

mines is of hard structure and handles very well. Therefore by the time it gets to the tender on the locomotive it is in very good condition. The Alberta coal, on the contrary, is almost slack when we get it; it is very fine when it comes out of the mine.

Mr. BEAUBIER: Where does the Alberta coal come from, the Crows Nest?

Mr. VAUGHAN: No, we do not get any coal from the Crows Nest. These mines are all on the C.P.R. line. We get some coal from the Brazea line and from what we call the Coal Spur branch, just south of Edson.

Mr. HEAPS: Do the C.P.R. use New Brunswick coal?

Mr. VAUGHAN: I think the C.P.R. use about 25 per cent of the quantity we do.

Mr. RYAN: You think that coal is not giving you satisfaction?

Mr. VAUGHAN: Yes, it is giving us satisfaction. We are not having any particular trouble with it except it is of such a nature that it is not considered suitable for service on fast passenger trains.

Mr. RYAN: How is this coal delivered to you?

Mr. VAUGHAN: There is a big difference in the quality of the coal.

Mr. RYAN: I do not mean the nature of the coal. I am referring to transportation.

Mr. VAUGHAN: Well, much of the coal we get from the mines in New Brunswick is not produced on our own line, but is delivered to our line. They pay freight via Canadian Pacific to our line.

Mr. RYAN: That should be taken into consideration.

Mr. VAUGHAN: We cannot see any reason particularly why we should buy coal on a competitor's line when there is plenty available on our own line.

Mr. RYAN: The Canadian National Railways have to look at the province of New Brunswick from the standpoint of the people who are living there to help out.

Mr. VAUGHAN: We are admitting that, but we have increased very much, Mr. Ryan, and we have been increasing our purchases almost every year up to the present time. We are using that coal in as wide a territory as we can economically.

Mr. RYAN: Is the freight rate on the coal shipped from Nova Scotia to New Brunswick and Quebec considerably lower than the New Brunswick rate?

Mr. VAUGHAN: The coal we use in comparison with New Brunswick coal is coal that comes from the McCann district which is sold at the same price.

Mr. RYAN: I presume you have increased the amount used because of the more or less agitation on the part of the coal miners in the province of New Brunswick?

Mr. VAUGHAN: We have a good many representations from them to increase purchases. Remember, the province of New Brunswick imports three or four hundred thousand tons of coal, and we have been wondering why they do not use more of this coal in their own province.

Mr. RYAN: Because in 1934, if I have the figures correctly, Nova Scotia received subventions from the Dominion government to the amount of \$1,888,740; whereas Saint John received subventions of \$8,609. With protection like that Nova Scotia can ship this coal into the province of New Brunswick and undersell New Brunswick in the matter of competition.

Hon. Mr. HOWE: The subventions are exactly the same in both provinces, so much a mile on coal hauled.

Mr. RYAN: The minister has a better knowledge of this than I have. They were not on the same basis in 1934. New Brunswick got \$8,609 when it should have received something like \$84,000 if they were on the same basis.