

*Supply—Mines and Technical Surveys*

the amount of the subvention had to be increased because of various increases in costs, mainly of transport although I believe some labour and other costs as well entered into the matter. I know the rate of subvention is very much higher to central Canada. At the moment I am not interested in that matter. However, I understood that a new departure had been made by the present government. We were told that on several occasions. I am familiar, of course, with the subvention paid on coal for the production of power but I was not particularly asking about that matter. What I should like to know is how much is being paid in subventions and what is the rate for industries other than power industries in the Atlantic provinces.

**Mr. Fleming (Eglinton):** My understanding is that these subventions are, in all cases, payable on shipments out of the maritime area into Quebec and Ontario. As the hon. gentleman is aware, we increased the scale of the subvention, in so far as maritime coal is concerned—

**Mr. Pickersgill:** Oh, yes.

**Mr. Fleming (Eglinton):**—two years ago and again one year ago in order to make it possible for maritime coal to have access to the markets in eastern Ontario.

**Mr. Pickersgill:** Perhaps I could spare the minister some effort here. I am not particularly interested at the moment in that matter. What I am interested in is this. I think the Minister of National Revenue told us—as I believe did the Minister of Mines and Technical Surveys on one occasion—that subventions were also being paid on coal used within the Atlantic provinces for industrial purposes, and that this was a new policy instituted by the present government. If I am wrong about that matter I should like to be corrected. If the minister will say no subventions are paid for coal used for industrial purposes in the Atlantic provinces, that disposes of the matter.

**Mr. Fleming (Eglinton):** I can say there is nothing in this additional appropriation for that purpose. There are three elements in the additional appropriation that is now asked. There is first an increased subvention payment on water-borne and transshipped coal, as a result of an increase in the pithead cost. The second element is increased export shipments to Japan from our western seaboard. The third consists of payments to the Dominion Coal Company to assist in maintaining a larger than usual stockpile. Against these three elements there were some amounts previously provided that were not required. They had been provided for the shipment of

[Mr. Pickersgill.]

Alberta and Saskatchewan coal. There has been a declining movement from that area and what was not expended for that purpose has been offset against the three elements of increase.

**Mr. Pickersgill:** Can the minister say what the main appropriation is?

**Mr. Fleming (Eglinton):** The main appropriation was \$10,089,350. Already supplementary estimates have been voted of \$4,332,900. With the present proposed vote of \$1,069,866 this will bring the total amount required for the present fiscal year to \$15,492,116.

**Mr. Pickersgill:** Can the minister say how much of that amount is for the development of thermal power in the Atlantic provinces?

**Mr. Fleming (Eglinton):** Of that total?

**Mr. Pickersgill:** Yes.

**Mr. Fleming (Eglinton):** I do not believe any of it is but there I speak subject to correction. But I can say that of this additional sum none of the three items of increase relates to the use of power from thermal sources in the maritime area.

**Mr. Pickersgill:** The minister does not know whether any amount out of the total appropriation, including this amount, is being used for subventions for coal for industries in the maritime provinces?

**Mr. Fleming (Eglinton):** No. I think that matter comes under a different vote but I speak subject to correction.

**Mr. Pickersgill:** I wonder whether the Minister of Mines and Technical Surveys can throw any light on the point?

**Mr. Comtois:** No; there is none on this item. There is another vote.

**Mr. Pickersgill:** There is another vote?

**Mr. Comtois:** Yes, for thermal power.

**Mr. Pickersgill:** I thank the minister.

**Mr. McIlraith:** I should like to ask the minister whether he would outline the method of payment and the amount of the subvention being paid on western coal being exported to Japan. It was the second element to which he referred in his remarks a few moments ago.

**Mr. Fleming (Eglinton):** This is a shipment that has been increasing and the government saw fit, two years ago, to increase the subvention for this purpose and one year ago to increase it again. The result has been a quite gratifying increase in the volume of coal being shipped to Japan.

When I was in Tokyo a year ago last autumn I had talks with some of the Japanese