

Canada Shipping Act

strate in a moment. I note, Mr. Speaker, that the second largest trade in 1984 done through the Port of Thunder Bay was that in coal, with a shade over 2.75 million tonnes passing through the Port of Thunder Bay. As Canadians who know their economic geography are well aware, Canada has been most unfortunate in terms of the location of its energy resources *vis-à-vis* the centres of industry in this country.

J. B. Brebner, in his mid-1940s publication dealing with Canadian-American industry—a publication which became in fact a study of the North Atlantic Triangle—pointed out something that we Canadians can so easily forget, that being the reality that the Americans have with iron ore at the upper end of the lakes and coal just south of the central lakes, or lower lakes, if you will, and that incredible transportation system linking the two. It is, after all, on that reality that American industrial might for 100 years was built. That reality led to the building of the great Rockefeller fleet and others to carry the iron ore to the areas of the coal deposits, which in turn led to the establishment of the great steel mills, the automobile industry, and so forth. Those were the factors that helped make America the industrial power that it is.

Where were we Canadians? Well, we had our centres of population in the St. Lawrence Valley/Lower Great Lakes region. We had our small iron ore deposits on the Canadian side of the international boundary. But where was the coal? Well, the coal, of course, was off in Cape Breton and in other places in the Atlantic region and in the Rocky Mountains and on Vancouver Island. Given that the coal was to be found at the far reaches of the country and the iron ore in the centre, it became difficult to build up industry. As we all here appreciate, the ore is hauled to the coal. One does not, as a rule, haul the coal great distances, only to burn it up at its destination.

The remarkable fact since the mid-1970s is that it has proved feasible, to some extent, to move coal from the Rocky Mountains and the lignite deposits of eastern Saskatchewan eastward across the Prairies and the northwestern Ontario part of the Shield and then on to the lakes and down the lakes to industrial users in Sault Ste Marie and Hamilton and on to the thermal generating plants of Ontario Hydro.

The fact that it has become possible to do that is a remarkable achievement. It is, in its way, a small revolution, if you will, and certainly a remarkable addition to the potential economic geography of this country. However, the necessity, of course, is to keep costs down. Ontario Hydro would be quite happy to burn a good deal of western Canadian coal, particularly when one considers that it is coal that is low in sulphur, thereby producing far less of the acid rain-producing emissions which result from the burning of American coal. That particular feature is one that is well worth noting. After all, it was just this afternoon that a Government private Member was spotlighting the dangers from acid rain, emphasizing the importance of dealing with this menace.

As anyone who is exploring this topic these days realizes, it is only in the last year or two that the consequences of acid rain have become so very obvious. Large numbers of trees have been lost in the forests of Europe and the forests of the

Appalachian Mountains. Prior to that time, it was thought that it would be years before the consequences of acid rain would be obvious in the forests of this continent and the forests of northern Europe, and now suddenly we find that there are large numbers of trees that are unable, as a result of the acid rain emissions, to survive the diseases that beset them, leading to the loss of many of our trees.

In the circumstances, Mr. Speaker, anything that will make it possible for Ontario Hydro to move to a level of 50 or 55 per cent of Canadian coal being burned in its furnaces in order to generate electricity is something that should be undertaken. The challenges, of course, are quite real. American coal is all too close at hand on the other side of the lakes. The cost of moving American coal to the generating stations of Ontario Hydro is in the \$2-a-tonne range. When Ontario Hydro faces a cost of moving Canadian coal to its plants in the \$7-a-tonne range, it undoubtedly becomes a matter of significance.

It is in such circumstances that we surely want to do everything we can to ensure that costs are kept down and that the St. Lawrence Seaway can to continue operate effectively in providing the transportation means needed for the various resources of the country.

Mr. Speaker, I know you have a limit to your patience. Thank you for having given me this opportunity to ask the Minister to think very carefully about Clause 4 in terms of its removal from the Bill.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): We will now entertain questions or comments on the remarks of the Hon. Member. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

● (1600)

Mr. Angus: Mr. Speaker, I would like to ask my hon. colleague if he could advise us as to the impact of Clause 4 on the forest-based industries, not only in northwestern Ontario from where we both come but in Quebec, other parts of Ontario and perhaps even British Columbia. Will this have an adverse effect on its competitiveness in the world pulp, newsprint and lumber markets? Perhaps the Hon. Member could advise us as to his understanding of the situation.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I have to thank my colleague, the Hon. Member for Thunder Bay-Atikokan, for that good question. In responding to it, I think immediately of the extent to which the American lumber producers, in their efforts to meet the Canadian competition, experienced difficulties because of the Jones Act which requires that cargoes which move between American ports and do a coasting trade be carried in American bottoms. That creates cost disadvantages because, as has been shown in Canada, the Government has rejected any possibility of a deep-sea marine policy, although I must say—and this may cut against my own argument—that I wish that we in Canada had something similar to the Jones Act making it possible to build up, on the basis of our large export trade, a Canadian