

Supply—Mines and Technical Surveys

conditions have justified assistance at rates somewhat higher than those contemplated by the commission.

Since Sir John A. Macdonald provided the first measure of assistance in 1879, the Conservative party and the Liberal party have both maintained and extended the policy of assistance to our Canadian mines, and I can safely affirm that this assistance to the basic industry is a measure that will receive our continuing support. The present picture is not a pretty one and the causes of the industry's deterioration are not easily set aside by any government action since they are the natural interaction of developing forces. Free competition could be replaced by a policy of control and dictation and there might be some improvement, but even then, who can guarantee that the prospective dictator would not use his authority to favour gas or oil?

I have tried to show that the subvention policy as applied by this government as well as by our predecessors, has been of assistance to the industry. The amount of money the committee is being asked to vote, however, may not be sufficient to maintain the present scale of assistance, since there have been changes in the economics of the industry in the last few months.

May I say that the administration of government assistance has been in the hands of the dominion coal board which has also the even more important duty of maintaining a constant study of the coal situation and of recommending to the government such measures as, in their opinion, would be of benefit to the industry. The administration vote presently before you is, I submit, a modest sum to pay for the services and work done by this board.

Mr. Dumas: Mr. Chairman, my remarks will be very brief because we had an opportunity in the committee to review extensively the activities of the dominion coal board. We had a report presented and read by the chairman—a very enlightening report—and we were able to question the officers of the department, because the board is considered as a department.

I wish at this time to congratulate the officers and the staff of the coal board for the excellent job they have done since the board was organized and, as the minister, stated I think the board has been very useful not only to the industry itself but to all those who depend on this industry.

Unfortunately, at the present time the prospects of the coal industry are not so bright. The prospect in the future may be brighter, that is, let us say, in 10, 15 or 20 years, but in the meantime, bearing in mind that we shall need this coal in the future,

we have to try to keep the mines we now have in operation. I understand that in western Canada many mines have closed in the past few years, but this is due mainly to the fact that the railways have discontinued using coal. The dieselization program has had a very adverse effect on the sales of coal in that part of the country. In the maritimes, the situation is a little different, because most of the coal finds markets in the province of Quebec and in eastern Ontario. Of course, probably 50 per cent of the coal produced is used in the maritime provinces themselves.

There is a chance that the coal industry may come through these difficult years, particularly if we can increase the consumption of coal in the maritime provinces themselves, and I am thinking now of the thermal electric power plants. I was pleased to hear the minister once again virtually guarantee that coal will be used in the thermal plant at Saint John, and we certainly hope that the government will insist on this. We do not want to hear next year that oil is being used in this plant at Saint John instead of coal, because it is recognized that oil and gas are the biggest competitors to coal. This competition from oil and gas is one of the problems which the industry faces today. I read a very interesting article in the *Financial Post* which appeared on August 2, 1958. When the minister of mines of Nova Scotia appeared before the Borden energy commission he had a few interesting remarks to make. He said:

Unless the province's coal industry—

And he was talking about Nova Scotia.

—can be maintained in the next 10 years either by government assistance or legislation, the industry will not be able to take its place in the supply of energy by 1980.

In 1980 the demand for coal may be much greater, and I understand the idea now is to try to keep our coal mines in operation. I hope this government will do its best to help the coal mines because we of the Liberal party are proud of what our government did to help the coal mines, not only in the maritimes but also in the west. The minister of mines of Nova Scotia also, according to this article:

Suggested some form of assistance to submarine mines to maintain coal in a competitive position with natural gas.

Urged sufficient freight subventions to make coal competitive with imported residual oils. This includes residual oils made from imported crudes.

The minister of mines of Nova Scotia recommended that the dominion coal board should maintain its entity and that the board should not be merged with any other organization that this government may think