

gas produced was exported to the United States. A very large proportion of Canadian natural gas requires processing to remove contained constituents such as sulphur, propane, butane and natural gasoline. The extent to which the natural gas processing industry has developed is apparent from a comparison of gas plant statistics: in 1955 there were seven plants having a processing capacity of 452,000 Mcf. daily; by 1960 there were 55 plants having a raw gas capacity of 1,944,000 Mcf. daily; and at the end of 1963 there were 75 plants capable of treating 3,849,000 Mcf. daily to produce 2,993,000 Mcf. of pipeline gas.

#### Subsection 4.—Coal\*

Production from Canadian coal mines in 1962 was only slightly lower than in 1961, giving some encouragement to the hard-pressed coal industry. Significant increases in the production of subbituminous and lignite coals were attained and productivity per man-day increased in practically all coal mining regions, leading to lower or relatively steady values for all coals.

As compared with 1953, annual production declined about 5,600,000 tons, consumption about 16,000,000 tons, and imports dropped from 22,900,000 tons to 12,400,000 tons. Exports, on the other hand, more than tripled in the decade but this bright spot is confined almost entirely to one segment of the industry, being attributable to higher exports of western bituminous coking coal, mainly to Japan. The weak competitive position of Canadian coals is caused by a number of factors, including high production costs because of low productivity in comparison with coal mines in the United States, and high costs of moving coal long distances, particularly bituminous coal from mines in Nova Scotia and New Brunswick to the industrial centres of Ontario and Quebec.

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 basis of costs per ton, significant improvement was noted in 1962. Increased productivity is expected from the projects undertaken in 1962 to improve methods of mining and conveying coal in underground mines.

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

Financially, the Federal Government continued assistance to the coal industry through payments administered by the Dominion Coal Board with aid in the acquisition of new equipment and subventions on coal transportation. More than 30 p.c. of the production was moved with the aid of subvention payments; the total tonnage to which such assistance was applied, 3,100,000, decreased by more than 250,000 tons in 1962. The value of this assistance, which in 1961 amounted to \$17,854,456, decreased in 1962 to \$17,433,355. Financial assistance amounting to \$2,400,000 was applied to the export of 634,855 tons of coal from Alberta and British Columbia. The Federal Government also made payments in 1962 totalling about \$1,540,000 under the Atlantic Provinces Power Development Act, 1958, which indirectly aids the marketing of coal. In addition to the general coal subsidy, more than \$1,000,000 was paid out by the Federal Government to delay the closure of certain mines. Mines in Nova Scotia and New Brunswick shipping coal to markets in direct competition with imported residual oil received additional financial assistance.

**Production and Value.**—Production of coal in Canada in 1962 decreased 1.1 p.c. to 10,285,000 tons, just under 54 p.c. of the record production of 19,139,000 tons in 1950. The average value for all coal was \$6.72 per ton. This declining production was reflected

\* This review covers the year 1962, the latest year for which final figures were available at the time of preparation; preliminary figures for 1963 are given in Tables 22-24, p. 587.