

Mr. BLAIR: I am not with you.

Mr. DRYSDALE: When was the increase?

Mr. BLAIR: The increase was in November or December, 1958.

Mr. DRYSDALE: I am sorry; I stand corrected then.

Mr. BLAIR: The optimistic survey they gave, of course, was based upon the condition of more than a year ago when we had been successful in withstanding this most recent increase.

Mr. FISHER: It seems to me the Achilles heel of your argument is the fact you have a subvention going into Ontario at the present time and that keeps you from being classified as distinct from the subvention for the relief of the Alberta and Nova Scotia coal. It seems to me that the main point in your favour is that you are a coal industry that can be isolated and examined as an economic unit. Would it be possible to drop the subvention into Ontario and pick up the adequate relief from this particular measure?

Mr. BLAIR: I am afraid I do not quite follow the reason why we should.

Mr. FISHER: The argument Mr. Knowles presented is against your getting this particular thing so that it would have to be applied to the whole coal industry since at the present time, like all the other parts of the coal industry, you get a subvention. At least, this is what I take to be his argument and, therefore, if you were selected as a special case, the other people would have a similar right to the cutdown.

Mr. CHEVRIER: In other words, would you drop the subvention for relief under this act?

Mr. HORNER (*Acadia*): You would lose money on it?

Mr. BLAIR: I do not follow the suggestion made by Mr. Fisher. The freight rates and subvention have been dealt with somewhat differently. After all, the scale of subventions in the movement of maritime coal is pretty high. I am told it goes up to \$5 or \$6 a ton. We get a small subvention for a small movement of lignite coal which happens to go across into Ontario. However, our main market lies within the western region and we are simply asking this committee to consider that we should be relieved of some part of the freight increase to protect us in our main market.

Mr. FISHER: As I understood Mr. Knowles' argument, if this was extended to you, it would open up demands from the rest of the coal industry, and so far as the government is concerned that would seem to me to be a very powerful argument against giving it to you.

Mr. BLAIR: Well, I would like to make this suggestion, and I know we are getting into the realm of policy. We have made only a presentation, for your consideration, on behalf of lignite coal. But I have also stated that there is no particular reason why an extension of the subsidy to lignite coal should be applied equally to American coal moving into other parts of Canada. And then perhaps the government of Canada might well consider that the scale of relief also granted to maritime coal by way of subventions is such that it does not make it necessary to pay any more. After all, both the Minister of Transport and Mr. Knowles and others who have spoken on this have suggested that the reason for not giving any further relief to coal was due to the tremendous scale of subventions granted. Now, we have said that we do not share in this subvention benefit in any way comparable to other parts of Canada and, therefore, an injustice has been done in a sense to the producers of lignite.

Mr. FISHER: I would like to ask the Minister of Transport whether the lignite coal industry in Saskatchewan was considered when this bill was drawn up?