself to the use of a subvention for coal in these thermal plants.

It is true that the last time I spoke I quoted a statement made by the former minister of public works at Lunenburg, or at some other place, on June 6 to the effect that the government would subvent this coal if necessary and today the minister suggests that the case is weakened because the quotation was so close to the election day. I could give other quotations, extending back to April 29, of remarks by the same minister. I believe if the Minister of Northern Affairs and National Resources will check *Hansard* of the debate last spring he will find that the former member for Cape Breton North and Victoria addressed a question to the minister of mines and technical surveys and in the answer the assurance was provided that coal was to be the fuel used in those plants. At that time, Mr. Speaker, the thinking was that coal would be subvented in relation to a competitive fuel such as oil and that if the price of oil fell below the price of coal in that area it would become the natural thing from which to generate electricity and then the government would subvent coal in order to make it competitive with oil.

**Mr. Brooks:** May I ask the hon. member a question? Can he quote any statement to that effect?

**Mr. MacEachen:** I have quoted.

**Mr. Brooks:** The hon. member spoke about the former minister of public works making the remark but I did not hear him quote any statement.

**Mr. MacEachen:** May I quote the statement which I quoted the other day? I do not know

whether I have exactly the same quotation which I used the last day but at that time I quoted a statement from the *Halifax Chronicle Herald* of June 6, in which the former minister of public works is quoted—the statement was in full quotation marks—as saying that on his authority as a member of the government he was stating that a subvention would be paid on the use of coal in thermal plants if such was necessary to guarantee this market for coal.

**Mr. Brooks:** Was that information conveyed to the governments of New Brunswick and Nova Scotia, or was the statement made just previous to the election as an election speech?

**Mr. MacEachen:** No. It was always my understanding in the house that this subvention would be paid. I could give other quotations from the same former minister of public works, extending as far back as April, and on his authority as a member of the government. There was never any doubt in my mind as to this being the policy of the government, and I think the former minister of public works made that clear on several occasions. I personally feel that the former minister of public works was the type of Canadian public servant who would not be apt to make erroneous statements on government policy even a few days before the election, and I think we must give him that credit. But I would say that this subvention assistance provided to coal will fluctuate with the price of United States coal.

**Mr. Browne (St. John's West):** May I ask the hon. member a question? Does he remember the statement he read into *Hansard* on January 9, as reported at page 3076, when he spoke about the proposal of the Liberal government? It reads as follows:

Under this proposal, the transmission lines would be rented on a non-profit basis and the power would be sold at cost to provincial electric systems.

The power commissions of New Brunswick and Nova Scotia would not own those plants at all; they would be federal property.

**Mr. MacEachen:** I understood they could have bought them.

**Mr. Browne (St. John's West):** This is your own speech.

**Mr. MacEachen:** I must say in that speech I did not put on the record everything that I knew about thermal plants in the maritimes.

**Mr. Hamilton (Qu'Appelle):** Will the hon. member permit a question?

**Mr. MacEachen:** I am assisting considerably in enlightening both ministers.