

Coal Production Assistance Act

and steel production. I should like to say that the coal in western Canada is not all of the same quality. Some of it is bituminous coal used for firing stoves and such like. I have in mind that which is mined at Drumheller. But in the Crowsnest pass you have high quality metallurgical coal of approximately 1,300 B.T.U.'s and it is used primarily for steam production and in the steel industries. It is shipped to Japan and there mixed with their domestic coal for steel production.

It took time to work out these arrangements, but the recommendation I made in 1957 was looked upon with favour by this government, and a few thousand tons were shipped during the first year for experimental purposes. Then gradually over the years it has been stepped up, until last year about 700,000 tons of coal were shipped to Japan. In the coming year it is expected that this figure will be increased to 750,000 tons. There is a small subsidy on this coal of about \$3.15 per ton. May I say that those shipments of coal have gone a long way in preserving the coal industry of western Canada, and also providing the people there with good homes, with jobs, and with all those things you look for in a given area. It has been these shipments of coal to Japan which have helped to keep that area alive.

That is also true not only on the Alberta side of Crowsnest pass but at points west in British Columbia. The miners in the Crowsnest pass appreciate the efforts which have been made by this government to get those coal shipments rolling to Japan. The operators have co-operated 100 per cent. The coal board has made a searching investigation of the cost of mining coal. There is an attempt on the part of the coal board, the operators, the miners, and everyone else associated with the shipment of coal to Japan, to reduce costs so as to get this subvention down to a point where it will stand more upon its own feet. In other words, what we want are lower costs at the loading facilities in Vancouver. I may say that those loading facilities have reduced costs to some extent. We want lower costs of mining, and technological improvements in the mines have lowered costs. In the future we may expect a lot more by way of lower costs. By stepping up the volume of coal to 750,000 tons, the operators themselves have been able to lower their own profit margins and likewise the transportation costs of the C.P.R. Now that volume shipments are being made the C.P.R. is giving consideration to lower costs of freight. In other words, this movement of coal to Japan has made a place for itself and it should remain over the years as an export market for this high quality metallurgical coal mined in the Crowsnest pass.

As I have already said, some five years ago in the Crowsnest pass people were moving out; houses were vacant; little painting was being done and there was a downcast look in every nook and corner. Today, however, when you go into the Crowsnest pass you find it is a thriving, booming area and the people are optimistic. They have jobs. The economy is booming and there is very little unemployment. In other words, the point I wish to make is that this movement of coal to Japan has been a success and it will undoubtedly move in the direction of being more and more of a success.

We are looking forward to industrialization in the Crowsnest pass and the establishment of petrochemical industries. With this vast quantity of hydrocarbons it is possible to make not only a few of those commodities which are commonly known to people but also with the help of natural gas some 10,000 products which will be brought out to help and to assist mankind. You can name dozens and dozens of products which can be made from the hydrocarbons found in coal and also in petroleum.

In closing I wish to congratulate the new minister on his accession to the portfolio he now administers. I can assure him that, in so far as the west is concerned, we are looking forward to a continuation of this coal market in Japan. We are looking forward perhaps to some small expansion of it, if possible, if costs can be lowered. The people of the Crowsnest pass appreciate the efforts of this government—and they have said this to me time and again—since the starting and establishing of this market for coal in Japan.

Mr. R. G. L. Fairweather (Royal): Mr. Speaker, I would be neglectful of my duty to the Minto-Chipman coal area of the constituency I represent if I did not say a word or two about this bill which will enable one of the two most modern coal producers in the Minto-Chipman coal complex to retain a very substantial and important coal market in the United States. This bill will make this result possible. The second feature which will ensure the retention of this important market was taken early in May of this year when the government revalued the Canadian dollar. Both these things have been of great benefit to the exporters of coal in the United States.

Avon Coal Company is a modern company using the best of equipment. Their labour relations are good and their ideas are progressive. They are being substantially assisted by the government of Canada in this enlightened policy. I too should like to share with others the congratulations that have been extended to the minister and to thank him particularly for the third section of this bill.