

Q How did you happen to make the arrangement with him to give him that amount? (Objected to as above.) A I made an arrangement with him to sell the property for £29,000, and he sold it to the Corporation for £40,000. He was to keep what he got over the £29,000.

Q Did he keep it? A He did. (Objected to as above.)

Q And the balance; what became of this £10,000 that was retained as security for the delivery of a certain quantity of phosphate in the City of Montreal? (Objected to as inadmissible from the mouth of the Defendant. Objection reserved.) A The £10,000 was forfeited owing to my not fulfilling my contract, and I received £1,000 cash and 3,000 shares as representing £10,000.

Q That was the basis of your settlement with the Company? A Yes.

Q Have you any agreement of that nature with you? A Mr. Benson is on his way out with those papers.

Q When do you expect him? A I expect him here to-day.

Q What would be the value of this £3,000 of debentures? (Objected to as above.) A They would not be of much value just now, as they are not on change, and not negotiable just now.

Q Would they have any monetary value at present? A I do not think so.

Q It depends on the success of the enterprise? A Yes. (Objected to as above.)

Q What cash have you netted from the disposal of this property? (Objected to as above.) A £18,500.

Q After the payment of commissions? A No; Subject to my commissions.

Q That is over and above the commissions that you have paid? A I do not understand your question.

Q That is what you had left after you paid the commissions—after you paid for the disposal of the properties and the securities—after you paid Mr. Sando and the other parties? A Yes.

Q What do you mean in your examination in chief when you said you had "discontinued" your connection with the contract? A Because the contract is taken off my mind.

Q Have you no longer any connection with the General Phosphate Co.? A No, not any connection in the contract.

Q They relieved you of the contract? A Yes.

Q But in consideration of your giving up the £10,000 referred to in your contract they have given you £1,000 in money, and debentures to the extent of £3,000.

Q Objected to as above, and further as being leading and suggestive.

A Yes.

Q Where was the agreement made? A In England.

Q Through whom? A Through Alexander Benson, my attorney.

Q Who chiefly carried on negotiations for the sale of this property? A Mr. Sando.

Q Was it necessary that you should pay these commissions in order to dispose of the property at the rate it was disposed of?

Q Objected to as above.

A Yes.

Q Had you tried to dispose of it before calling Mr. Sando? A Yes.

Q Had you succeeded. A No.

Q What cheque is referred to in exhibit "A 4," and what was it given for? A I presume it was a balance owing to Mr. Wills for reporting on properties for me.

Q Had you paid Mr. Wills anything for making reports in connection with any of your properties apart from what is referred to in exhibit "A 16" before that? A Yes.

Q How much had you paid him altogether? A I do not recollect—perhaps \$500 or \$300, or somewhere there.

Q That was before that? A Yes.

Q Had the services which you have referred to, or the dealings that you had with Mr. Wills in 1888, or thereabout, any connection with the services which were referred to in the letter, plaintiff's exhibit "A 1"? A No.

Q What was this sum of \$250 or \$300 that you speak of having been previously paid to Mr. Wills paid for?

A For reporting on the High Falls property.

Q Is that the property referred to in exhibit "A 1"? A Yes.

Q Is it included in this property? A Yes, it is included in it.

Q When you employed Mr. Wills in 1888 or thereabout, did you pay him for his services? A Yes, I paid him for all his services.

Q When were these reports made that you paid him for? A In 1888 or 1889. I am not sure as to the year. It is irrelevant.

Q I notice in this letter exhibit "A 1" the following quotation: "In consideration of your professional services rendered." When had these services been rendered?

Q Objected to as illegal and irrelevant and not arising out of the examination and as inadmissible from the defendant.

Q Objected reserved.

A It was in connection with his services rendered all along I suppose.

Q When was it that Mr. Wills began to render the services which are referred to in this letter—how long before the signing of the contract? A I could not say how far back they refer to.

Q About how long? A It might have been six months.

Q Did you ever request Mr. Wills to be present at the

signing of this contract exhibit "A 1"? A No, I have no recollection of ever asking him.

Q Did you ever ask him to take part in the preparation of it? A No.

Q Who saw to the preparation of it? Who got up the contract? A My solicitor and the Corporation's solicitor.

Q Who were looking after your interests at the time? A Hooper & Babcock, my solicitors.

Q Did Mr. Sando take any part in it? A Yes.

Q At your request? A Yes, at my request.

Q Was he looking after your interests when it was being prepared? A Yes.

