

various coals is being constantly carried on in the fuel research laboratories of the bureau of mines to develop methods of using coal with the greatest possible economy.

The coal policy is one that has been discussed at various times in the past. A good many years ago the policy was definitely adopted of aiding by way of subventions the movement of Nova Scotia coal to the central Canadian areas. A few years later that was extended to the western provinces, particularly Alberta. The result is that subventions are paid on the movement of both Nova Scotia and Alberta coal, although the great bulk of the expenditure is in relation to the movement of Nova Scotia coal. The principle upon which the subvention was based was to put Canadian coal into competition with United States coal coming into the central parts of Canada. That applied not only to coal used for industrial and domestic purposes but also to the coal used in railway operations. It is all a question of how far it is desirable to extend the principle. Theoretically we could, by voting sums of money in parliament, bonus the movement of coal from Nova Scotia on the east or Alberta on the west to the point where it would entirely supplant the use of American coal. But it would be at a very heavy cost to the treasury of Canada. The importations of United States coal last year were about 12,000,000 tons. I have forgotten the total consumption for the moment. But if we increase our vote to exclude United States coal it would have to be a very heavy increase.

Mr. HARRIS (Danforth): I do not ask for that.

Mr. CRERAR: After all, a policy of this kind has to be worked out on a reasonable basis. The payment of the subventions voted last year and again this year will enable our Nova Scotia coal mines to operate perhaps not to maximum capacity, but to a considerable measure at any rate of their capacity. And the same is true of the Alberta mines. It is a nice matter of judgment how far we should go and where we should stop, but I think experience has indicated that on the whole the policy has been administered in a way that has contributed to the maintenance of these industries to some considerable degree at any rate both in Nova Scotia and Alberta.

Mr. HARRIS (Danforth): The coal subvention is paid for hauling the coal, from which industry gets the benefit. If the records the minister has before him are by cities or by provinces, would he put on the record what has been paid to the province of Quebec, the city of Quebec, and the city of Montreal in the way of subventions? As the minister in

his reply mentioned Ontario, perhaps he would also put on record the subventions paid to Ontario last year and this year, so that we may see whether there is any increase.

I would also remind the minister that many small mines in Nova Scotia are lying idle or not working to capacity. I should like to have a record of the subventions paid in Quebec city, Quebec province, the city of Toronto and Ontario.

Mr. CRERAR: I do not know that I have the information in that detail, but I can give some figures which may throw some light on the question: In 1939 assistance was given on 2,381,995 tons of Nova Scotia coal to the extent of \$2,910,243. The year before the corresponding figures were 1,377,000 tons and the assistance \$1,253,000 in round figures. I have corresponding figures back to 1928.

Regarding Alberta and Crowsnest coal, the total tonnage receiving assistance in 1939 was in round figures 436,000 tons and the assistance amounted to \$579,000. In 1938 the corresponding figures were 258,000 tons, and assistance \$257,000. It is interesting to note that in Saskatchewan assistance was given on the movement of 159,000 tons in 1939 to the amount of \$37,500.

Mr. HARRIS (Danforth): I am trying to get the policy.

Mr. CRERAR: I am sorry I have not the information by provinces. But I can tell my hon. friend that the subventions paid on coal moving into Ontario were much greater than on coal moving into Quebec, because the distance is greater.

Mr. HARRIS (Danforth): The matter of ton mile rates is what I am trying to get. Is the ton mile subvention the same to Toronto as to the city of Quebec? In the case of coal coming from Virginia fields the freight rates are worked out in accordance with the competition they have to meet; the coal costs whatever freight it will bear. It is the old rule; the freight is regulated by what the traffic will bear.

It occurs to me that we have been without a definite policy in this regard. The ton mile rate has no relationship to the value of the commodity at the point of consumption; in other words the cost at the point of consumption is not figured back against that of its competitor, United States bituminous coal, so that the final outcome would be to the benefit of Canadian coal. My view is that it should not be just a flat rate of a dollar a ton; there should be a very substantial differential, especially when the mileage is three or four times as great in respect