

can territory, and that it is entirely in Canadian territory.

Mr. REID (Grenville). I can prove that a part of it is being done in American territory by correspondence in the department of the hon. Minister of Customs (Hon. Mr. Paterson). This dam was only proposed to be built within the last two or three years. It never was in the original contract at all. I know that for a fact, and I will guarantee to prove it by the correspondence in the Department of Customs. These parties wrote to the Department of Customs and got a statement that the collector at Cardinal need not charge the contractors, duty if they procured a certificate from the Department of Railways and Canals. I make the statement on the floor of this House, and I am prepared to back it up that a portion of this work is in American waters, and that these contractors were relieved from duty on obtaining a certificate from the Department of Railways and Canals. I saw the certificate at the time. I know it was forwarded to Ottawa. I know that the customs officer at Cardinal had to get instructions from the Customs Department at Ottawa instructing him that it was all right for him not to collect the duty, because the certificate of the Department of Railways and Canals showed that the work was done in American waters.

The MINISTER OF FINANCE. I do not think a statement that the contractor submitted that it was in American waters would necessarily prove that we are wrong. I am quite satisfied that the channel is in Canadian waters, and I am bound to act upon that information.

Mr. REID (Grenville). Three-quarters of the work which is being done is in American waters. It is in the form of a large circle around an island. What is called the upper bar is in Canadian waters, while the other part is in American waters, and I know that if the hon. Minister of Customs will look it up, probably about the year 1888, or back there, he will find a certificate from the Department of Railways and Canals, or from the engineers of the department, proving that the work is in American waters. This certificate was forwarded to Ottawa and the collector got a letter back from the Department of Customs that in view of this certificate, they could not collect duty on the coal used on the dredge while doing the work.

The MINISTER OF CUSTOMS. About what year was that?

Mr. REID (Grenville). During 1888.

The MINISTER OF FINANCE. But this work was done in 1902.

Mr. REID (Grenville). 1902?

The MINISTER OF FINANCE. Yes.

Mr. REID (Grenville). What work does the hon. minister mean?

The MINISTER OF FINANCE. The work that we are taking this vote for.

Mr. REID (Grenville). That we are now doing in this channel?

The MINISTER OF FINANCE. Yes, there may be one part on the American side and one part in Canada.

Mr. REID (Grenville). There are three-quarters of it in American waters.

The MINISTER OF FINANCE. The question is, is this work being done in American waters.

Mr. REID (Grenville). It must be. This was done for the purpose of clearing out these rocks that had drifted into the channel, and therefore if they were doing that, certainly part of it was in American waters and part in Canadian waters. I understand from general talk around there that these contractors were supposed to have cleared all this out. But these parties have not hesitated to say that they can handle the government, and they can get a contract to widen the channel, but they do not want anything said about it, believing that they could slide it through. I am satisfied that the government by doing this work are only going to injure the waters above. It is not necessary.

Mr. SPROULE. Could the hon. minister give us any idea as to what the depth of the water is now?

The MINISTER OF FINANCE. No, depth of water it not what we desire now. Some blasting had been done, and rocks were left in the channel.

Mr. SPROULE. I understand the hon. minister to say that there has been no work done since last year?

The MINISTER OF FINANCE. That is true.

Mr. SPROULE. But the hon. minister told us that there were 17 feet of water.

The MINISTER OF FINANCE. I am afraid there is not 17 feet of water where these rocks are.

Mr. SPROULE. This matter has created so much suspicion that I think the hon. minister should stop the work until he gets a reliable report upon it. The government engineers, it has been proved by Mr. Kennedy, did wrong before, and the hon. Minister of Finance seemed to think that he had a good argument in the report that it was done by friends of hon. gentlemen on this side of the House, and that when it was brought to the attention of the minister he stopped it because he could not rely on the report of the engineer, and he sent out some other engineers to inquire into it. This would seem to be sufficient to arouse such