

neighbourhood and is kept up to a large extent by the operation of the oil wells. There is paid for the oil and put in circulation in Petrolia at the present time about \$400,000 per year. With the shutting down of the wells that money must necessarily be paid out for oil brought in from the States.

The result of taking off the bounties would, I believe, be marked and immediate. In the first place, the oil operators would lose their investment almost immediately and the shock would be felt shortly afterwards. In the second place, there would be even more vacant houses in the town of Petrolia than there are at present; the debenture debt would be spread over a very much reduced population; the hydro cost would likewise be spread over a smaller population, whereas the installation is now sufficient to meet the needs of a much larger population; in short, the net result would be to practically wipe out Petrolia, or at least to so reduce the population that the debt would fall very heavily upon the remaining residents until it would not be worth while for any one to continue there. That is a situation which I do not think this government should desire—I do not think they do desire it—but that is the situation which I believe will result if the bounties are taken off, and I think it is a situation which the government should not take the risk of bringing about. The keeping on of half the bounty this year means only about \$40,000, and the whole of it means not more than \$80,000, which is less than one per cent per capita of Canada's population, and yet it enables the community to continue.

There is another feature of the bounty which is worth considering; it is to a certain extent an encouragement for further drilling. There could be no greater advantage to Canada to-day than the finding of an oil field. Very extensive investigations have been conducted in the West and in other parts of Canada, but so far without substantial results, but if the bounty is continued it is some inspiration for men to engage in the hazardous work of exploration for oil.

The main idea of the Minister of Finance in reducing the bounty was to avoid the possibility of a big find of oil in the West harassing the treasury by calling for bounties on a tremendous volume of oil. There is not much possibility of such a discovery taking place at the present time. I think the Minister of Finance stated that so far as payment of the bounty on the present oil production is concerned he would not have taken it off at all, but that his

[Mr. LeSueur.]

action was caused by his fear of a large western production. I believe that that is a sound position. We did suggest to the minister last year that in place of taking off the duty he should limit it to the production of, say, five barrels per well, and that any well producing over five barrels should not receive a bounty on the excess production. That would be a safeguard to the treasury and would eliminate the danger which at that time the minister feared.

Now, I would urge upon the Acting Minister of Finance his serious consideration of the local situation. The taking off of the bounty without question means the practical bankruptcy of the town of Petrolia, it means the throwing out of employment of a considerable number of men, it means the loss of investment, and it means a chaotic condition in the locality for some time to come. On the other hand, the maintenance of the bounty is really a small matter, only \$40,000 for this year, and its continuance would result in the putting into circulation in that section of at least \$400,000, and I imagine that the men who earn and receive that money would pay taxes and would contribute towards the general wealth of that section by much more than the amount involved in the bounty. Therefore I would again urge upon the minister, looking upon it purely from the practical standpoint, that the continuation of the bounty is good business, in that it will avoid the chaotic condition which I have described, in fact will prevent the blotting out of the present status of the municipality.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, the hon. member for West Lambton (Mr. LeSueur) has presented a stirring appeal on behalf of industries located within the constituency he represents. It is fair to say to my hon. friend that he, along with others, had already made representations to me regarding these oil wells and what would happen to them if the government persisted in its policy of reducing the bounties. The hon. member for West Lambton has referred to the value of the training school for oil men in that part of Canada—men who train in Lambton and the oil fields of that district and go out to other parts of the world. I am able to testify to that, because Mr. McGarvey, a former oil operator in that part of the country and now operating largely in Europe, was born in the same town where I was born.

The Customs Tariff bill now under consideration has been before hon. members for