

Natural Gas Marketing.—The domestic market for natural gas exceeded the original estimates of both the major gas transmission pipelines in Canada. Both were planning programs to increase capacities earlier than had been contemplated. Other companies were requesting permission to move large quantities of natural gas southward from Alberta, although surplus reserves had not reached sufficient proportions to meet the requirements of the envisaged plans. Nevertheless, increased interest in Canadian natural gas, particularly for export to the United States, served to accelerate exploration.

Subsection 4.—Coal*

Although there appeared to be a stabilizing trend in the coal industry during 1955 and 1956 the increasing conversion to oil and gas by the railways, various industries and commercial and household consumers, aided by the generally milder winter and recession in 1957, resulted in further reverses to the industry.

In 1957 the industry recorded its greatest loss of the past seven years, production dropping to 13,189,155 tons—11.6 p.c. from 1956 and 31.1 p.c. from the record of 19,139,112 tons in 1950. With the exception of the depression years of 1931 to 1933, the 1957 production was the lowest since 1912. Of the 1957 output 68.6 p.c. was bituminous coal, 14.3 p.c. subbituminous and 17.1 p.c. lignite. Nova Scotia contributed about 43 p.c. of the total, Alberta 24 p.c., Saskatchewan 17 p.c., British Columbia and Yukon over 8 p.c. and New Brunswick just over 7 p.c. Every province showed a decrease in production. Whereas Nova Scotia, New Brunswick, Saskatchewan, British Columbia and Yukon showed, collectively, a decrease of almost 6 p.c. compared with 1956, Alberta's output decreased by 27 p.c.; bituminous coal, most of which goes to the railways, accounted for 68 p.c. of this decrease.

The apparent total consumption of coal in Canada decreased from 36,313,144 tons in 1956 to 31,516,119 tons in 1957, a drop of 13.2 p.c. Whereas in 1956 over 61 p.c. of the coal consumed was imported, in 1957 the percentage was down to somewhat less than 60, of which about 81 p.c. was bituminous coal used in Central Canada. Coal imports decreased by almost 14.2 p.c. from 1956, while the indigenous production decreased by only 11.6 p.c. Coal sales made by retail fuel dealers decreased 14.0 p.c. from 1956, railway coal decreased by over 40 p.c., and coal used for industrial purposes increased about 1.0 p.c. Thus though sales of coal for household, commercial and railway purposes are continuing to yield to liquid and gaseous fuels, industrial coal consumption is slowly increasing.

The consumption of briquettes, of which about 77 p.c. are made from bituminous coal, decreased sharply from 879,208 tons in 1956 to 467,825 tons in 1957. About 61 p.c. of the amount marketed (73 p.c. of the Canadian output) was used by railways in Western Canada mainly as locomotive fuel. However, the railway market for this type of fuel was reduced from 620,000 tons in 1956 to 287,000 tons in 1957. On the other hand, household and commercial consumption showed an increase from 159,208 tons to 180,768 tons despite increased competition from oil and gas.

Although the coal industry's economic position has been weakened, greater efforts are being made not only to maintain but to improve its competitive position in the market by reducing costs of production, improving quality, and tailoring the types and grades of coal to suit varied consumer requirements. Mechanization of underground mining is progressing especially in eastern collieries where most of the coal is mined mechanically. The Dosco "miner" is used in practically all the mines of the Dominion Coal Co. Ltd., on longwall faces, and other machines of the ripper type suitable for room and pillar mining are also employed. In addition, a boring type miner was introduced in one of the smaller mines in Nova Scotia. Continuous mechanical mining is being experimented with

* Prepared under the direction of Dr. Marc Boyer, Deputy Minister of the Department of Mines and Technical Surveys, by E. Swartzman, Fuels Division of the Mines Branch.