

Adjournment Debate

Third, without emission controls, Ontario Hydro will exceed the provincial limit on acid gas emissions by 1994 when the emission limit of 215,000 tonnes per year nitrogen-oxide, NO₈ and SO₂, comes into effect. Fourth, Ontario Hydro can meet the provincial emission limits until the year 2000 by using more western Canadian low sulphur coal or by a combination of the use of more western coal and U.S. coal with flue gas scrubbers or solely with the use of flue gas scrubbers on American coal. Fifth, Ontario Hydro is required between now and December 1988 to submit its methods of emission control to the Government of Ontario.

The coal report states that the use of western Canadian coal will have a national benefit through the creation of 13,000 jobs with an income of \$41 billion in 1985-dollars.

How can we make our western low sulphur coal competitive with U.S. coal? There are several ways to do so. We can do it by using unit trains to haul the coal and by finding ways to reduce the mining costs. These items alone account for 58 per cent of the estimated price of \$88 per tonne. Second, increasing the cost of scrubbers by 20 per cent would make Canadian coal 10 per cent cheaper than the U.S. coal options. Third, we can do it by upgrading the heat values of western coal through research and modern technology.

● (1810)

Ontario will benefit through jobs and taxes, as will the federal Government. In addition, both governments will benefit and save thousands of dollars because of much less acid rain. Also, we will be developing a Canadian industry with all of its economic benefits. If necessary, both governments should provide some financial help for transportation and research.

In the light of the facts presented in the report, it is high time that both the federal Government and the Ontario Government took all necessary actions to substantially reduce the amount of U.S. coal imported into Canada, and to develop our coal resources for the benefit of Canadians. I am satisfied that the capital is there to open and reopen our own low sulphur coal mines in Alberta, and elsewhere in the West. For years Canadians like the late Jessie Gouge and Mr. Omar Patrick and his father worked and pleaded for an opportunity to provide coal to the East, but to no avail. I hope that this latest coal report, which substantiates everything that westerners have been saying for years, will not be another cave-in.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased to respond to the Hon. Member's question regarding the use of low sulphur western Canadian coal.

On August 20, 1986, the federal-provincial task force on the use of low sulphur western coal released its report. It was in October, 1984 that the federal and provincial environment Ministers set up the task force to determine the costs and benefits of increased use of western coal in Ontario. The study focused particularly on the role that low sulphur western

Canadian coal could play in reducing acid rain causing emissions.

Ontario Hydro is the largest consumer of coal in eastern Canada. The utility must reduce its sulphur dioxide emissions—the principal cause of acid rain—by more than 50 per cent by 1994, in accordance with regulations adopted by the Ontario Government.

The task force report is, therefore, timely for Ontario Hydro, as the document offers comprehensive information for the federal and provincial governments that is frequently not available when evaluating emission control options. This is socio-economic information, information on Canadian jobs and income in different Canadian provinces: Quebec, Ontario, Manitoba, Alberta, and British Columbia. Each of the four options proposed in the report has different benefits for job creation and stimulation of industry in the mining, transportation and public utility sectors.

The report strongly recommends co-operative follow-up initiatives by industry and federal and provincial governments to improve the economic attractiveness of western Canadian coal to Ontario Hydro. Ontario Hydro is now in the process of preparing its emission reduction plan to meet the sulphur dioxide emission limits imposed by Ontario for 1990 and 1994. As the Hon. Member stated, that plan is to be submitted to the Government of Ontario by December 31, 1988. The western coal task force report is timely in that regard. It will permit the socio-economic information developed to be considered in Ontario Hydro's decision-making process.

However, it is not only up to Ontario Hydro to take action. The federal-provincial task force recommended that governments and industry study methods to increase the use of western Canadian low sulphur coal, by investigating means to reduce production, mining, and transportation costs; and by allocating more funds for the research and development of new, more efficient techniques to improve coal quality.

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The question of increased use of low sulphur western Canadian coal now requires a resource development focus. In this vein, on October 30, 1986, the federal Department of Energy, Mines and Resources assumed the lead role in directing and co-ordinating the activities needed to put into effect the task force recommendations. To achieve this goal, the Department of Energy, Mines and Resources must act in co-operation with provincial resource departments, as well as with federal and provincial departments of transport and regional development. Together they must choose the best means to increase demand for low sulphur western Canadian coal in Ontario.

In recent weeks representatives of Transport Canada and Ontario Hydro discussed problems related to the cost of transporting western Canadian coal to Ontario. Discussions of this type will continue in order to resolve the situation. In fact, on November 19, 1986, the Alberta Coal Development Adviser