

which could make some sort of score. I do not know what they are. It may be the stone industry, or the lumber industry. I would not know. It is a subject which is too broad about which to give a general answer. I just happen to know about the coal industry because I have had a great deal to do with it over so many years.

Mr. BELL (*Saint John-Albert*): It might be reasonable to suppose that there would be some other industries in which the main parts come under this subsidy, but there is a big exception in a case such as the lignite industry here.

Mr. KNOWLES: All other industries are going to get some percentage of reduction if they have normal rates.

Mr. BELL (*Saint John-Albert*): They are all going to get it except this lignite industry.

Mr. KNOWLES: Yes. The coal industry is the only one which is excluded from this bill, where the normal rates have been increased by 22 cents per ton.

Mr. BELL (*Saint John-Albert*): They are all going to get it except this companies affected which, for various reasons, have not been able to make representations as has been done here today, or if there are any others which may be affected?

Mr. KNOWLES: I do not see why other industries would want to come here if they are not being affected, because if they are paying the 17 per cent increase they will get a seven per cent reduction.

Mr. BROWNE (*Vancouver-Kingsway*): Am I right in thinking that this 22 cents per ton increase is based on the number of miles the commodity moves?

Mr. KNOWLES: That is right.

Mr. BROWNE (*Vancouver-Kingsway*): Are there any figures on it in relation to the problem as it affects the coal industry? Do you have any figures particularly about it in relation to other industries, and whether the rate is excessive in that regard? Do you have any figures relating to that?

Mr. BLAIR: It was my general impression after some work that I did some years ago—I cannot recall the mileages—I think it is fair to say that it is generally accepted that this particular branch of the coal industry is closer to its markets than almost any other. Perhaps Mr. Knowles would have some comments on that.

Mr. CHEVRIER: What would be your reply to Mr. Knowles' statement, that if this is opened up to lignite, then we will be faced with a similar position taken by all other coals, such as American coal and so on?

Mr. BLAIR: Our reply to that is this: this is something that lies entirely in the lap of the government or of the parliament of Canada.

If it is agreed that the benefit of this subsidy should be given to the domestic Canadian producers of lignite coal, it does not carry with it the necessary conclusion that that subsidy must also be given to American coal.

These coal rates are all set out in a special tariff, and if you establish particular rates for the movement of lignite coal from Estevan to Winnipeg, it would certainly create no change in the freight rates of coal moving from Ohio to Ontario.

Mr. CHEVRIER: You think because of the local or regional nature of this activity that it deserves to have special consideration?

Mr. BLAIR: That is our contention.

Mr. DRYSDALE: I shall refer again to the dominion coal board annual report for 1957-58 at page 21, where they said:

At its January 1958 meeting the dominion coal board considered in detail the situation in each of the coal mining areas of Canada. An