Q When you paid Mr. Wills the other items which are not referred to in exhibit "A 16," did you pay him by cheque or in what manner? A I paid him both by cheque and by money delivered.

Q Did you take receipts for them? A Yes.

Q Have you got them in your possession now? A Not here.

RE-EXAMINED.

The amount which you have paid to Mr. Wills on account of commission due under exhibit No. 1, is as you have stated in your examination in chief, I believe, the sum of \$2,141.39? A I paid him \$2,141.

Q But the sum paid on account of the commission was as stated by you in your examination in chief \$2,140? A About that.

Q You and Mr. Wills had other little transactions I believe during the year 1891? A I do not know what transaction you refer to.

Q Of a personal nature—small transactions, money which Mr. Wills has advanced to you? A Has advanced for me?

Q Yes? A I do not know of it.

Q Will you please look at the account now shown you as plaintiff's exhibit "A 17" and state if the charges therein mentioned, of \$2.45, \$3.25, \$4.25, \$5, \$9.62 and \$3 are amounts that were paid by Mr. Wills for your benefit?

Q Objected to as irrelevant having nothing to do with the present action. Objection reserved.

A Mr. Wills did not pay all this money for me, on my account.

Q On whose account did he pay it? A Some of it on account of the Corporation.

Q Is it not a fact that you and Mr. Wills had an account current between you during the year 1891 altogether apart from this question of the commission due him on this transaction? A I do not know that.

Q Is it not true that Mr. Wills advanced certain sums for you in connection with the account of one Brasseau, which sums you paid him back?

Q Objected to as irrelevant to the present issue.

#### Quirk vs. New Rockland Slate Co.

The plaintiff was appointed expert by the court to act with the others in suit to which the defendants were parties. He was brought up for his fees. The defence was that the action was prematurely brought because the action was still pending. The court held, however, that experts are not obliged to wait for the payment of their fees until the case is decided. The plaintiff got his bill taxed, which has the force of *chose jugée*. Judgment in favor of plaintiff for \$535.50.

#### Duty on Coal Oil.

(Proceedings House of Commons, 24th May, 1892.)

Mr. MACDONALD (Huron) (for Mr. CAMPBELL) moved for—

"Return showing the quantity of coal oil, and also kerosene oil, imported for consumption in Canada from the 1st day of July, 1891, up to the 1st day of May, 1892. Also, the amount of duty collected on the same."

He said: The coal oil question has now become one of great importance, and we hear much about it in election campaigns. The present question is the excessive price of coal oil in this country compared with the price of the article on the other side of the line. As a large amount of coal oil is used in this country, more particularly by the working classes and the farmers, and as the residents in towns and cities have resorted largely to electric and gas light, therefore a large additional expenditure falls upon the poorer classes of this country who use coal oil. I am not opposed to the National Policy in respect to coal oil, because free trade in oil would be unjust to the oil men; but I am opposed to the excessive duty of over 100 per cent. in favour of the coal interest, because this enables them to control the whole industry, and gives them a monopoly in the industry of refining oil. When we consider the quantity of oil used in this country, the excessive duty becomes a very heavy burden upon those who use coal oil. I consider that the refiners of Canada have a monopoly in the industry of refining oil, and this monopoly imposes a much higher price upon that article than they would be able to do if the duty was reduced considerably. The duty now is 71 cents per gallon. We imported in 1890-91, 5,070,000 gallons, according to the Trade and Navigation Returns, upon which we collected \$365,000. Now, it would be supposed, at first glance that \$365,000 was the amount of duty paid, but that is not the fact. The duty on coal oil is 71 cents per gallon, then there is 1 cent for inspection, and 1 cent rate on barrel, which makes 91 cents protective duty on coal oil in favor of the refiners of Canada. The amount comes to

\$466,000 between the duty direct and payment for inspection and duty on barrels. Coal oil is imported from the other side by wholesale dealers. They are supposed to make their price on the cost of the article, together with the duty and other charges. The price of the wholesale merchant, 20 per cent., which is the ordinary price charged, will amount, on a total duty and charges of \$466,440, to \$93,288, which would make the duty and the increased price, by reason of the duty, before it leaves the hands of the wholesale importer, \$559,728. The oil passes from the wholesaler to small dealers, and they, of course, place on an average 40 per cent. of profit on the article owing to the difficulty of keeping oil, and the heavy interest involved. 40 per cent. on \$559,728 gives \$223,928, which will be charged as profit on the original duty and the profit of the wholesale merchant, which would make the total, by reason of the duty, \$783,656, or nearly 15 1/2 cents per gallon. Suppose the duty was wholly removed, the account would stand thus: The original cost of No. 1 white American oil at the present time is 7 cents per gallon in Buffalo.

