

Supply—Mines and Technical Surveys

has to be considered. However, the big problem is to get jobs for these men and stop the decay in Cape Breton.

Mr. Southam: Mr. Chairman, before the debate is concluded on this item of the dominion coal board, I should like to say a few words about the coal industry in the riding of Moose Mountain. I think, unknown to quite a few members, we have a very important coal industry in that part of Saskatchewan. It too has suffered from some of the problems of this industry which have been related at this time. It is a coincidence that just about 10 or 12 years ago an oil company surveying this area discovered large deposits of oil and, as a result of the development of that oil gas has been produced, too. It is interesting to note that out of about 4,300 producing wells in Saskatchewan, there are over 3,000 in that riding.

This development has provided our coal industry with very strong competition. I should like to give the committee, for a minute or two, a few facts concerning the lignite coal industry. I am not going to take up very much of the committee's time. Lignite coal is strip mined near Bienfait and Estevan, Saskatchewan. A fairly constant production of slightly over 2,200,000 tons has been maintained since 1950. The principal markets are for industrial users in the Winnipeg area. More than 70 per cent of the coal sold in the Winnipeg area is lignite. Other markets are in the Regina and Brandon areas, and certain pulp and paper plants at Kenora, Dryden and Fort Frances in Ontario.

Lignite coal possesses a substantial market advantage as a low cost fuel located near its principal markets; only 280 miles from Winnipeg and 155 miles from Brandon. There has also been a new market developed just recently as a result of the construction of a \$40 million power plant near Estevan. This steam turbo generating plant uses large amounts of coal for the production of electricity.

In the post-war years the domestic house heating market has been pre-empted by fuel oil and latterly, to a large extent, by natural gas. The industry, by vigorous salesmanship which included assistance to industrial users in the installation of proper heating plants, was able to develop an industrial market more than replacing the lost domestic market. Concurrently, the companies have invested more than \$5 million in new equipment since the war. As a result of mechanization and technological improvements, the industry has been able to absorb successive wage increases and has only raised the mine price of coal by 10 cents per ton since 1948. The present mine price averages \$2 per ton.

[Mr. Pickersgill.]

The lignite industry by its vigorous salesmanship and technological initiative has been able to maintain its position, notwithstanding the competition of premium fuels in the post-war years. Its existence has been threatened by drastic increases in transportation expenses which it is powerless to control, and by this latter competition that I have just mentioned.

I have had representations from one of the directors of one of the leading coal companies in that area. We have, by the way, the following companies in that area, the Great West Coal Company; Western Dominion Coal Company; Manitoba and Saskatchewan Coal Company; Northwest Coal Company, and several other smaller ones. I have here a representation from which I am going to read a short extract, prepared by Mr. W. W. Lynd, Q.C., on behalf of Mr. J. M. Brodie, managing director of Great West Coal Company. He is referring to the Rand commission report, and he says:

The report is most disappointing to the coal industry and if the recommendations that are made in the report are implemented by legislation, it will ring the death knell of the coal industry in Saskatchewan and Alberta at least, and I am not familiar enough with the coal industry of Nova Scotia to say what effect it will have there.

Instead of making recommendations that will be of benefit to the coal industry, the recommendations will very substantially take away from the industry what little help it has been getting in the past. The commissioner proposes to do away with subventions, which are simply the payment by the government of part of the freight rates on coal shipped into certain areas in the country to enable it to compete mostly with importations from the United States. The commissioner proposes these subventions be abandoned and in place thereof that a subsidy of 30 cents a ton be given to the companies which would be of far less benefit than the subventions.

Right at the moment Western Dominion coal mines sells about 400,000 tons to a paper industry in Ontario and the competition is very keen and it has only been by cutting the price to the minimum and by the help of subventions that this market has been held and if the subventions are taken away, it means a loss of 400,000 tons to this one mine.

Now, Mr. Chairman, I should like to ask the Minister of Mines and Technical Surveys if he would give very serious consideration to these representations from the Great West Coal Company which affect this industry.

Mr. Kindt: During the past day and a half, Mr. Chairman, we have heard a lot of discussion on the subject of coal. About 95 per cent of this discussion has been related to Cape Breton and eastern Canada. I rise now to say a few words about western Canada and the particular problems associated with the coal industry in the Crowsnest pass area.

For the purpose of orienting hon. members, let me say that there is about 7 per cent of the world's supply of coal in western