

## Section 5.—Subventions and Bounties on Coal\*

The major problem of the Canadian coal mining industry arises from the fact that its fields are situated far distant from the main consuming markets of the Provinces of Ontario and Quebec while these markets lie in close proximity to the bituminous and anthracite fields of the United States. Transportation subventions, which have been maintained in varying degree during the past 28 years, were designed to further the movement of Canadian coals to some portions of central Canada by equalizing as far as possible the laid-down costs of Canadian coals with imported coals. Subventions have been regulated by Orders in Council as it has not been considered practicable to fix the assistance by statute owing to the frequent changes in the competitive situation.

### 5.—Expenditure for Coal Subventions by Province 1952-56

Province		1952	1953	1954	1955	1956
Nova Scotia.....	ton	1,897,451	1,874,410	2,561,321	2,588,400	2,543,302
	\$	5,194,288	6,101,714	8,790,557	8,355,623	6,962,694
New Brunswick.....	ton	2,851	8,981	58,036	33,108	21,359
	\$	3,780	7,853	141,513	55,925	42,214
Saskatchewan.....	ton	139,555	187,118	256,597	259,518	247,814
	\$	113,645	161,439	218,341	222,454	216,407
Alberta and eastern British Columbia.....	ton	613,651	606,749	998,558	730,905	782,228
	\$	1,161,810	946,638	2,982,347	2,058,942	2,375,295
British Columbia bunker and export.....	ton	59,254	1,592	709	219	1,280
	\$	56,580	1,194	532	164	1,217
<b>Totals.....</b>	<b>ton</b>	<b>2,712,762</b>	<b>2,678,850</b>	<b>3,875,221</b>	<b>3,612,150</b>	<b>3,595,993</b>
	<b>\$</b>	<b>6,530,103</b>	<b>7,218,838</b>	<b>12,133,290</b>	<b>10,693,108</b>	<b>9,596,827</b>

The Canadian Coal Equality Act (R.S.C. 1952, c. 34), formerly known as the Coke Bounty Act, and Regulations made thereunder, provide that so long as the provisions of Tariff Item No. 1019 in Schedule B to the Customs Tariff, permitting a 99-p.c. drawback on imported coal to be converted into coke for metallurgical purpose, remain in effect, the Government will pay to the manufacturers of iron and steel 49.5 cents per ton on bituminous coal mined in Canada and converted into coke and used by the manufacturer in the smelting in Canada of iron from ore, or in the manufacture in Canada of steel ingots and steel castings. This legislation, which implements one of the recommendations of the Royal Commission on Maritime Claims (1926) is designed to assist the Nova Scotia steel industry and only incidentally affects coal.

Bounties paid under this authority for the years 1952-56 were as follows:—

Item		1952	1953	1954	1955	1956
Quantity.....	ton	698,449	773,102	492,196	603,134	654,620
Amount.....	\$	345,732	382,685	243,637	298,551	324,037

\* Prepared by H. H. Harris, Administrative Officer, Dominion Coal Board, Ottawa. Additional information on subventions and bounties, summarized from the Report of the Royal Commission on Coal, 1946, is given in the 1947 Year Book, pp. 770-771.