

Nova Scotia. That is a very commendable utterance for the hon. gentleman to make, because I know how dear to his heart is the theory of free trade which he has espoused in season and out of season in this House. But let me assure him that the increase in the duty on slack coal from fourteen to fifty cents a ton will do the very thing that he feels ought to be done in the interest of the coal miners of Nova Scotia. It will mean an additional sale of 500,000 tons of coal by the coal operators of Nova Scotia, and it would provide employment for the miners of the province to that extent.

There is another consideration to which I desire to call attention. In the past the coal miners were paid the same price for taking out a ton of slack coal as for a ton of round coal, and it costs as much to carry on the operations in connection with the slack coal as it does in the case of round coal. If a ton of slack coal is to be moved on the railways the freight is just as much as it is for the carriage of round coal. Should this tariff go into effect and the coal companies of Nova Scotia have an additional market of 500,000 tons for their soft coal, it will mean in all probability that the price of round coal to the domestic consumer will be reduced. Up to the present time the cost of mining the slack coal, for which there is no market, is charged up against the round coal, so that the profits on the sale of round coal are very much less than they would be if the slack coal were sold at the rate which it is hoped will prevail.

Before leaving this subject I want to say something with reference to the actual amount in the way of ad valorem duty which is represented by this increase on slack coal from 14 cents to 50 cents a ton. The average value for duty of slack coal imported into Canada in the year 1923 was \$3.63 a ton, and a duty of 50 cents a ton on that in that year would have been at the rate of 13.77 per cent ad valorem. While the Minister of Agriculture (Mr. Motherwell) was speaking on the budget a couple of weeks ago the hon. member for Springfield (Mr. Hoey) interjected a remark to the effect that the proposed duty was equal to 50 per cent on slack coal. The hon. member had in mind of course the selling price of coal at the mine, which is about \$1 a ton, and in that view of the matter his statement would be correct. But that is not the price on which the tariff is calculated; it is calculated on the average value of slack coal consumed in the United States. And in the year 1923 that value was, as I have said, \$3.63 a ton, so that a duty of 50 cents a ton

would have been at the rate of 13.77 per cent ad valorem.

Sir HENRY DRAYTON: Will the hon. member give the House the source of those figures; the figures I have show a different result as to the cost of slack coal in the United States?

Mr. KYTE: I got them from the Department of Trade and Commerce and made the calculation myself.

Sir HENRY DRAYTON: Perhaps the hon. gentleman would not mind giving them to Hansard.

Mr. KYTE: I am giving them to Hansard now.

Sir HENRY DRAYTON: The hon. member is giving just the results.

Mr. KYTE: That is all I have; I do not propose to carry around with me the whole contents of the statistical branch of the Department of Trade and Commerce. I got the figures and made my own calculation, and that is what I presume the hon. member would do himself.

Sir HENRY DRAYTON: Perhaps my hon. friend would give us at least the bases of his calculation; that is all.

Mr. KYTE: I am giving the figures I have worked out and if the hon. member can controvert them he is at liberty to do so. In the year 1924 the average value for duty was \$2.34 and a duty of 50 cents a ton would have worked out at the rate of 21.36 per cent. But as against this it should be noted that in the same years if the duty on run of mine had been only 50 cents a ton the relative ad valorem rates would have been 12.75 per cent and 16.77 per cent respectively. The whole trend of argument in favour of the adjustment of the duty on slack coal is to show that slack coal is now practically taking the place of run of mine for many purposes, and for that reason it should not be admitted at a lower duty, either specific or ad valorem than run of mine. From this point of view the protective effect of a 50 cent duty would be about from 12 to 15 per cent ad valorem. Another point that should not be lost sight of is this, that it costs just as much to produce and transport to market slack coal as it does the other kind. The Nova Scotia miner gets exactly the same amount, whether his output consists of slack coal or of mixed coal. In some places this is not the case and the miner does not get anything for the slack coal he produces. For the protection of the miner in Canada the advance in the duty on slack coal is imperative.