

in entering on a policy for the special development of the iron industry, and in doing so they granted bounties on iron and steel billets, as well as raising the duty to a very high point.

We have reduced the duty and we propose now to make up to some extent, for a short time, the loss to the industry by increasing the bounty. How far it was a wise policy to undertake the development of the iron industry in Canada in the way the hon. gentleman (Sir Charles Tupper) attempted, in the face of many difficulties, and in the light of our experience—how far that was a wise policy may well admit of argument. But, it is not worth our while to argue it to-day. We know that large sums have been invested in this industry. We know that large iron industries exist in the country, and while we may not approve of the policy under which they are established, we have no desire to see them snuffed out now. As in dealing with all other industries, we have shown a very large measure of consideration, so we desire to show fair consideration to the iron industry. Therefore, we say, if it is in the interests of the people of Canada that there shall be a reduction in the duty on iron we are prepared to accept the responsibility of advising that the bounties on iron should be increased for a term of years in order that this industry may have a fair chance for existence.

We have substituted a bounty on the steel ingot for the bounty on the billet, and I am inclined to think that will be more satisfactory to all concerned. We propose the following resolution:—

1. That it is expedient to repeal Chapter Nine of Fifty seven fifty eight Victoria, being: "An Act to provide for the payment of bounties on iron and steel manufactured from Canadian ore" and all regulations thereunder made by Order of the Governor in Council.

2. That it is expedient to provide that the Governor in Council may authorize the payment of the following bounties on steel ingots, puddled iron bars and pig iron made in Canada, that is to say:

On steel ingots manufactured from ingredients of which not less than fifty per cent of the weight thereof consists of pig iron made in Canada, a bounty of three dollars per ton;

On puddled iron bars manufactured from pig iron made in Canada, a bounty of three dollars per ton;

On pig iron manufactured from ore, a bounty of three dollars per ton on the proportion produced from Canadian ore, and two dollars per ton on the proportion produced from foreign ore;

3. That it is expedient to provide that the Governor in Council may make regulations in relation to the bounties hereinbefore mentioned in order to carry out the intention of these resolutions.

4. That it is expedient to provide that the said bounties shall only be applicable to steel ingots, puddled iron bars and pig iron made in Canada prior to the twenty-third day of April, 1902.

5. That it is expedient to provide that the foregoing bounties shall be payable only on iron and steel for consumption in Canada, and that the Governor General in Council may, at any

time by proclamation, impose export duties on such iron and steel if the same shall be exported from Canada; such duties to be not greater than the amount of the bounty payable on such iron and steel.

Perhaps I may say in that connection that those who have no knowledge of the subject may too hastily assume that iron can be satisfactorily made in Canada from Canadian ore. It is not a peculiarity of the iron trade here, but it is known in the iron business generally, that it is found advantageous to blend different kinds of ore, and, therefore, the Canadian producer of iron would not be able to make iron of a satisfactory character if he were compelled to use only the Canadian ore. We recognized that fact, and propose to pay this bounty with due regard to the proportion of the Canadian ore which they may use. We give them the bounty for a term of five years from this date.

There is another provision. We always regard the action of a foreign country which grants bounties on products shipped to Canada in competition with our industries, as a somewhat unfriendly action. We believe that a bounty fed article is improperly brought into competition with our products, and we accordingly feel aggrieved. Now we are willing to pay a bounty on iron manufactured in Canada for consumption in Canada, but we have no idea of paying the manufacturers of pig iron or other iron a bounty to enable them to supply the world with cheap iron. Therefore, we say that the bounty shall be applied to iron produced in Canada for consumption in the Dominion, and if this iron is shipped beyond the Dominion we have the right to impose an export duty upon it equal to the bounty paid by the Government of Canada.

I think, Sir, I have now presented to the House all the resolutions which are of importance, although there are a number of others that are of such a formal character that I shall not deem it necessary to read them.

Sir CHARLES TUPPER. Would my hon. friend allow me to ask him a question, as the subject is a very important one. In granting the advantages which he has stated he proposed to grant to goods imported from the United Kingdom, how does he propose to get over the Belgian and German treaties which actually prohibit Canada from discriminating in favour of Great Britain against either Belgium or Germany, or any of the countries that have most-favoured-nation treatment?

The MINISTER OF FINANCE. I am obliged to the hon. gentleman. That is a subject which I had next on my notes, and I was about to speak upon it. This question of the favoured-nation clause in Imperial treaties has been more than once before this House. There are very many of