

which we have made to the United States in the matter of this tariff item No. 596. No. 14994 of the United States tariff rulings says :

Materials for the construction of the international bridge and used in the river up to the shore end may be exempted from duty, but all materials used on United States shore are dutiable.

I have heard a great many complaints from Canadian manufacturers that they were not getting any advantage from the building of this great tunnel, and I took the trouble to write to a number of Canadian steel and cement manufacturers who would be glad to have had an opportunity to participate in supplying the material for this tunnel. I have received reply after reply in which they state they have never been asked to tender and have received no orders for supplies for that work. One of the largest steel concerns in Canada writes—and this is a sample of the rest :

Referring to yours of the 10th instant re item 596, we communicated with some of your friends and cannot find that any of them have received inquiries for material to be used in the construction of the Detroit tunnel, and as far as the writer can judge the Canadian producers of any goods that would require to be used have been side-tracked.

This shows that the interests of the Canadian producers have not been attended to either by the government or by the Minister of Customs. I have here a copy of a letter which was being mailed to the Minister of Customs and which was given to me as I purposed bringing this matter up in the House. I may say that the writer of this letter is a very reliable man whom I know very well, and he appeared here in Ottawa in the interests of Butler Brothers and Hoff asking for these concessions. He states that in return for them they agreed as contractors to buy every article they possibly could in Canada, but so far as I can learn Canadian labour and Canadian goods have been ignored in every respect. This is the letter which was addressed to the Minister of Customs and which was handed to me the very day it was being written :

Detroit, Michigan, February 13, 1908.
Hon. Wm. Paterson,

Minister of Customs, Ottawa, Canada.

Dear Sir,—You undoubtedly remember my calling on you in Ottawa, about a year and a half ago, making a plea for the Butler Brothers, Hoff Company, contractors for the Michigan Central Tunnel, and in which I made a statement of the amount of money that would be spent on the Canadian side for labour, gravel, cement, lumber, &c., and stated that we desired to get a ruling from the government of Canada so that we might be able to bring in free of all duty such materials as we were unable to buy on the Canadian side. The writer also stated at this interview that all small supplies, such as shovels and hardware would be bought on the Canadian side.

Mr. CLEMENTS.

From the time the operations began up to December 28, I have acted as the purchasing agent of the company, and had charge of the customs and all material sent over from the United States to Canada. You undoubtedly remember that you very kindly made a ruling in effect that we would be allowed to bring in all material to be used from the river to the open cut, such material to be used in the construction of the tunnel only, provided, however, that we could obtain from the United States government a ruling to that effect. We never did obtain this ruling from the United States government, and have not to this day, but Butler Brothers-Hoff Company told representatives of the Customs Department at Windsor, and their attorneys, that they had such a ruling, and could bring in from Canada material and supplies. However, this ruling by the United States government was only a ruling which had been established before, in so far that they could bring in supplies from Canada, land them on the shore for convenience, but they must be taken back into that part of the tunnel extending from shore to shore. Nevertheless, we continued to bring into Canada material from the United States regardless of this.

I beg to say in this connection, that the contractors have never bought a barrel of Canadian cement. All the gravel, amounting now to several thousand yards now on the Canadian side, was delivered there by Americans and in American boats; all the machinery, with the exception of two hoisting engines, was brought from the American side; and, in fact, orders were given me as purchasing agent, to buy everything on the American side, even to small tools, such as shovels, nails, &c., for the simple reason that by the non-payment of duty, they could be delivered much cheaper on the works. The writer would say, however, in his favour as he takes it, that he disregarded this order to a great extent, believing that it was not fair to the Canadian government. And my troubles with the head contractor arose practically from this very fact that I would not be a party to this deception. For instance, we needed a lot of nails, and the contractor advised that I buy at least 200 kegs on the American side and take them over, which was done. These nails could have been bought in Windsor, but there was a saving of fifty cents a keg by buying them in the United States. The writer has since learned that when operations were first begun there was sent over to Canada a vast amount of machinery and supplies, most of it bought from works down east. While I made out the customs entry on this material, the value of the same was given to me by William Butler, and I have since found that the value of material sent at that time was placed at about one-half of its value.

To show you the spirit of the contractors after this favour had been given by the Canadian government, it was necessary to send over to Windsor about a half dozen steel cars. These were bought new by Mr. Butler, and in order to get them over under value, he ordered the labourers to plaster these cars all over with mud to make them look like second-hand cars, and instructed me to bill them at the price of \$35 each. I was not familiar with the value of these cars at that time, but I have since learned that their cost approxi-