

Mr. HEES: No. The coal in various parts of the country received subventions in accordance with the need. For instance, as you know, more recently in order to make it possible for over 100,000 or 150,000 tons of Alberta coal to be sold to Japan it was necessary to increase the subvention by 50 cents a ton. We did that to make the sale possible. Provinces are paid according to the need. If it is shown that it is necessary, they will be paid. If your particular coal industry does not receive much in the way of subventions, it is because you do not need it. Actually, I have gone into this plant and I know how much cheaper it is to produce your coal. I have inspected your operations and have seen the tremendous shovels that are used to dig it out of the ground. Because of the costs involved, you do not need the same assistance as other people, who might have to go very deep down in the ground, to sell your coal. That is why you do not get it.

Mr. FISHER: Are you indicating then that the giving of subventions is easy enough to receive and that that would be the proper place for this particular industry to turn to?

Mr. HEES: Yes.

Mr. DRYSDALE: Is not the maximum subvention \$4 a ton?

Mr. BLAIR: The subventions are all on different scales for different types of coal. The maximum applicable to lignite is \$1 a ton.

Mr. HORNER (*Acadia*): I would like to commend Mr. Blair on his presentation; he has put up a good argument. However, there is one thing on which I am not clear. You spoke of the Manitoba and Saskatchewan Coal Company when I asked you a question earlier. Is Sheerness in the eastern part of Alberta a subsidiary of this Great West Coal Company; I think it is. Are you drawing a line down the border of Saskatchewan and saying that only the coal companies operating on the east side of Saskatchewan should receive consideration?

Mr. BLAIR: I am glad you asked that question, and the answer is: Sufficient unto the day is the evil thereof. One of the companies I represent, either directly or through a subsidiary, owns strip coal mines in Alberta and we are here making arguments on behalf of the Saskatchewan industry because the position which it now faces as a seller of industrial type lignite coal in competition with natural gas is so critical.

Mr. HORNER (*Acadia*): Along that same line,—and the reason I bring it up is that there was up until last fall two coal companies operating in the Sheerness area with 100 workers engaged in strip mining. They have a big electric shovel, and all the rest of it. I am not saying that it is as big as in Estevan; but last fall one had to shut down frequently on account of markets and the fact that natural gas was going into the city of Saskatoon. I would make reference to the mines at Sheerness because they are in my constituency, but there are others in the southern part of the province. They are all producing coal which I think would qualify under lignite, and I think they should receive consideration. A lot of their coal goes into the northern part of Saskatchewan by rail.

Mr. BLAIR: Well, there is one comment I wished to make in answer to an earlier question by Mr. Drysdale, and it refers to what you say. In terms of the most recent board judgment, it would appear that we in Saskatchewan were at odds with the coal producers of Alberta, which is not the case. We are trying to protect this industry against natural gas competition; and the position we took is, if the Alberta people have the same difficulty, and I am inclined to think they have, there is no reason why they should not possibly also receive the same type of consideration. We would not oppose it.