

I do not think there is ever any prospect of competition by trucks in the way of bringing railway freight rates down.

Mr. PASCOE: The railways are doing practically all the hauling of that coal?

Mr. BLAIR: We have said that this is a "captive market" so far as the railways are concerned.

Mr. PASCOE: I did not catch all the answers given to Mr. Fisher in regard to agreed charges. Is most of that coal shipped on agreed charges?

Mr. BLAIR: No; I think somewhere upwards of 25 per cent is shipped on agreed charges.

Mr. PASCOE: I have one more question: there is a suggestion in the bill that this relief would bring the percentage increase down to around 10 per cent if lignite coal was granted the relief they are asking for. What affect would that have on the percentage of decrease, or the decrease of percentage increase?

Mr. KNOWLES (*Commissioner, Board of Transport Commissioners*): Do you wish me to answer that question, Mr. Chairman?

The VICE-CHAIRMAN: If you please, Mr. Knowles.

Mr. KNOWLES: It all depends on how far you go in this coal situation. If you can confine it to lignite, you would have only a very small difference in the percentage. It might be 6.8 per cent instead of 7 per cent. But I cannot concede that you could hold it. I would think that the province of Alberta would ask for the same thing; and then you would have the Nova Scotia people asking for the same thing. They are all recipients of about \$1½ million a year, and I estimate it would be about 10 cents a ton in line with that, making \$17.10. That would be about \$1½ million.

In addition to that, or included in that, there is a large amount of American coal which is brought in by water to points such as Toronto, Kingston, Montreal and Belleville, which could not be excluded in the tariff from the reduction. So you would be handing out half a million dollars to American coal which would be included in the \$1½ million I have mentioned. If you do that, and if the government changed the bill and said you must take 10 cents a ton off all coal, the remaining reduction would be between six and six and one half per cent on the other traffic.

Mr. BELL (*Saint John-Albert*): Do we have knowledge of any other type of small operation like this coal, or otherwise, that is excluded from this subsidy, or even benefited by it?

Mr. BELL (*Saint John-Albert*): Let us talk about coal first.

Mr. KNOWLES: You mean under the coal? Are you talking about coal?

Mr. KNOWLES: I do not know of any small individual operation on coal other than in Saskatchewan. It may be, I would say, that the Alberta industry is very much greater. Possibly the British Columbia industry, referring to Vancouver island, is about the same as that of Saskatchewan. I do not know the exact tonnage. But when you come to eastern Canada, there is a tremendous difference in the tonnage produced by the mines in Nova Scotia, as compared to the mines in Saskatchewan. So it would be a very large matter as far as the Nova Scotia and New Brunswick people are concerned.

Mr. BROWNE (*Vancouver-Kingsway*): I suppose it is difficult to answer the question regarding other types of industry because they are so widespread, but I wondered if there was an undertaking to isolate a big industry like this that seemed to have difficulty?

Mr. KNOWLES: You have a tremendously large number of different types of industry in Canada. I have no doubt there are plenty of them in a small way