

Mr. MEIGHEN: I have to forgive the hon. member for East Lambton (Mr. Fansher), because I have not succeeded any better with the hon. member for Brome. He has not got my point at all. What he said is apparent and I stated the same myself. There are wells that produce at a lower cost than others, some as low as \$2.40. These we will call the gushing wells, to suit my hon. friend.

Mr. McMASTER: Use a better word if you have one.

Mr. MEIGHEN: There are others producing at \$2.50 up to \$2.62½, which is the average; then there are others which are not so good and which produce at a cost of \$2.70 up to \$2.94, as per the figures which I have before me. Now the hon. member says that if you stop the bounty he will agree that all wells which are producing above the average of \$2.62½, which is the sale price, will have to stop; but he says those below will keep going. Well, let him follow this. The production per day I think is some 250 barrels—the figure is not important for the moment. This oil runs through conduit pipes, pumps, and tanks, there are in all three systems, until finally it reaches the refinery many miles away. To maintain the interest on the investment in that system the whole amount of oil that goes through now is essential.

Mr. HOEY: Is that overhead jointly owned?

Mr. MEIGHEN: I understand so.

Mr. FANSHER: Is the hon. member aware that there is a refinery in Petrolia not a mile distant?

Mr. MEIGHEN: The cost of taking the oil down to Sarnia would, I suppose, be on about the same scale as the smaller operation in Petrolia.

Mr. FANSHER: Will the hon. member admit that the overhead might be reduced by not sending the oil so far away?

Mr. MEIGHEN: They would not send it to Sarnia unless it was the cheapest thing to do. They do not send it there for fun.

Mr. McMASTER: If the volume was reduced it might be cheaper to send the oil to the nearer place.

Mr. MEIGHEN: It might be, but when you get down to that detail it is admitted that half the production is gone.

Mr. McMASTER: No.

Mr. MEIGHEN: Yes, because all above the average will have to go. But I venture

[Mr. McMaster.]

to say that this solution cannot be found, because I am referring to the facts presented last session by the hon. member for West Lambton (Mr. LeSueur), who has had more to do with this industry than any ten other men in this House, and he knows what he is talking about. The overhead cannot be maintained on half the production; consequently the industry depends upon the bounty. There may be a lagging amount left, but I would gather from the very clear statement presented by the hon. member a year ago that what would be left would be straggling and poor. Virtually the whole industry depends on the bounty. If the farmer in many cases rents and gets an eighth, then his eighth is gone; but all the rest who rent for cash or anything else find their share gone, and the money is diverted into the mid-continental field. This is what we are deciding, and this is what the government has decided in the negative. The government cannot be doing it because it is afraid of big interest control. If ever there was a case where the profits do not go to the big interests it is here, where it goes into very many pockets. It may first of all only reach the number the hon. member refers to, but ultimately it gets to thousands and it sustains a fine district of Canada. If we are going to follow the principle which the hon. member wants adopted in this case, follow it right through to the disastrous conclusion. The government is marching there all right; its feet are on the path—the path which leads to a much more dismal territory than any dream of now.

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, I do not propose to deal with the bounties on oil in particular, because I know very little about the question, but with bounties on other commodities. I well remember, Sir, that the steel industry of this country was built up under a bounty system. I am trusting to my memory, but I believe the amount of money which we spent in bounties for our steel industry between 1896 and the following few years amounted to something like \$17,000,000—a very small amount when it is considered that it built up the whole industry. I am rather surprised, naturally so, I suppose, because of my beliefs, at the attitude taken by certain hon. members, for example by the hon. member for East Lambton (Mr. Fansher) who spoke this afternoon, and who is vitally interested in this question, and by most of the representatives of the farming sections, particularly the prairies, in opposition to bounties as well as all other forms of pro-