

of those mines where they have these heaves in the mountain. I think there is a difference there, but outside of that there is none. I do not see any reason why the Alberta coal should not be produced as cheaply. Now, I speak subject to correction, and without having gone into the matter in detail, but I would say that if the Alberta coal could displace American coal in Winnipeg and American coal at Lake Superior, it would take the whole output, nearly.

*By the Chairman:*

Q. The whole output?—A. Yes. They would not be suffering from this side. At the same time, if you owned a mine or ran it privately and found yourself losing money, or not making money, as is the case, I believe, with a great many of those mines, and you found that you were tied up by want of protection and by unionism, so that you could not reduce your costs or operate the mine the way you wanted to, you would naturally look around for some means of escape, but I do not believe you would look 3,000 miles East and pass a market of 1,000,000 tons on the way.

Q. Where is that market?—A. The market is in Winnipeg and at the head of the lakes.

Q. Oh, yes.—A. Now, if the railways are going to give an indirect bounty by hauling this coal at rates less than those at which they haul other commodities shipped under similar conditions, why not make it apply first to Winnipeg or the head of the lakes, where there is a chance of developing a market which they have some hope of retaining? Of course trainload lots are no more applicable to train loads of coal than they are to grain and a hundred other commodities.

Q. Your view then would be that with the best will in the world to use Canadian coal, your company, or yourself, have been forced to buy American coal, largely on account of price?—A. Yes, entirely.

Q. Entirely?—A. That is true of every plant we have excepting our plant in Exshaw, which is situated just within twenty or thirty miles of Banff. We are using Alberta coal there.

Q. Where it is competitive the Americans are beating out?—A. Yes, they are beating out so far that there is no comparison.

Q. That there is nothing?—A. Nothing to it.

Q. No—A. No hope.

Q. No manager would be justified in doing anything?—A. He would not be manager long if he did it.

Q. And you ascribe it to the cost of production and the selling price as the most important elements?—A. The cost of production is most important. The cost of production also makes the mines idle for a greater period in the year than they would be if there were a lower cost of production. So reduction in selling price and reduction in cost would also give them a greater tonnage.

The CHAIRMAN: Are there any other questions?

*By Hon. Mr. Webster:*

Q. From your previous experience in the Nova Scotia coal fields, Mr. Jones, you are of opinion that the Nova Scotia mines can take care of the Maritime Provinces and Quebec and should take care of Ontario in any coal crises that may occur?—A. My experience down there makes me believe that the areas are amply sufficient to take care of the Maritime Provinces, of Quebec and a large part of Ontario. But we are not developed to do it. Their production, as you know, has been going down rather than increasing, in late years. But if Ontario and if Quebec feel that for any reason, good or bad, they must be independent of American coal, it would be, I think, much more logical, commercially, to look there than it would be to look to Alberta, because in the one case you have water-

[Mr. F. P. Jones.]