

Supply—Labour

sympathetic ear of the minister, and somehow I feel I will.

I must commend the minister for his activity. Since coming into this house he has served in several portfolios, and I am sure everyone will agree that he has done a very good job in any portfolio which he has held, and that he has been most co-operative at all times. He has been frank, fair and straightforward in all his dealings with members, and I speak from experience. That is why I expect to have a sympathetic ear today.

We have been discussing for several days in this house the problems confronting the maritime provinces, particularly Cape Breton Island on the eastern tip of Canada. Great problems exist there in respect of layoffs in the steel industry. During our discussion of these estimates I should think it appropriate to devote some time to this subject, because the greater the number of individuals laid off the more the government is going to have to pay out in unemployment insurance benefits, and this comes within the responsibility of the minister's department.

For several months we have observed a difficult situation at the steel plant in Sydney. This organization comes under the jurisdiction of Dosco, which comes under the jurisdiction of some other corporation, which again comes under the jurisdiction of the Hawker-Siddeley group which has its headquarters in London, England. It would appear that since this absentee management moved into the area ten years ago there has been nothing but a deterioration, not only of the steel industry there but of the coal industry in Nova Scotia. It is an unfortunate, sad and sorry thing that the employees of this corporation, their wives and children, and all those involved in the service trades who depend on this industry, should be at the mercy and whim of this corporation. The climate of fear and uncertainty in the steel industry has not only created hardship to the men and their families who are directly involved, it has been positively damaging to our over-all economic prospects.

● (4:50 p.m.)

Where there is doubt as to the future of such an industry as basic as steel is to the economy of Cape Breton, Nova Scotia, and indeed to the maritimes in general, those who operate existing small businesses or industries are apt to be hesitant to expand. The psychological effect on prospective new industries can be very damaging. I hope that when the Cape Breton Development Corporation is

set up, and when it is considering bringing new industry into the area, it will realize that the present basic industries are in trouble.

Recently, the government of Canada approved grants totalling \$3.7 million and the provincial government approved grants of \$2 million for the modernization of dock and bulk handling facilities at the plant. At the time, government spokesmen said this financial assistance would make it possible for the company to invest additional capital in the modernization of the plant itself.

I should like at this point to place on the record a statement by the cabinet representative for Nova Scotia, or a portion of it because I see that I do not have time to read it all into the record. I quote from the Cape Breton Post of May 27, 1967. This article is headed, "MacEachen! Confidence In Steel Industry," and reads:

A vote of confidence in the city's steel industry was recorded here Friday when federal health minister Allan MacEachen released details of provincial-federal financing of the multi-million dollar pier project at the Sydney steel plant—

He said the grants were approved on the understanding that the company will make a similar expenditure.

Mr. MacEachen said the government grants are part of a government industry program to update Dosco's shipping facilities in Cape Breton and put the plant on a competitive footing with other steel production complexes.

He said the modernization program will provide security of employment for a large number of workers in the Sydney area. He also said that if long range forecasts are borne out, the improvements could substantially strengthen employment opportunities in the area.

Mr. MacEachen said the modernization program is an encouraging example of what can be done when government and private industry work together in a spirit of co-operation and mutual understanding.

He said the federal government's grant demonstrates that Ottawa has faith in the future of the area and that it is determined to do all that it can to ensure that it participates equitably in the general prosperity which the country is now experiencing.

I regret to say that we in the Atlantic provinces are not experiencing this so-called prosperity. The article quotes the minister as follows:

"The new and improved facilities should significantly reduce handling costs and improve the competitive position of the Sydney steel industry," he said.

"And with this government assistance, it is expected that additional company capital will be freed to completely modernize the Sydney steel plant itself and bring its operating costs closer to those of other Canadian steel companies."

Mr. MacEachen said that in terms of employment, he is "extremely optimistic" that these developments will be beneficial over the long term—