Mr. STROULE. Is that wine gallon or imperial gallon?

Mr. MACDONALD (Huron). Imperial gallon.

Some hon. MEMBERS. No.

Mr. MACDONALD (Huron). It is not wine gallon, which is somewhat less than imperial. Placing the profit of the importer at 20 per cent., the cost would be increased by 1 1/2 cent, and giving the small dealer 10 per cent. profit, as I did in the other case, it would amount to 3 1/2 cents, which would place the cost to the retailers at 11 1/2 cents per gallon if the duty were removed. If you add 11 1/2 cents to 15 1/2 cents, the exact figures in the other case, you get 27 1/2 as the price of American oil sold in the Canadian market. It will thus be seen that my calculation is perfectly correct, because from 27 cents to 30 cents per gallon is the price of American oil at retail in the Canadian market. Some accounts put in by the Government showed that the American oil cost them 30 cents per gallon. Let me give another calculation. It will thus be seen that the increased cost of imported oil is \$783,659 by reason of the duty. How much do we increase it by reason of the increased price when the duty enables the Canadian manufacturers to put on an extra 10 cents by reason of this duty by which they are protected? The Canadian people consume about 15,000,000 gallons of coal oil, 10,000,000 gallons of Canadian, in addition to 5,000,000 imported. The wholesale price of Canadian oil at the present time is about 11 1/2 cents, or rather it was 12 cents when I obtained the quotation. Supposing the duty were reduced, we would at least bring American oil to the same price as the Canadian oil, because Canadian oil is of a much inferior quality. We would, therefore, obtain it at 7 cents per gallon wholesale if we could obtain American oil for 7 cents in American markets: that is to say, 11 cents higher than the price for which we would be able to obtain it if we had reciprocity, or 4 cents more than if we had a reasonable duty—60 or 70 per cent. instead of 100 to 125 per cent. The cost of the 10,000,000 gallons of Canadian oil in the wholesale market would be \$1,100,000. I exclude from this calculation the wholesale merchants, because Canadian retailers generally deal direct with Canadian refiners, and the middlemen do not appear so much as dealers in the Canadian article as they do with respect to American oil. Taking 40 per cent. profit to retailers, we have \$1,540,000, we have \$480,000 as the increased price of the oil, by reason of the duty, which is given to the Canadian refiners as a protection. This brings the selling price up to \$1,780,000. If the price of Canadian oil were to fall 7 cents, the price of American oil, the total amount at wholesale price and 40 per cent. profit would be \$950,000, as compared with \$1,650,000, or a saving to the Canadian people on Canadian oil alone of \$700,000. Adding that \$700,000 to \$783,659, which is the amount paid as duty and inspection and duty on barrels by the Canadian consumer on imported oil, we have a total amount as the result of the duty of \$1,473,659. We will be met with the argument that this large duty is necessary to sustain and develop the oil industry in Canada. A few words, therefore, in regard to that industry will be in order. In 1881 the refiners of Canada numbered 37. According to the last census bulletin, No. 8, the oil refineries of Canada, numbering 20, employed 270 men, or after ten years of protection, 109 less than in 1881. Again, it would pay the Canadian people to superannuate every man who is engaged in the refining business in this country. What would be the cost? We have 270 men employed. The average wages of the mechanics, electricians and others in 1889 was \$4.47. So these 270 men would earn \$120,690 a year. Suppose the country undertook, in addition to superannuating the men, to buy up all the tools and machinery in those refineries. According to the last census bulletin, the value of machinery and tools in those refineries was \$516,510. Further, it would pay the country to pension every one of the refiners at \$10,000 each. There are no refineries, and accordingly the sum required would be \$200,000. The total cost, first, of superannuating the men; second, of purchasing the machinery and tools of the refineries; and third, of superannuating every refiner, would be \$836,200, or a saving of \$647,439. No hon. gentleman on either side of the House can fail to see the fallacy of protecting an industry which collects from the people such a large sum of money as the coal oil industry, and, as I said at the beginning of my remarks, although I am favourable to extending to these men a reasonable protection, it is wrong, I think, in the interest of the consuming population of this country, to extend to the refiners a protection of 100 or