

*Supply—Mines and Technical Surveys*

gas is becoming more and more severe and as coal burning equipment is replaced by gas, the opportunities to promote the movement of Canadian coal continue to decrease.

The estimates before us provide for a slight decrease in the funds for subventions for Saskatchewan lignite. This is because lignite has lost certain industrial markets to natural gas in the far western section of Ontario.

The Saskatchewan lignite industry, as a whole, is in a comparatively healthy condition. It is even optimistic of recovering in the future some of the markets it is now losing to gas; but it appears unlikely to do so, to any great extent during the 1961-62 fiscal year.

In the case of Alberta and British Columbia coal, the same assistance is provided this year as last on coal moving into subvention areas for domestic and industrial use. There has been a substantial reduction in the amount provided to assist coal moving into these same areas for railway consumption but this, of course, merely reflects the displacement of the coal burning locomotive by the diesel.

The same amount is included as was provided last year to assist the export movement of Alberta and British Columbia coal. The effort to develop a market in Japan for the coking coals of western Canada is still in the experimental stage but the developments to date have been sufficiently satisfactory to warrant continuation for another year.

There is no doubt that there is a large potential market in the steel mills of Japan for coking coal. The trials of Canadian coals to date have been satisfactory and it appears possible that our coals will be acceptable to the consumers as replacements, in part, of premium coals at present imported from other countries.

There is a very serious question, however, whether the Japanese market is one that we can afford to develop to its possible potential. It may well be too expensive to continue the present high experimental rates of subvention assistance for any lengthy period. A vigorous effort is being made at the present time to reduce costs in three directions, mining costs, costs of transportation from the mines and handling and loading costs at the shipping piers. If these costs can be reduced and if the users can be convinced that the quality of our coal justifies a higher purchase price, the present subvention rate would be substantially reduced. In view of all these uncertainties, we can only continue the experiment on a year to year basis with an open mind as to the future.

Returning for a moment to the maritimes, some increase in funds has been included in

this year's estimates for subventions for New Brunswick coal from the Minto field. Generally speaking, the New Brunswick coal industry is in a healthy condition and has resumed its steady although unspectacular expansion which was interrupted by business conditions two or three years ago. The increase in subvention funds required is in line with this healthy development and will cover an expected small increase in tonnage shipped to subvention areas.

Although the Canadian coal situation is relatively healthy in New Brunswick and Saskatchewan, and although there may be some prospects for the coal industry five, 10 or 15 years from now, it would be foolish to hide from ourselves the seriousness of the present situation and the extent of the general decline of the industry over the past ten years. Let me place before you, Mr. Chairman, just a few comparisons.

In 1949 railway locomotives in western Canada consumed nearly 3½ million tons of Canadian coal. Last year they consumed 2,000 tons. The 3½ million tons burned by locomotives in 1949 provided three quarters of a million man-days of employment for the bituminous coal miners of Alberta and British Columbia. In 1960 coal production in the west for locomotive use provided 400 man-days of employment for miners, not quite enough to keep two miners busy during the year.

In 1949 and 1950 the Canadian production of coal was more than 19 million tons a year. In 1959 and 1960 Canadian coal production was less than 11 million tons a year. In 1950 Canada imported 22,660,000 tons of bituminous coal and 4,286,000 tons of American and British anthracite. In 1960 our bituminous coal imports were 11,090,000 tons or only half as much as we imported ten years ago. Last year our anthracite imports were 1,200,000 tons or just a little more than a quarter of the anthracite tonnage imported ten years ago.

In 1950 Canadian coal production of more than 19 million tons gave some 23,500 coal mine employees work for an average of 232 days during the year. To show the decline, in 1957 output of slightly over 13 million tons employed some 14,600 miners for an average of 227 days, while in 1959 the production of 10,600,000 tons provided work for only 11,500 miners for some 216 days.

Almost the only pleasant thing from the Canadian viewpoint that can be said about the reduction in employment from 23,000 to 11,500 in ten years is that the Canadian miners who did have work had more working days in their year than did coal miners in the United States. For example, the 11,500 coal mine employees in Canada in 1959