

had no such policy there would have been that much less coal moved from Nova Scotia and that much less coal produced in that province. Consequently there would be that much more unemployment in the mining areas if the subventions had not been given.

The whole purpose behind the principle of subventions is to provide employment, so far as can be done reasonably. We could, of course, shut out the importation of United States coal. For instance, if we imposed a duty of \$10 a ton on all United States coal we would at once immensely widen the market for both Nova Scotia and Alberta coals. But it would mean that the consumers, both industrial and domestic, would pay a greatly increased price for their fuel. Consequently this policy was designed in the first instance to permit the use of Canadian coals in Canada, to widen the field of employment associated with the coal industry in Canada, and still permit the industrial and domestic users of coal to secure it at a reasonable price.

Mr. ROSS (St. Paul's): In Ontario domestic stokers are becoming more popular all the time. Their use is displacing the use of United States anthracite. We must remember that those stokers are used in both domestic and semi-domestic services. Apartment houses are using them. Can we use Canadian coal in that type of heating system?

Another question: What is the freight rate on Alberta coal from Alberta to Toronto, and what is the cost of that coal at the mine? Is the coal from Alberta comparable to the Virginia bituminous coal coming into Canada? Can it be used in the domestic stokers to which I have referred?

It will be recalled that originally these subventions were voted so that our coal might be placed on a competitive basis with coal coming from the United States. As has been pointed out by the hon. member for Danforth (Mr. Harris), the conservation of foreign exchange must be borne in mind. Everything should be done to make it possible to use our Canadian coal.

Mr. CRERAR: The answer to the first question is yes. As to the second question, the freight rate cost of moving Alberta coal to Toronto is \$8 per ton. Of that amount subventions will contribute \$2.50. As to the comparative values of Alberta coal and imported United States coal, I must say I am not in a position to make a statement. I do know that some Alberta coal has high value. No doubt the values of coals for industrial or domestic purposes vary with the

[Mr. Crerar.]

mines from which they are produced. I do not know whether there is any standard gauge by which that can be measured.

Mr. ROSS (St. Paul's): Taking the freight rate of \$8 and allowing the subvention of \$2.50 we have it down to \$5.50. That would be the freight rate at Toronto. What would be the cost of the coal at the mine in Alberta?

Mr. CRERAR: I do not think I have that information.

Mr. JOHNSTON (Bow River): It is about \$1.10, is it not?

Mr. CRERAR: I am informed that Alberta bituminous coal would bring about \$2.50 at the mine.

Mr. JOHNSTON (Bow River): No; at the coal mine it is being sold for \$2.50 a ton. But if it is bought in carload lots the price is much less than that.

Mr. CRERAR: Probably \$2.25 per ton.

Mr. JOHNSTON (Bow River): I should think it would be less than that.

Mr. ROSS (St. Paul's): Well, let us say that it would be \$2. We would then bring the price up to \$7.50 delivered at Toronto. That is not a bad price for that class of coal. Could not something be done to bring the cost down so that we should be able to use more of that coal? Should the freight rate be as high as that?

Mr. CRERAR: The matter of freight rates has been the subject of frequent discussions with the railway companies. Obviously the only way to get the Toronto cost down is to pay the producer less for his coal, reduce the freight rate to the railways, or increase the subvention. This whole question was reviewed by the economic committee which hon. members know has been set up in Ottawa to study the relationship of these things to our war effort. That committee had under consideration the question of foreign exchange and as a result we have included the amount mentioned here for the movement of coal this year. If we are to pay more subventions, we shall have to vote more money. If we raise the duty, it will increase the cost to the domestic and industrial user. Having regard to all the factors, the conclusion was reached that the wisest thing to do was to continue, broadly speaking, along the line that has been followed in the past.

Mr. JOHNSTON (Bow River): A few minutes ago the Minister of Mines and Resources referred to the importation of coal from the United States. I have before me a