

**Subsection 4.—Coal\***

Production from Canadian coal mines in 1964 was 7 p.c. higher than in 1963, giving some encouragement to the hard-pressed coal industry. Significant increases in the production of coals of all types and particularly subbituminous and lignite were attained and productivity per man-day increased in some coal mining regions, leading to lower or relatively steady values for all coals.

Since 1955 annual production declined about 3,500,000 tons, consumption about 8,300,000 tons, and imports about 4,750,000 tons. Exports, on the other hand, increased about 700,000 tons in the decade but this bright spot was 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 1964 and increased productivity is expected to continue from the projects undertaken in recent years 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 34 p.c. of the production was moved with the aid of subvention payments; such assistance was applied to a total of 3,924,432 tons, 434,000 tons more than in 1963. The value of this assistance amounted to \$17,194,381 compared with \$17,543,915 in the previous year. Financial assistance amounting to \$2,700,000 was applied to the export of 845,590 tons of coal from Alberta and British Columbia. The Federal Government also made payments in 1964 totalling \$1,741,281 under the Atlantic Provinces Power Development Act, 1958, which indirectly aids the marketing of coal. Mines in Nova Scotia and New Brunswick shipping coal to markets in direct competition with imported residual oil received additional financial assistance. Loans for mine mechanization under the Coal Production Assistance Act amounted to \$180,000 in the year ended Mar. 31, 1964.

**Production and Value.**—Production of coal in Canada in 1964 increased 7.0 p.c. to 11,319,323 tons. The average value for all coal was \$6.43 per ton. On the employment side, the number of man-days dropped from 2,240,130 in 1963 to 2,227,516 in 1964. In Nova Scotia, the major coal-producing province and where the economy is most affected by declining coal markets, the decrease in coal-mine employment was 2.5 p.c. from 1,565,571 man-days in 1963 to 1,526,027 man-days in 1964. Employment in coal mines in New Brunswick increased 3.9 p.c. and in Alberta 10.2 p.c. but in Saskatchewan and British Columbia (including Yukon) decreased 2.3 p.c. and 4.6 p.c., respectively.

The major part (63.7 p.c.) of the coal produced in 1964 was bituminous, with an average value of \$8.78 a ton at the mine. Subbituminous accounted for 18.6 p.c. of production and lignite for 17.7 p.c. The average value of subbituminous coal was \$2.58

\* Figures used in this Subsection are final figures and therefore differ moderately from the preliminary figures used in Tables 6 and 10, pp. 587 and 592, respectively.