SECOND READING

Hon. RAOUL DANDURAND moved the second reading of the Bill.

He said: Honourable senators, this is the Bill we have been expecting for the last forty-eight hours. It involves a considerable appropriation. There will be required for the year 1936-37 the sums of $149,551,948.12 and $90,772,525.81, and for 1935-36 the sum of $16,031,028.69.

I need not dilate upon the importance of this Bill, which has been scrutinized in detail and agreed to by the representatives of the people. The Senate has adopted the custom of accepting such measures from the House of Commons without question, that Chamber being the only one which can initiate them, and I take it for granted that all efforts have been made to compress the controllable expenditure to the lowest figure at which the various departments of the Government may continue to carry on their laudable work.

The motion was agreed to, and the Bill was read the second time.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

The motion was agreed to, and the Bill was read the third time, and passed.

DUTY ON MANUFACTURED COKE

INQUIRY

Hon. Mr. LACASSE inquired of the Government:

1. When the duty was placed on manufactured coke entering Canada in June, 1931, what promises were made to the Government by the "coke ovens" to assure the supplying of the market?
2. What drawback was then given to the "coke ovens" on the importation of bituminous coke used in the manufacture of gas and its by-product, coke?
3. Why was the drawback reduced in 1935, or thereabouts, to 50 per cent?
4. What is the comparison between the cost of producing coke in Canada and the cost in the United States?
5. Why is the price at the main producers' ovens in Ontario, in the city of Hamilton, lower than the price in other communities?
6. How many tons of coke did the Hamilton by-product ovens import from the United States, or otherwise, since the year 1931 and resell to the consumer in the Dominion of Canada?

Hon. Mr. DANDURAND: The honourable senator from Essex (Hon. Mr. Lacasse) has inquired concerning the duty placed on manufactured coke, and the drawbacks allowed. The answer is as follows:

1. No official record in the Department of Finance.

2. The drawback of duty granted (not including special or dumping duty) during 1931 on bituminous coal imported by proprietors of by-product recovery coke ovens and converted into coke at their by-product recovery coke ovens was 99 per cent. No drawback was paid on coal converted into coke at a gas retort plant or a plant using any other process than the by-product coke process (Tariff Item 1049).

3. The drawback payable on imported bituminous coal used in the manufacture of coke was reduced from 99 per cent to 50 per cent by the budget of April 19, 1934. As well as reducing the amount of drawback this amendment extended the drawback to all companies manufacturing coke, whether in by-product recovery ovens or in ordinary gas-making retorts. Previously, drawback was allowed only on coal converted into coke by the former process.

The reason for the amendment made in the 1934 budget was to remove what was deemed to be an inequality under which producers of domestic coke by one method secured practically duty-free coal, whereas producers by a different method had to pay the full import duty of 75 cents a ton. The effect was to make the drawback apply to all producers of domestic coke and give all a 50 per cent drawback, rather than a drawback of 99 per cent to those using by-product ovens.

4. The relative cost of coke production in Canada depends entirely upon laid-down cost of the coal at that plant. Labour charges, methods of financing and costs of conversion are about the same in both countries.

5. The reason that coke prices at the plant in Hamilton are lower than in other communities is due to the advantageous shipping facilities provided whereby United States coal can be shipped from Erie Lake ports to Hamilton by water at a lower transportation cost. This permits of United States coal being laid down at Hamilton for something like $4 per ton.

6. Importations consist of both foundry and domestic coke as follows:

	Tons
1931..	Nil
1932..	1,798
1933..	4,801
1934..	16,013
1935..	8,750
1936*.	1,856

*(January to May.)