

per pound and the poor slack coal runs around 10,000. Sub-bituminous in some instances can be rated around over 12,000 but the coal to which the hon. member for St. Lawrence-St. George referred would probably be nearer 10,000 and I would think that the Cape Breton slack coal would be well below 14,000 as well.

**An hon. Member:** Thirteen thousand and fifty.

**Mr. Thompson (Edmonton-Strathcona):** Mr. Chairman, it is an interesting fact that Alberta has another product, fuel oil, which has a b.t.u. rating of approximately twice that per pound of coal when the output factor is considered and in some instances if subventions were applied on it that fuel could be brought into account very actively. As a matter of fact, it is arriving on the Toronto market at a price very competitive with that of coal.

In the amendment today I do not believe there was the slightest intention of shipping coal from Alberta to the maritimes because there was another question asked relating to freight rates. I do not know what the freight rate would be to Montreal but the freight rate from Alberta to Toronto is somewhere in the neighbourhood of \$11 per ton which certainly precludes getting it as far as New Brunswick. However, to add a few more figures to round out the picture I will mention some production figures.

It would seem that some hon. members do not understand what has happened to the coal industry of Alberta and why those who represent coal mining constituencies feel the matter is such an urgent one. The figures I am about to give may help illustrate the situation. The 1945 coal production in Nova Scotia was 5,112,615 tons and in 1956 it was 5,775,025 tons, an increase of over 600,000 tons. The 1945 coal production in New Brunswick was 361,184 tons and in 1956 it was 985,290 tons, almost a triple increase. The figures for a comparable period in Alberta are as follows. Coal production in 1945 was 7,800,151 tons and for 1956 it was 4,328,687 tons or almost a 50 per cent decrease. At the same time the over-all Canadian production for 1956 was 14,912,534 tons while imports from the United States into Canada—mainly into the Montreal area to which we were referring and to southern Ontario—were 22,613,374 tons or one and a half times the total coal production of Canada.

I do not believe for one moment that we are interested in stopping the maritimes going ahead and developing the coal industry there. However, we hope that hon. members from the maritimes will be thinking of the coal miners in Alberta if at some future date

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we find a way of using our coal. As hon. members know there has been a certain amount of subvention provided to us for the movement of coal into the export market for Japan. It would seem to me that very soon we may be asking for facilities to be provided at Vancouver for the loading of that coal and we hope we will receive the support and assistance of hon. members of this house when that time arrives.

Clause agreed to.

On clause 3—*Authority to enter into agreements.*

**Mr. Lesage:** Mr. Chairman, may I ask the minister if there is going to be a proviso in the agreement to the effect that if the current borrowing rate of the federal government goes below the rate of interest applicable at the time of the advances or the sale of the plants or transmission lines a corresponding decrease will benefit the province?

**Mr. Hamilton (Qu'Appelle):** Mr. Chairman, this is a technical point on the question of interest. My feeling at the moment, and I think it is an accurate one, is that the charges that will be made to a province for a particular project—the period of advance at the time we pay the amount to the date the province buys the project—cost will include the interest that we actually have to pay on the advances through the northern Canada power commission. Therefore the interest rate will vary as the interest rate varies to the northern Canada power commission. Have I made that clear?

**Mr. Lesage:** Mr. Chairman, I am not certain that the minister correctly understood my question. The term of reimbursement in the case of a thermal plant is 30 years and in the case of transmission lines 40 years. What I want to know is this: If during that term of reimbursement the current borrowing rate for the federal government goes below the borrowing rate in effect at the time the province or hydroelectric commission purchased the plant or transmission lines will the province benefit from the diminution of the current interest rate to the federal government?

**Mr. Hamilton (Qu'Appelle):** As I understand this agreement, Mr. Chairman, I cannot see how the provinces can benefit, because the amount that they are charged at the completion of the project is paid in 30 or 40 equal instalments, depending on whether it is a plant or a transmission line. Therefore, the capital charges, which will include all the administration cost, the engineering cost and the interest, are divided by 30 or 40, with the single exception that there is a pro