

the remarks of the union leaders, who indicated to the rank and file that the government's offer to the company was absolutely refused; that the company flatly refused to go along with it.

They refused in the December coal conference to say anything in respect of continued operations of No. 4 colliery. Yet through the efforts of the Minister of Mines and Technical Surveys, the Minister of National Revenue and certainly the Minister of Labour they were more or less forced into the position where operation of the No. 4 colliery was carried on until Wednesday last.

This government has consistently tried to do something for this company so that they may continue the operations of this mine, but the government cannot dictate policy to the company any more than a local government of any municipality in this country can go downtown and tell a merchant who wants to close his business, "You cannot close your business; you will have to keep operating". This government is not going to dictate company policy, but I want it clearly understood that every possible effort in regard to financing was made by the government. However, as early as last December the company refused to consider financial assistance to keep Caledonia operating, and once again that assistance has been flatly refused.

A remark was made by the hon. member, and considering his profession I find it difficult to understand why he would make such a remark. He said that the company was dictating to the government. I asked the hon. member to clarify and substantiate this remark but neither he nor any other hon. member can substantiate the allegation that this government has been dictated to by anybody.

At the same time, it would not be fair for this government to turn around and order this colliery to continue operations. They can do no more than offer financial assistance and, because of company policy, the company flatly refused to accept it.

Mention has been made of Polymer corporation. In the past I have made efforts to secure this market, and I will continue these efforts because now the fight to continue the operations of No. 16 starts today. Between now and the time that No. 16 is scheduled to close there must be action taken in respect to the approach to coal and the policy this company has adopted.

Their sales policy is such that I cannot say anything about it here today. There is no such thing as a sales policy in this company. They have allowed themselves to be pushed out of the local market. People in my home town and myself, living within 300 yards of the coal depot, have had a hard time getting

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the coal we require for our own homes; and this experience is prevalent throughout the province.

They must in some way bring about a correction of their own sales policy regarding coal. They must initiate action in this regard that will protect their own markets, and do something in respect to the domestic market which is fast falling away from them.

With regard to markets other than domestic I would once again make reference to this problem in relation to the situation we face concerning Quebec Natural Gas. Again I am very glad to see that the hon. member for Essex East has not been contributing to the cause of the coal miners in Cape Breton, because he has finally made up his mind that he cannot serve two masters. I am very happy about that and I am sure the coal miners in Cape Breton are also happy about it, because we cannot stomach this kind of representation.

What has happened with Quebec Natural Gas in respect to coal? They have come forward and offered on a number of occasions firm contracts for a period of five years to coal customers. They have offered contracts for seven years, nine years and they finally reached the stage where they were offering 12 year firm contracts to industrial users of natural gas. As the hon. member for Inverness-Richmond mentioned, they are offering natural gas at prices far below cost.

It is in this situation we feel there should be some sort of federal legislation to prevent this action, because while they are offering this natural gas at these prices it is undermining the industrial coal market. Natural gas is offered at below cost and with a 12 year firm contract. It is a most ridiculous situation because the same company is appearing before the Quebec utilities board and is asking for an increase in domestic rates. They were broke; they were in a very bad financial position, and being in such a position I think there should be some sort of legislation which would prevent them undermining other fuels on the industrial market when at the same time they are asking for higher rates from domestic consumers.

The hon. member for Bonaville-Twillin-gate said this government has done nothing in this respect. This government very recently announced assistance in this regard, and once again this caught the opposition members napping. They did not even realize that this announcement regarding the coal situation was separate and apart from any other policy.

I refer to the announcement of assistance in the amount of \$1,500,000 annually to provide alternative employment for the miners