

Supply—Mines and Technical Surveys

ministers and they showed a good deal of interest in increasing their purchases of coal and other raw materials from Canada, particularly through the port of Vancouver. The facilities in the port of Vancouver have been improved for this purpose. This, too, has contributed to and facilitated the substantial increase in the shipments of coal to Japan. The additional amount required for this purpose is \$556,402; the rate is \$4.50 per ton.

Mr. McIlraith: To whom is that rate payable? I understand there is different treatment with eastern coal; am I right in that?

Mr. Fleming (Eglinton): The rate is available in respect of coal which moves to Japan. This is related and confined to the shipments to Japan.

Mr. McIlraith: This item, dealing only with coal being shipped to Japan, has the effect of reducing the price of that coal by \$4.50 a ton; otherwise I presume they would not buy.

Mr. Fleming (Eglinton): Yes; it is to make it competitive in Japan. That was the reason not only for the original institution of subsidies but for the increases which have been made in them; first, to make it competitive, and in the second place to enlarge, it was hoped, the sales, and the result has been successful.

Mr. McIlraith: Just two further points. Would the minister give me the total amount out of this item, the earlier supplementary and the main item dealing with coal being shipped to Japan? I have another question which I think I can pose at the same time, and it is this. I recognize the great difficulties of coal mines in the west and I am not unmindful of them, but we are on the one hand subsidizing an export to Japan to enable them to compete with us, and at the same time we are working with them in having them apply quotas on their exports to this country. Is that correct?

Mr. Fleming (Eglinton): On the first point, the main estimates and supplementary estimates provided subsidies of \$675,000 on these shipments of coal to Japan. It was expected that there would be 150,000 tons exported at \$4.50 per ton, and that made a figure of \$675,000. A revision of the calculation has now advanced the estimated export to 280,000 tons and that accounts for the additional amount now sought.

The hon. member asked about quotas. The fact is that this has been operated as a particular type of export. The government sought to encourage this in the hope that if the market were won in Japan for coking coal from British Columbia, in course of

time the market could be expanded there. It is not expected that the subsidy may always have to be paid, but it was thought to be a good investment in the meantime in the hope of opening up a new market. In addition, the hon. member will appreciate that one of the compelling reasons was to assist the Canadian coal mines in the west coastal areas.

Mr. McIlraith: I quite appreciate the compelling reason for adopting this subsidy, I am not quarrelling with that at the moment. But I think it is well to point out that the rather substantial subsidizing of this coal does create other problems in the trade field, problems with which the minister is quite familiar. It means that we are directly subsidizing Japanese exports to Canada. There is some concern in parts of the country about the extent of those exports in some fields. I merely want to point out the problem. I am not being critical of the minister, but I think this problem should be understood.

Mr. Pickersgill: Could the minister tell us where the coal is coming from which is going to Japan?

Mr. Fleming (Eglinton): British Columbia.

Mr. Pickersgill: Exclusively?

Mr. Fleming (Eglinton): Yes. Crowsnest pass.

Mr. Robichaud: Mr. Chairman, this item has to do with payments in connection with the movements of coal under conditions prescribed by the governor in council. Could the minister tell us approximately how many tons of coal comes under this program? I understand a total amount of \$15 million has been voted so far, including the amount we are asked to vote today. How many tons of coal have been moved?

Mr. Fleming (Eglinton): According to the revised up to date estimate for the current fiscal year, the total from Nova Scotia, in round figures, will be 3,075,000 tons; from New Brunswick, 151,000 tons; from Saskatchewan 108,000 tons; from Alberta, 129,000 tons; from British Columbia, 280,000 tons.

Mr. Robichaud: Could the minister tell us how many tons have been moved to power plants in the maritime provinces? I also understand that part of this item is to cover transportation of coal to power plants. How many tons does that involve?

Mr. Fleming (Eglinton): None of this item under discussion applies to movement to power plants in the maritimes.