

evidence that millions of capital were waiting on the decision of the people at the polls."

Mr. PATERSON (Brant). Who said that?

Mr. BLAKE. The First Minister, in the town of Yorkville, now part of the city of Toronto, referring to the meeting at which the chairman had stated a few days before that three millions were to be invested in the town of Niagara, if only the Government obtained a verdict. Of course I have no doubt—I have not heard of it, I have not seen it in the newspapers, I have not visited Niagara since, but I have no doubt, of course—that, after those positive assurances, the steel mills are in full blast at Niagara, and that they are producing a superfine quality of steel, eminently suitable for the manufacture of skates, and I want to know why the hon. gentleman is proposing to continue the free importation of this steel, when he told the people he would have a fresh manufactory of steel, if only they would give him a verdict at the polls. Why is it not protected; why does he not propose that they should be left without a rag of protection?

Mr. STAIRS. I think I can answer one or two points raised by the hon. gentleman. He fell into a certain error as to the manufacture of steel at Londonderry. There has been no steel manufactured at the Londonderry steel works for many years, but steel is made at New Glasgow. I do not wonder at his falling into that error. The Londonderry steel works, when they were started many years ago, manufactured charcoal pig iron principally. Afterwards it was intended to enlarge them and to manufacture steel. They intended to adopt the Siemens-Martin process, which was a very complicated and, at that time, a new process. They expended a great deal of money in the outlay, and I am sorry to say it failed. When it failed they gave up the manufacture of steel altogether and went into the manufacture of pig iron, by the ordinary blast furnace and the puddling principle, which is as old as the manufacture of iron, but they never changed the name of the Londonderry steel works. It is not to be wondered at, therefore, that many should fall into this error. There are steel works at New Glasgow which are manufacturing a large quantity of steel, but they are not yet manufacturing steel of a class suitable for the manufacture of skates.

Mr. BLAKE. Why should they, when they are not protected?

Mr. STAIRS. The reason is, I think, that they are manufacturing by the open earth process and have not yet arrived at the manufacture of crucible steel, which is the steel largely used for skates. I have no doubt they will reach it sometime, but it takes a good while to inaugurate and carry on works of this kind. The manufacture of steel is a complicated manufacture, and they have not arrived at this point yet, though I have no doubt they will in time. I think I can relieve the hon. gentleman's mind as to this skate steel being entered for other purposes. That is not likely to occur. Most of the steel is imported in a bevelled section, suitable to cut into runners, and can be used for nothing else. More than that, a large portion of this runner steel is a compound article, and that is why it is not made in the Dominion. It is a combination of steel and iron. It is steel manufactured for the runners of skates, with a steel front and an iron back; it is welded by some peculiar process, and then rolled into shape; and it is a singular thing that the finest quality of skates are made from a combination of iron and steel together. The cheapest skates are made from an entirely steel runner, the iron and steel runner together being very much better. Steel of this peculiar section, and of this peculiar combination of iron and steel together, can be used for nothing else but for skate runners. So that the largest proportion of steel imported for the manufacture of skates is not likely to be diverted to any other use. Now, with reference to the

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question of drawback, I think that one of the reasons why it was important, in the interest of the skate manufacturer, that steel should be free and not subject to drawback, was that it is a very difficult matter to ascertain exactly how much is waste. A great deal of the waste metal, of course, is cut into different shapes. I presume the percentage of waste is, in many cases, over 50 per cent., perhaps larger.

Mr. BLAKE. Perhaps the hon. gentleman would tell us whether he knows if any of the skate companies have made any proposals to the Steel Associations of Niagara, to supply them with steel.

Mr. STAIRS. I do not speak about what I do not know. As I am not so well acquainted with the manufacturing industries of the western part of Canada as the hon. gentleman, I am not going to talk about them.

Mr. BLAKE. Or anybody else.

Mr. PATERSON (Brant). I think the Minister of Customs is bound to give some answer to the statements that have been read. The country were appealed to, under a direct promise that these works should be here. The direct promise of a Minister must be of some consequence, and I think they are bound to explain whether these factories have come into existence as they promised.

Mr. BOWELL. I do not propose to enter into the discussion of that question now, although the leader of Opposition and the hon. member for Brant (Mr. Paterson) desire to lead me into such discussion. I have been anxious, so far as I can, to explain the reason why this article has been put upon the free list. I commenced my observations by stating that one of the reasons was that this quality of steel was not manufactured in Canada, and if that statement were correct, then the question put by the leader of the Opposition to the member for Halifax (Mr. Stairs) was altogether irrelevant and unnecessary. The question has been so well answered as to the reason why this article was put upon the free list instead of giving a drawback, by my hon. friend from Halifax, that I do not think it necessary to enter any further into that discussion. I am convinced that the explanations of the hon. member for Halifax were quite satisfactory to the leader of the Opposition, and all I could do, if I were to enter into further discussion, would be to repeat what he said. Anyone who has paid any attention to the question of drawbacks—and no man in the House, I think, has done so, except those who are charged with carrying out the law—knows very well the difficulties that present themselves in arriving at a correct and honest conclusion as to what should be paid to the persons asking the drawback. As this steel, I repeat again, did not come into competition with any article manufactured in Canada, and in order to relieve the Department from entering into an abstruse calculation as to how much steel was waste when it was cut to fit it to the wood or iron to which it was attached, it was deemed advisable to put the manufacturers in the best possible position they could be in, and if there was any advantage in giving them free steel, that they should have it. Now, in coming to the conclusion as to the amount that should be paid to manufacturer as a drawback, and what articles should be included in the list so manufactured, we must consider that there are many things brought into this country, small in themselves, but amounting to a good deal in the aggregate. There are other articles which are perfect in themselves that come to the country and go into the completion of an article exported from the country. Under the revised system that we have adopted we allow them, providing the article is not manufactured in the country, to receive a drawback of duty paid upon such articles. It may be a small screw, a tack, or some other small article, that do not amount to more than a very few cents—all these have to be taken into the calculation. But in case