

Natural Gas Processing and Marketing.—During the past decade, Canadian reserves of natural gas have become sufficient to supply not only an expanded Canadian market but also several areas in the United States. Much of the gas for these markets requires processing to remove constituents, such as sulphur, which add further to the mineral output of Canada. Propane, butane and other liquid hydrocarbons valuable to the petroleum refining and petrochemical industries are also recovered. The extent to which the natural gas processing industry has developed is apparent from a comparison of gas plant capacities. In 1952 there were five plants having a combined raw-gas treating capacity of 380,000 Mcf. daily. By 1962 there were 66 plants in Alberta, five in Saskatchewan, two in British Columbia and one in Ontario, a total of 74 plants having a raw-gas capacity of 3,400,000 Mcf. daily. The gas from these plants and from several fields which produce dry gas provided over 750,000,000 Mcf. of gas for all markets in 1962. Exports amounted to over 900,000 Mcf. daily and domestic sales to 1,125,000 Mcf. daily.

There were small quantities of gas imported into Canada, mostly into southwestern Ontario; in 1962 imports were only about 5,500,000 Mcf.

Subsection 4.—Coal*

The small increase in coal production noted in 1960 was, unfortunately for the industry, short-lived and further decline was experienced in 1961, the industry becoming more and more the victim of competition from other fuels. Closure of high-operating-cost mines, although improving the financial situation of the individual companies, increased productivity per man-day, and more and improved coal cleaning and quality control were not sufficient to halt the decline in demand. Production in 1961 was about 8,000,000 tons lower than in 1951 and consumption about 22,500,000 tons lower. Imports were reduced to less than half—from 26,000,000 tons to 12,000,000 tons. The one bright spot was the increase in exports of western bituminous coking coal to the United States and Japan which resulted in a 1961 export total double that of 1951. Mechanization of production, underground and surface coal preparation, particularly of slack and fine sizes, and efforts to control quality through coal sampling and analysis have all been increased to enable the industry to supply higher quality products at reduced costs. On the bases of costs per ton and per million Btu some improvement was noted in 1961.

Assistance to the coal industry was given by the federal and provincial governments through continued research programs. The problem of fine coal production received attention with research directed toward improved methods of mining, beneficiation and combustion. Technical assistance rendered in the field of quality control through sampling and analyses, and studies of the coking properties of coals in relation to their preparation for export markets and their use in prospective steel industries are other means by which assistance is given.

Financially, the Federal Government continued assistance to the coal industry through the Dominion Coal Board (see p. 549) with aid in the acquisition of new equipment and subventions on coal transportation. More than 32 p.c. of the coal production was moved with the aid of subvention payments, the total tonnage to which this applied, 3,300,000, being 11.6 p.c. more than in 1960. The value of this assistance, which in 1960 amounted to \$16,344,196, rose in 1961 to \$17,854,456. The Federal Government also made payments in 1961 totalling about \$1,570,000 under the Atlantic Provinces Power Development Act, 1958, which indirectly aids the marketing of coal.

Production and Value.—Production of coal in Canada in 1961 decreased 5.6 p.c. to 10,400,000 tons, only about 54 p.c. of the record production of 19,139,112 tons in 1950. The average value for all coal was \$6.737 per ton or 29.42 cents per million Btu. This declining production and accompanying mine closures were reflected in the employment at the mines, where the number of man-days dropped from 2,552,127 in 1960 to 2,291,933 in

* This review covers the year 1961, the latest year for which final figures were available at the time of preparation; preliminary figures for 1962 are given in Tables 22-25, pp. 572-573.