

in respect to the bonding privilege. It was said that if this road were not built for six or seven months of the year we were at the mercy of the United States, because, if the American government should choose to abrogate the bonding privilege we could not ship a pound of goods from Canada by way of an American ocean port. This statement was made by the right hon. leader of the government, knowing that we had a Canadian railway running through Canadian territory to Canadian ocean ports. Now the right hon. gentleman comes down with a blue-book containing a map, as my hon. friend from Dundas (Mr. Broder) has said, locating the line from Moncton to Winnipeg across the state of Maine. Yet, the right hon. gentleman tells the people of this country that this is to be a Canadian railway. I simply rose because I was not disposed to allow the statement of the right hon. Prime Minister or anybody else to go uncontradicted to this country that Canadian boats carrying the British flag have not the right to go to an American port and bring grain to a Canadian port either in bond or for sale in Canada.

Mr. J. D. REID (South Grenville) Mr. Speaker, I feel, before allowing this Bill to pass, that I should enter my protest against the clause that my hon. friend (Mr. Osler) proposes to amend, and that I should make a further appeal to the right hon. Prime Minister and his colleagues in behalf of the labouring classes of this country. It is very amusing to members of this House, who have listened to hon. gentlemen opposite in days gone by pretending to be friendly with the labouring men of this country, when we find them now coming down with a Bill which has not been prepared by the solicitor of the government but by the solicitor of the Grand Trunk Railway Company, containing this clause:

No addition shall be made to the cost of construction or to the capital of construction account in respect of customs duties in cases where there is direct importation of material or supplies by the government.

The Minister of Finance (Hon. Mr. Fielding) makes a statement that the government may or may not allow the duties to be imposed. That is no doubt true, but clause 37 says:

The company shall purchase the materials and supplies required for the construction of the western division and the equipment of the whole of the said line of railway from Canadian producers, when the same are produced in Canada, and when such material and supplies can be purchased in desirable quantities and of equal quality suitable for the purposes required.

Here is the important part:

And for prices and upon terms equally advantageous with those procurable elsewhere.

If you put the two clauses together, the result is that the contractor can get prices

Mr. TAYLOR.

from foreign manufacturers, and he can go to the Canadian manufacturer and say: I can get these goods in free of duty, and the Canadian producer has either to accept these prices without the duties added, or else he loses the order.

The MINISTER OF FINANCE. It would not be true if the contractor said that. He could not get them in duty free.

Mr. REID (Grenville). I do not wish to cast any doubt on the word of the Finance Minister, but at the same time, I would remind him that it is the courts of the country that will construe this clause, and they may hold against his opinion. Why is the government afraid either to make this clear, or to leave it out altogether. If a Canadian producer has to accept prices in competition with foreigners, he will have to cut down the wages of his mechanics who are employed in the manufacture of these articles. We have at present in Sault Ste. Marie, a state of affairs which we all regret, but which gives us an illustration of what may happen in the future if this clause is left in the Bill. The 'Soo' works were intended to produce steel rails, and with this clause in the Bill, they would have to meet the competition of foreign manufacturers who are ready to unload their surplus stock on Canada, at prices lower than they sell for in their own country.

Mr. McCREARY. They cannot fill their orders now.

Mr. REID (Grenville). That is because the duties are so uncertain.

Mr. FRASER. They have seven dollars a ton.

Mr. REID (Grenville). The government of this country is responsible for what has happened at the 'Soo,' because they would not give sufficient protection.

Mr. JOHNSTON (Cape Breton). What protection on steel rails did the Sault Ste. Marie Company ask for?

Some hon. MEMBERS. You tell.

Mr. JOHNSTON (Cape Breton). I can tell.

Mr. REID (Grenville). The hon. member (Mr. Johnston) knows that there is trouble in his constituency. Let me ask him if he is willing to have the duties increased for the protection of the industry in Sydney, or is he satisfied with existing conditions?

Mr. JOHNSTON (Cape Breton). I will say to hon. gentlemen, that the people who are operating in my constituency got the very duties they asked for. Let me say further that a few years ago a concern in my province came to the Conservative government, stating they were prepared to manufacture steel rails and asking for a duty, but that application was rejected.

Mr. REID (Grenville). The hon. gentleman knows that the people in his constitu-