

Mr. PASCOE: Further down you mention that you asked for equivalent relief. Have you made any estimate how much that would amount to?

Mr. BLAIR: Mr. Fisher asked we what the figures might be and I gave a few of them. If we got the full amount back it would be something like \$484,000 in a full year. Half of that would be \$242,000 and if we were getting it in the same proportion as is contemplated under the general reduction it would be in the order of \$170,000 to \$180,000.

Mr. CHEVRIER: If you got relief from the time the subsidy act comes into effect for a year, how much would it amount to?

Mr. BLAIR: It would all depend on the formula, but I suppose if it were more or less equivalent to the type of relief being given other shippers it would be under \$200,000.

Mr. BALDWIN: Approximately how many persons are employed in this industry?

Mr. SOUTHAM: I would say roughly around 300.

Mr. BALDWIN: On page 6 you say one paper mill representing something like 5 per cent of the industry's total production has been lost. Does that come about simply because of the competitive position of natural gas, or has it anything to do with the flat rate increase of 22 per cent?

Mr. BLAIR: It is really because of the better competitive position of the other fuel.

Mr. DRYSDALE: Mr. Chairman, in the annual report of the dominion coal board, 1957-1958 they state the following at page 20 with reference to subventions:

The Saskatchewan industry was in a reasonably healthy condition and did not appear to qualify for further subvention help at that time.

I notice in the report of the board of transport commissioners, order 93600, that they state the situation was different at that time on lignite coals but perhaps I might read this and then ask for Mr. Blair's comments:

However, the facts are not the same now as they were then. The increases authorized by that judgment were disallowed by the governor in council; the position of the coal industry in Alberta has worsened because of economic factors; the increases in railway labour expenses apply to the carriage of all traffic and to Saskatchewan lignite as well as to Alberta coal; and increases in freight rates being authorized at this time are by way of interim relief in consequence of such labour expenses. The board considers that there is not the same justification now that there was at the time of the last judgment for the board to establish lower rates on Saskatchewan lignite coal than on Alberta coal, and that, at least for the purposes of this interim judgment, coal traffic should bear a share of the burden of the increases in labour expenses without difference of treatment as regards different kinds of coal.

Have you any comment on those observations of the board?

Mr. BLAIR: First, it is true that the Saskatchewan lignite industry is not in the same condition as is most of the coal industry in Canada; but the writing is on the wall for it unless it is vigilant in protecting itself against this kind of transportation charge increase which will deprive it of its market. Without any disrespect to the other parts of the coal industry which are in an unfavourable position, we do not want to be put in that position. That is why the industry has taken part in all the recent hearings of the board of transport commissioners, simply to protect itself against the transportation increases which are the uncontrollable element in its selling price to its customer.