

Government, and more specifically, the Governor General in Council, would not be acting responsibly if over an undetermined period of time, a substantial number of seats were allowed to become vacant, so that eventually, we might have a situation where more than 50 per cent of the seats in the Senate would remain vacant until the required consensus was achieved to get the agreement of seven provinces representing 50 per cent of the population, so as to proceed with the proposed Constitutional amendments.

Consequently, the point raised by the Hon. Member is important. I agree that various parties and various Canadian minorities must be able to find their way to the Senate. I do not agree that the Hon. Member's proposal will help us succeed in bringing this about, and I think he should devote his energies to persuading the provincial governments, and especially those that belong to his Party, to agree to the formula proposed by the Special Committee last December.

● (1820)

[English]

MINES AND MINING—WESTERN CANADIAN COAL PRODUCTION.
(B) IMPORTATION OF UNITED STATES COAL

Mr. Sid Parker (Kootenay East-Revelstoke): On March 13, I asked a question of the Minister of State for Mines (Mr. Rompkey) regarding the sale of western Canada coal to central Canada markets. I would like to outline for the Parliamentary Secretary to the Minister of State for Mines (Mr. Gimaiel) the nature of the campaign initiated by the United Mine Workers and supported by myself and a growing number of municipal jurisdictions.

We have a campaign to promote the Canadian use of western Canadian coal. The Parliamentary Secretary will be aware of the Northeast Coal project, alternatively known as Tumbler Ridge or Quintette coal. This project involved the development of new coal fields in northeastern B.C., at Tumbler Ridge as well as the building of the infrastructure required to move that coal to the port of Prince Rupert. The project was co-sponsored by the federal government and the Government of the Province of British Columbia at a cost of approximately \$2.5 billion. The viability of the project was supposedly assured by the signing of long-term contracts with Japanese buyers. The Bennett Government and the federal Government poured money into establishing rail lines, port facilities, and building a town at Tumbler Ridge. The project is now operational but the market for coal has been severely reduced. The Japanese have experienced a decline in their coal requirements and have requested renegotiation of the long-term contracts seeking both price reductions and quantity reductions. The federal Government and the B.C. Government find themselves in a bind. They have invested \$2.5 billion in building the northeast coal project and are now being forced in essence through price concessions to subsidize Japanese use of Canadian coal in order to keep the much ballyhooed northeast mega project alive.

Adjournment Debate

Meanwhile, longtime coal producing areas of the country, like the Elk Valley in my riding are experiencing numerous layoffs. Twelve hundred and fifty miners in Sparwood have recently been through a two-week shutdown. Fording coal, owned by Canadian Pacific, recently announced a five-week summer shutdown which will throw 1,348 workers temporarily out of work. At the same time Quintette Mines in northeastern British Columbia is advertising in the St. John's, Newfoundland, *Evening Telegram* for workers.

As a New Democrat I have no philosophical difficulty with the concept of Government participation in the economic development of this country. I do feel though, that this Government has over-emphasized capital intensive mega projects in its approach to economic development. The counter-productivity of this approach was very much in evidence in this situation when Quintette was built. The banks hold the mortgage. The interest payments have to be made. Quintette will stay in production if only to save the face of the B.C. Government and the Government of my friend, the Parliamentary Secretary to the Minister of State for Mines. This I accept as a political reality, even though it defies all economic good sense.

What I am urging is that the federal Government support southeastern British Columbia coal to the same extent as it has supported the development of northeastern coal. I will provide a suggestion as to a cheap and easy initial step for the federal Government. I propose that a joint federal-provincial task force involving both coal producing and consuming provinces be created to study the use of Canadian coal and specifically to study: (a) the relative direct cost of Canadian and American coal to consumers; (b) difference in transportation costs; (c) direct and indirect costs to the economy of high levels of acid rain; (d) the cost and benefits to the entire Canadian economy of a joint federal and producing province and consuming province funded transportation subsidy to encourage the use of Canadian coal; and further, be it resolved that this task force hold public hearings and issue a public report.

Western Canada produces approximately 40 million tonnes of various types of coal per year, of which approximately 15 million tonnes are exported, 4.5 million tonnes are delivered to central Canadian markets and the remaining 21.5 million tonnes are consumed by the producing western provinces. In 1982, Canada imported into central Canadian markets 16,515,114 tonnes of coal from American suppliers. Of this amount, 4,446,044 tonnes were metallurgical coal and the remaining 12,069,070 were thermal coal. The average price to import this coal was \$55.66 per tonne for thermal coal, for a total of \$671,764,436, and \$70.78 per tonne for metallurgical coal for a total of \$314,690,994. The total cost to Canada to import coal in 1982 was nearly \$1 billion; \$1 billion per year lost to Canada's balance of payments. As matters stand, Canada exports the same amount of coal to other countries as it imports from the United States, thus making Canada nothing more than a brokerage house for American coal.