

United States in any year during that period was 468,000 tons, and that, at a time when the production of the Southern States had not begun and the trade and development of the United States was paralyzed by the Civil war. Since then the whole situation has changed, and no comparison can be made or results deduced from the experience of the past.

To day the total coal consumption of the four New England States is 15,446,223 tons yearly. To supply this demand there are four coal producing States, as closely, and more advantageously situated to this market than Nova Scotia, and having a total annual production of 183,242,721 tons.

The New England States are supplied the year around by rail and water deliveries. The coal carriers are closely allied, when not identical, with the coal producers, which fact creates such conditions as render competition from Nova Scotia impossible. Moreover, the American people will always give preference to their own products, which natural tendency would be greatly strengthened by the expenditures and inconveniences resulting from changes in equipment necessities. It must also be noted that the State of Massachusetts has enacted legislation "To provide for the abatement of smoke within certain districts," and that from a practical standpoint this legislation prevents the use of Nova Scotia coals in Boston and surrounding districts, owing to the coal being more volatile and generally making more smoke.

The local market in Nova Scotia, which is limited, and the St. Lawrence market, are the natural and only markets for the Pictou coals. Notwithstanding this, American bituminous coal is delivered in Montreal, Quebec, Sorel, etc., in large quantities, as evidenced by the "Report of the Department of Customs," placing the value of bituminous and dust coal entered for 1910, at \$327,083,00 in Montreal, and at \$63,063,00 in Quebec. This does not take into account the considerable amount of anthracite coal in small sizes entering duty-free, and which is making serious inroads in the market for Nova Scotia bituminous coal, for steam purposes. It will be seen from the above that in the St. Lawrence market the Nova Scotia coals are submitted to very keen competition from American coals.

To the West of Montreal—American coal is exclusively used as far as the western coal field, and the Nova Scotia coals cannot hope to reach the Ontario market with the present transportation facilities. Until the Georgian Bay Canal is constructed, or better transportation facilities provided, the Nova Scotia coals, and present prices would be maintained in the Province of Ontario. It should be noted that coal consumers in the central part of Canada are paying no more for their coal than the Eastern consumers, and even less. On September 29th, 1910, the following prices were quoted in Montreal and Toronto, as given in "Canadian Engineer" of above date:

Montreal.—Run of mine Nova Scotia coal, carload lots basis \$3.85 to \$4.00 per ton.

Toronto.—Run of mine, on cars, \$3.65 to 3.70 per ton for Youghiogheny; for coal from other districts,

run of mine, on cars, \$3.45 to 3.60 per ton.

FINANCIAL CONDITIONS.

A policy of reciprocity in coal with the United States would cause serious financial disturbances in Eastern Canada, and it is sufficient to mention the following.

A large amount of capital would have to be expended outside of Canada, were it possible to secure trade in the New England States, for the purpose of building discharging plants and handling facilities;

A considerable reduction in Provincial revenues would follow curtailment of output, which would be the inevitable consequence of this policy; in 1908 the total revenue of the Province of Nova Scotia amounted to \$1,783,400.00, of which \$416,900.00 was derived from royalties on coal;

A material reduction in Federal revenues would be a consequence of the removal of the duty on bituminous coal, without any benefit whatever to Canadian industries, and solely for the advantage of American coal producers, American Railways, and transportation companies;

Taking the fiscal year ending on March 31st, 1909, the duty collected on bituminous coal amounted to nearly \$3,500,000.

To the above should be added that, as regards more particularly the Acadia Coal Company, the expenditure of a considerable amount of foreign capital secured to develop the mines would be immediately curtailed, causing serious prejudice to the whole community and to the credit of Canada.

SUMMARY.

Summarizing the above, it is respectfully submitted that a policy of reciprocity in coal with the United States of America.

(1) Would afford no compensation whatever to the collieries of Eastern Canada for the loss of their legitimate and natural market in the Valley of the St. Lawrence.

(2) Would disregard completely the physical conditions in both countries, with the result that Canada's natural resources would be left undeveloped. Attention is called to the fact that the United States Government has appointed a tariff commission whose particular duties are to ascertain the comparative cost of production abroad and at home, with the view of basing the American tariff on such differences.

(3) Would cause immense prejudices to Eastern Canada without benefiting the other Provinces to any extent, as the Province of Ontario is at present served by American coals, and for many years to come can only be served by them whether the duty be maintained or abolished, with the result that only the American producers and shippers will be benefited. As regards the Western Provinces, they are coal producers and have a market both in the United States and in Canada which is dependent upon their coals.

(4) Would jeopardize the capital invested not living directly or indirectly upon the coal mines of the Eastern Provinces.

Submitted on behalf of the Acadia Coal Company, Limited.