

There are fewer than twenty coal mining companies in Canada, operating approximately 40 individual mines. About 94% of output is in western Canada. Most of the plains area mines are dedicated to local power generation, while coal from the foothills and mountain regions of Alberta and B.C. is mostly exported. Cape Breton coal production is mostly used within the province for power generation. During 1984, twelve companies accounted for 25.1 million tonnes shipped overseas.

EXEMPT - 20(1)(4)(c)

Virtually all of the output from B.C. is exported, making the Province's mines totally vulnerable to the vagaries of international markets.

While the 1984 weighted average foreign ownership of all coal produced in Canada was only 30%, four of the eight major exporters (more than 1 million tonnes each) had minority shareholding by the customers for the coal. In the case of several of the new mines, which were developed on the basis of contract prices that are now well above international levels, price reductions have had to be accepted, in spite of the mine equity positions held by the coal buyers.

Research and development by the industry is basically limited to mining and process improvement, and is not a significant figure relative to GDP. End use R and D is largely carried out by governments or by central agencies co-funded by governments. Total coal R & D in Canada is estimated at about \$40 million per year.

Canadian coals have desirable but not unique properties in comparison with coal from major exporters such as the U.S., Australia and South Africa. The major constraint is the cost of the long rail haul from the B.C. and Alberta mines to tidewater. As a consequence, Canadian coals tend towards the upper limits of price ranges, in spite of producers' acknowledged efficiency in mining and processing, and in the use of unit