

Supply—Mines and Technical Surveys

Dominion coal board—

229. Administration and investigations of the dominion coal board, \$126,345.

Mr. Robichaud: Is the minister going to make a statement on the dominion coal board?

Mr. Comtois: Yes, Mr. Chairman. In presenting these estimates to this committee, I regret to report that the coal situation in Canada in the past year has grown more and more difficult as the competition from other fuels has intensified. It is becoming clear that the long established policy of providing assistance in the amount necessary to enable Canadian coal to meet the competition of imported coal in the markets of central Canada is no longer sufficient. The chief competition in these central markets and also in the home markets is no longer imported coal but other fuels.

It is open to question whether under the present rapidly changing competitive conditions a sound basis can be found for a long range basic policy. The royal commission appointed to investigate the industry and develop basic lines of policy has presented a report. This report has received wide comment both pro and con and, in view of this, was referred to an interdepartmental committee for study and report upon the probable effect of the specific recommendations. This committee has concluded its work and the report is now in my hands for consideration by the government. I need not tell the committee that it will be given as rapid and thorough consideration as other pressing matters will permit and I can assure hon. members that a formal statement will be issued as soon as it is possible to do so. That statement will, however, deal with long range matters, and there have been other immediate problems that have required consideration and action.

In this field, there has been the problem of closure of collieries in Cape Breton and the consequent unemployment. We have taken action on this matter as I have already reported to the house and are confident that the results will serve to avert the hardship that was facing many of our coal miners in this area.

The other immediate aspect is, of course, the continuation of support to the industry until a new and satisfactory long range policy can be worked out and applied. These estimates now before us are designed and intended to furnish this support.

Essentially, these estimates are the same as those approved last year. They continue the same high level of emergency assistance which resulted in the sale of a substantially increased tonnage of Nova Scotia coal in

Ontario last year. They have been calculated on the basis of assisting to market every last ton of Canadian coal that can reasonably be sold with subvention help. This applied not only to Nova Scotia coal but also to the coal from New Brunswick, Saskatchewan, Alberta and British Columbia.

Hon. members will note that the total amount estimated for subvention assistance in 1961-62 for all the coal regions of Canada is \$13,244,900. This is a decrease of \$1,843,050 by comparison with the more than \$15 million provided in last year's estimates.

This decrease in the estimated requirements is not, I must emphasize, the result of any reduction in the effective rates of subvention assistance themselves. The sum of \$13,244,900 represents our best estimate of the amount that will be required to move from Canadian mines all the coal that can find a market. If this amount is insufficient, and with the recent provision of further assistance to maintain employment in Cape Breton, it may well be so, the house will be asked to provide a further sum in supplementary estimates.

Statements have been made referring to the amount of imported coal still coming into Ontario and Quebec. I must again point out the fact mentioned by my predecessor in 1955 as reported in *Hansard* for July 25 at page 6737, that the idea that all coal is about the same and can be used without difficulty in any plant is a basic fallacy. A plant designed to operate economically on coal with certain characteristics will not necessarily perform with satisfaction on other coals. I am informed that practically every consumer within the subvention area of Quebec and Ontario has been canvassed and that there is no large consumer in this area whose equipment can efficiently use maritime coal who is not doing so. The imports of coal into this area are largely of sizes that cannot be supplied by the Nova Scotia mines or else are of different analytical qualities or combustion characteristics and are not replaceable by the high volatile low ash fusion coals of medium to high sulphur content that are produced in our maritime mines.

In spite of these restricting conditions we have had some success in our recent efforts to assist the sale of more Nova Scotia coal in Ontario to compensate for losses in the maritimes and in Quebec. In 1957-58, only 137,000 tons of Nova Scotia coal moved to Ontario while in 1959-60, this had increased to 734,000 tons. This level was maintained in the fiscal year just ended and it is hoped that with the recently announced order from the Ontario hydro, it can be increased in the present year. The competition from natural