

community must see that work as having a social and economic value.

There is a number of ways in which this problem might be approached, and I will present a few as being merely indicative rather than exhaustive. We have to consider shorter work weeks, on-the-job training and development, and job sharing. We have to find ways to incorporate the informal economy into the formal without destroying the present incentives that allow the informal economy to play a role in our society. We have to find some way to detach ourselves from the fixation that work days ought to extend from 9 to 5, and look at the possibility of the adjustment of work schedules to the needs of individuals, of families and of communities. We must understand that the present rate of unemployment places it beyond the reach of government to do any more than apply "band-aid" approaches. Hence, we must find the means by which to allow these limited tax dollars to play a significant role in solving the problems of unemployment.

● (1520)

As was indicated in the Speech from the Throne, the government has set aside millions of dollars for job creation projects. This is highly commendable and highly necessary at this time, but, again, the "quick fix" is not the long-term answer. We must be realistic. We must understand that we cannot marginalize 10 per cent of the population without creating the possibility of massive social unrest. Even if this unrest is not manifested in our society today, we must certainly ask ourselves how long we can permit any form of economic exploitation to go on without its causing social unrest.

Closer to my own backyard, honourable senators, I should like to say a word about two economic institutions in the Cape Breton region that have been much maligned at various periods of our history. These institutions were set up to alleviate very heavy unemployment in the Cape Breton region. While unemployment is still a severe problem, these institutions have done much to at least stabilize the economy.

I will turn first to Sysco, the provincially-owned steel corporation. Honourable senators are all aware that recently a tragic accident took the lives of three men, injured two others and caused extensive damage. Last night in this chamber I had occasion to express, on behalf of all honourable senators, a message of deep sympathy to the bereaved families. This is just another example of the misfortune that has stalked the corporation for more than a decade.

Honourable senators, I think it is very important to understand that, in the three months preceding that accident, the corporation had at least been paying its way in operations, even if it had not been able to make a dent in its serious capital deficit. I am given to understand that, leaving aside interest and capital costs, Sysco has been able to operate on its own for the past year without any infusion of provincial money to cover those operations. This, of course, is a magnificent tribute to the high degree of co-operation and hard work at the levels of both the work force and management.

[Senator Graham.]

As phase one of the business plan comes to a close, the Sydney Steel Corporation will be in desperate need of the approval of the next stage of rehabilitation. As decisions for this phase are being taken, some very hard economic decisions will also have to be made to determine the future shape of the corporation. It is important that these decisions be made with the understanding that at the end of the tunnel there will exist a plant that will be able to play a vital economic role, not only in the local but also in the Atlantic and the national economies. We are aware that it may not be the original role that was once promoted, but that it will be a true cornerstone for the development of the Cape Breton region.

The other cornerstone of the Cape Breton economy has been the Cape Breton Development Corporation, which was established by the Government of Canada in 1967. Much has also been written about Devco and its problems. There are some economic realities that we must keep in mind when we discuss Devco's business. Some weeks ago, the president of Devco spoke in Halifax about problems with respect to the deficit facing the corporation. He pointed out that, at the present time, Devco sells 1.5 million tons of coal to the Nova Scotia Power Corporation. The power corporation paid about \$65 million for this coal. What is important to note is that this 1.5 million tons replaced 6.3 million barrels of offshore oil which would have cost more than \$200 million. One ton of coal replaces four barrels of oil. When we look at the present world price of oil—which is approximately \$28 to \$33 per barrel, depending upon whether one is dealing in Canadian or United States currency—according to these calculations, a ton of coal is therefore worth approximately \$112 or more.

What is most significant is that the money spent on coal stays in Canada. For every dollar of coal revenue, 90 cents accrues as domestic Canadian income, as spin-offs reverberate through the economy. Only 10 cents is lost to the offshore.

Honourable senators, I am not going to enter into the debate on coal prices at this time, but I think that it is important for the people of Canada to be aware that the coal miner makes a substantial contribution to the national economy. Since Devco came to Cape Breton, it has had the major job of refurbishing a capital-starved industry. It also faced a labour force eminently skilled for the industry in the first half of the twentieth century, but, with new technology and equipment, a much different industry evolved.

Because Devco is a crown corporation, it not only has to be a realistically economic industry but it also has a social contract with the community that can only be denied if we are prepared to go back to the industrial society that existed in the late nineteenth and twentieth centuries. Thus, Devco must pay competitive wages; it must provide for those who are marginalized in the industry and are on either pre-retirement or compassionate leave. It has also been contracted by the provincial government to pay for lung dysfunction. It has the responsibility to modernize, with minimum short-term dislocation, in order that the stability of the communities involved be maintained. It is hoped that all of these objectives can be achieved through a significant degree of co-operation and understanding