

functions will be neglected. On the contrary, now that we are phasing out subventions it is in our interest to devote more time and money to research. This work will go on with a full knowledge of the relative importance of coal in our total energy picture.

The Energy Sector of the Department of Energy, Mines and Resources is responsible for co-ordinating federal efforts related to all our energy sources and their utilization. It is therefore planned to attach the Coal Board staff to this section where their knowledge will complement the existing expertise in the fields of oil, gas, uranium and electrical energy. Within this energy sector, and through its ties with other parts of the department, our coal resources will receive continuing and close attention. This will allow their maximum use within a broad national policy which assures that each of our energy sources makes its most effective contribution to our economy.

The bill before us also calls for the withdrawal of the Coal Production Assistance Act and the Canadian Coal Equality Act, both of which are now administered by the Coal Board.

Now that Devco has been established and the coal policy agreement signed with Nova Scotia, there will no longer be a need for special mechanization loans to Nova Scotia coal producers. In New Brunswick the provincial government has accepted responsibility for the coal mines in that province. Meanwhile, the new large-scale export contracts with Japan have shown that the coal industry in western Canada can operate on a sound commercial basis without special loans or financial assistance. These are the reasons why the Coal Production Assistance Act is being withdrawn at this time.

During the 19 years that this Act has been in effect, 31 loans totalling \$16.5 million have been made. Of this amount \$10.5 million has gone to eastern producers and \$6 million to western producers. Needless to say, coal operators whose loans are still outstanding will continue to make repayment.

Now that Devco, a Crown corporation, has taken over the production and marketing of coal in the Sydney area, there will no longer be any need of the Canadian Coal Equality Act. This act was passed in 1930 to aid the Dominion Iron and Steel Company works at Sydney. Under its terms a bounty of 49 cents a ton was paid on Canadian bituminous coal used to produce coke for the manufacture of iron and steel—that is to say, on Sydney area

Dominion Coal Board Dissolution Act

coal for the Dosco steel plant. During the 37 years this act has been in effect, payments have amounted to some \$10 million. Devco will now set its coal prices at the levels needed to keep the markets it wishes to retain. And so, Mr. Speaker, the Canadian Coal Equality Act is being withdrawn.

At this point, I should like to pay tribute to the members of the Dominion Coal Board who served on the Board since its inception in 1949. I believe they have performed a service not only to the coal industry but to Canada. The Board membership was completely changed last July; it now consists entirely of senior officials of the Department of Energy, Mines and Resources.

In summary, the repeal of the Dominion Coal Board Act does not mean that the government has a lessened interest in our coal resources or in the social problems still affecting some segments of the coal mining industry. Rather, it means we must now deal with these problems on the basis of a new approach more appropriate to present-day conditions.

Mr. Stanfield: Would the Parliamentary Secretary permit a question? Can he tell the House whether agreement has been reached with the Dominion Coal Board or with the other Dosco subsidiaries regarding the price the government proposes to pay for the coal mines?

Mr. Orange: I gather that negotiations are still continuing in this regard. I am told there has been a meeting of minds and I am hopeful the question asked by the Leader of the Opposition will be answered very shortly.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I shall not delay the House very long, Mr. Speaker. I rise to take part in this debate because the major effect of the legislation we are now considering will be felt in the Grand Lake area of the constituency I represent. I hope the plans of the New Brunswick government, which came about as a result of the grants to the Grand Lake Development Corporation, will do something to alleviate the grave anxiety felt for their future by many of the people who live in that area.

When the bill goes to committee I hope we shall be presented with a breakdown of the payments made not only to the government of New Brunswick but to various mines and individuals via the agency set up by the government of New Brunswick, that is, the Grand Lake Development Corporation.