

have been saying, that without some continuance of this bounty system—let it be cut down as I suggest—the small producers must of necessity stop. My hon. friend had that information and it was reinforced by—

Mr. McMASTER: As a matter of economics, and considering what would be the benefit of the whole nation, does the ex-Minister of Finance (Sir Henry Drayton) wish to suggest that an industry which can only earn two-thirds of one per cent a year over a period of eighteen years should be kept alive by bounties?

Sir HENRY DRAYTON: My hon. friend must not get an industry of this character confused with industries of the nature that he is so fond of describing, for example, endeavouring to raise oranges in the province of Quebec and bananas in the Yukon. This is an industry the product of which is obtained from the soil in Canada. It is an industry which may be made strong and substantial if properly assisted. At present millions of dollars are sent out of Canada every year to pay for imports of this material. Are we to abandon all possibility of putting Canada on the map as an oil producing country through the agency of this industry?

Mr. McMASTER: How long would the hon. member suggest that the bounty system should be maintained?

Sir HENRY DRAYTON: Well, I would say this, that now when the Ontario farmer is finding it hard to make ends meet is the worst possible time to remove this bounty. I have never been so much in favour of bounties myself; I support another kind of fiscal policy rather than the granting of bounties, as my hon. friend knows. But here is a system which was inaugurated by the present Minister of Finance (Right Hon. Mr. Fielding) and it is now proposed to strangle that gentleman's economic offspring.

Mr. McMASTER: Does my hon. friend wish to resuscitate it?

Sir HENRY DRAYTON: No, the infant is not dead yet. Still infanticide is going on. It is a horrible thing to have a case of infanticide in one's family. As I was saying, it is all wrong.

Mr. McMASTER: My hon. friend is right, it is all wrong.

Sir HENRY DRAYTON: It is all wrong that communities like Oil Springs, and Petrolia, which are living on this industry should be threatened in this manner.

[Sir Henry Drayton.]

Mr. McMASTER: Living at the expense of others who are paying the bounty.

Sir HENRY DRAYTON: I know what my hon. friend's views are, but I think that very often we get along better by helping each other a little rather than by continually helping the foreigner. We are more likely by such a policy to make Canada the great, prosperous and self-contained country which it ought to be. After all, the

4. p.m. amount in question here is very small. It is so small that the

Right Hon. Mr. Fielding himself stated that we need not bother about it; last year the whole amount of the bounty was only \$84,000. So the cessation of the bounty was never proposed on the ground of the cost of the present commitments to the country; the present finance minister was never rash enough to make such an argument as that. The whole tenor of his argument rather was that there would be such a tremendous commercial development from the oil industry that it would ruin the treasury to pay the bounty. At that time the minister had the statement in question from Mr. Greenizen; he also had a statement from the Canada Oil Producers Limited in connection with this question. I now read from that statement:

The production of crude petroleum in Canada dates from the year 1858, when oil was first struck in what is now the village of Oil Springs. The discovery of oil in Oil Springs was followed a short time later by the striking of oil in Petrolia. In the early days of these fields the wells produced very prolifically and for a considerable period there was an excess of production over consumption. As time went on production diminished and consumption increased. Extensive oil fields were developed in the United States and crude oil, owing to the extremely large production there, reached a price where our Canadian producers could not compete with these large producing wells in the United States.

I have already given the history of this industry from a statement by Mr. Greenizen who was a lawyer. I am now giving it from the point of view of the efforts for the preservation of the industry.

For the preservation of the business here a duty was placed on the importation of crude petroleum into this country. This duty saved the situation. Producers here were able to carry on and the field continued to expand and grow in extent for a great many years. A number of refineries were established nearly altogether in the town of Petrolia for the refining of our locally produced crude oil. This import duty on crude oil continued until the year 1904 when it was removed by the present Minister of Finance and a bounty of one and one-half cents per gallon was allowed Canadian producers. At the time of this abandonment of the duty and the introduction of the bounty the minister was in conference with our representatives from Petrolia who were able to convince him at that time that producers here could not carry on without this bounty. As