

province. Because of that, the province is going to be conducting a thorough judicial inquiry and we are going to co-operate with that inquiry.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, in 1987-88 at a time when Devco had excess capacity, the national government supplied \$85 million in loan guarantees to a private company to compete against its own national Crown corporation. Furthermore, the company had a sweetheart deal, known and supported by Ottawa, to guarantee that company \$14 million a year for 15 years whether the coal was mined or not.

My question is for the Deputy Prime Minister. Why did the Prime Minister choose to reward his political friends instead of abiding by safety and sound public policy reasons?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, this government believes in regional economic development. We have stood by projects which will lead to regional economic development especially in regions that have high unemployment.

We are very proud of that record. We have been able to encourage regional economic development in various parts of Nova Scotia. What we cannot do is simply say that the coal business is just for Cape Breton. We cannot say that. I do not think the hon. member means to suggest that.

What we did with this particular arrangement was to help guarantee a loan that the Bank of Nova Scotia put in place for the Westray mine. The loan was guaranteed by the federal government for 85 per cent of the losses. Our involvement was purely financial, but we went beyond that.

We made sure the contract with Westray that the Bank of Nova Scotia was putting in place included periodic reports on the compliance of all the regulations of the province in order to satisfy ourselves that the contract would ensure that the provincial regime for safety and health was in place. We received regular reports that this was the case. Therefore it is quite appropriate that questions on this will be handled by a provincial judicial inquiry.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the minister for small business has just said

and he said seven times yesterday that the government depended on mining consultants to do studies to determine if the safety regulations were being complied with.

Evidently the government has placed a great deal of confidence in these consultants' reports. Will the minister make these reports public today?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, yes, we will be open with Parliament. Those reports will be forthcoming. We are assembling the documentation and the information to bring to the House and, of course, we will comply with the requests from the judicial inquiry.

I would like my hon. friend to know, however, that the regulation of health and safety is a provincial matter. It has a regime in place to do that. It is not the federal government's responsibility, even though we informed ourselves on a regular basis that this contract was in compliance.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, yesterday the minister said that the government gave an \$85 million guarantee to Curragh Resources on the basis of these consultant reports that the safety requirements would be complied with and that they would be available.

It is not the responsibility of the Bank of Nova Scotia to look after the safety of the miners. The minister said these reports were complied with. Evidently they are with the government. There is no reason why we cannot have those reports today. Either they exist with the federal government or they do not. If they do, make them public today.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): My hon. friend has just asked a supplementary without listening to my answer.

Some hon. members: Oh, oh.

Mr. Hockin: My answer was very clear. Those particular reports will be tabled and made public. We will co-operate fully with the House. But he must remember that the province of Nova Scotia has the day-to-day responsibility for health and safety. This is why there is a judicial inquiry and that is also why we as a government will be co-operating with that judicial inquiry.