

Mr. PETERS: Could I ask if the line that was originally the break even point where the Dominion Coal Board considered subventions advantageous going westward has changed because of the changing conditions?

Mr. MACNAUGHT: At the moment, no coal from the Maritimes is subvented beyond Ontario. There is still a substantial movement of coal going into Quebec and Ontario, more particularly the substantial contracts which exist with Ontario Hydro involving three quarters of a million tons of coal annually.

Mr. PETERS: Would this be as far west as Toronto? Would the line be somewhere in the Toronto area now?

Mr. MACNAUGHT: Yes we subvent to that area and one other area of Timiskaming but, basically, we are trying to get out of those subventions, if we can, because they are expensive.

Mr. PETERS: Does the Dominion Coal Board supervise coal coming into the country as well?

Mr. MACNAUGHT: No, we have nothing to do with coal coming into the country. If we are equating the subvention against American coal, naturally we have to know the cost of that coal, the handling charges and so on, so we can make an accurate estimate of the amount of subvention that has to be paid so that the Canadian coal can equal the cost of the American coal.

Mr. PETERS: On the other hand, how far east and west does the subvention operate in terms of Alberta coal?

Mr. MACNAUGHT: We subvent Alberta coal coming into Ontario, but not into Quebec.

Mr. PETERS: And west to British Columbia?

Mr. MACNAUGHT: So far as I know there would be no Alberta coal subvented in British Columbia unless it was under the order in council which permits the coal board to pay 75 cents a ton on Alberta or British Columbia coal used for bunkering ocean going ships. That is the only one.

● (1.16 p.m.)

Mr. PETERS: Is this order in council used?

Mr. MACNAUGHT: Oh yes, it is used. I cannot give you the figure on it, because I was just noticing it is an order in council that relates to ship supplies and also the shipment to Japan and the figures I have before me, do not separate the two. Mr. Lovett, would the ship stores be large?

Mr. A. W. LOVETT (*Financial Officer, Dominion Coal Board*): No sir, the tonnage is very very small. Roughly speaking, it would run into less than 2,000 tons a year.

Mr. MACNAUGHT: I am advised by Mr. Lovett that it runs to less than 2,000 tons a year.

Mr. PETERS: Would this all be on the west coast?

Mr. MACNAUGHT: For salt water, yes.

Mr. PETERS: Subvention does not work on the east coast.