

Mr. STEVENS: I do not say this with any desire to arouse the ire of my hon. friend. I am quite aware that one can go into all manner of analyses and discussion on this subject. I am trying to give the committee certain basic figures, and then I want to make some reference to them.

Mr. McMASTER: Before the hon. member proceeds may I ask this question? Is the base price at Pittsburgh which he has quoted for the year or on a certain date?

Mr. STEVENS: The average for the year. I gave the average in Canada as well as a specific figure for the month of November. I could give others but there is no object in doing so. Now, this is a point which the committee ought to consider: In the production of these iron and steel products certain processes are gone through. The reason I am referring to these processes is because I purpose showing that the losses to Canadian industry are far beyond the very small advantage given by the so-called reduction in the sales tax; in a word, the immediate gains are not such as to warrant the serious losses to these other industries. A great many industries are affected. First you have the blast furnace, which simply takes the ore and produces the pig; then you have the open hearth system, the raw material of which is pig iron and steel scrap, and which produces steel ingots; then you have the blooming mills, the raw material of which is the steel ingot, and the product of which is the billet; then you have the rolling mill, the raw material of which is scrap iron and steel billets, and the product of which is iron and steel bars; then you have the next step in connection with implements, the factory which turns out bolts, nuts, bars, screws, washers, and so on, whose raw material of course is the iron and steel bars. Let me turn from them to a very brief analysis of the effect of the reductions upon these industries. Coal for use in the manufacture of coke for blast furnace operation is subject to a drawback of 90 per cent. I should like the committee to bear in mind that this drawback is given only on coal used for the production of coke. Now then, if these resolutions pass, iron and steel bars used in the manufacture of the articles which we have under consideration will be admitted free. The Canadian rolling mills are called upon to pay a duty of 53 cents a ton upon their coal, and on the class of coal they use this runs to a duty of between 20 and 22 per cent. They also pay duty on their machinery and on their rolls of 27½ per cent, and a sales tax

on all supplies of castings and parts of machinery—all the vast quantity of material that enters into their daily operation.

Mr. McMASTER: If I may interrupt, the hon. member stated that the duty on coal would amount to an ad valorem of almost 20 per cent. Would he develop that a little? It seems a very high duty.

Mr. STEVENS: The class of coal and the quantity used would permit of its purchase, I presume, around \$2.50 to \$3 a ton.

Sir HENRY DRAYTON: Slack.

Mr. STEVENS: It would be a very low-grade coal.

An hon. MEMBER: What sort of coal?

Mr. STEVENS: It would be probably what is known as bituminous slack after the larger steam coal was taken from it. For instance, a large sugar refinery in my city buys nothing else but this slack coal and gets it at the very low figure of about \$2 a ton. My hon. friend will see that a specific duty of 53 cents a ton amounts to a substantial ad valorem in such a case.

Mr. HUGHES: Is it not a fact that on that class of coal the duty is only 14 cents?

Mr. STEVENS: Not that I know of.

Mr. HUGHES: I know the coal miners were complaining that the duty on slack coal was very much less than on other classes of coal.

Mr. STEVENS: I would be very much surprised if my hon. friend is correct.

Mr. HUGHES: I think I am correct.

Mr. MALCOLM: The duty on slack coal is 14 cents a ton.

Mr. STEVENS: I am told my hon. friend is right. But the higher grade coal used in these rolling mills, which I am informed is not always slack, is subject to a duty of 53 cents a ton.

Mr. HUGHES: But my hon. friend was advancing the argument that slack coal was used by the industries he mentioned.

Mr. STEVENS: I quite admit that, but I did not affirm definitely that slack coal was used. I was questioned as to the low price. I think the industries I am referring to get their coal at a very low price.

Mr. HUGHES: It would work out at about 7 per cent.