

manufacture peat fuel at Alfred. Two years ago the advisers of the government felt that the machinery had been perfected to the point where it would be well to let a commercial company operate the plant. This was undertaken by a company headed by a gentleman in Montreal—I have forgotten his name—under the supervision of Mr. Moore, representing the two governments. Unfortunately the company was not able to finance the project. Apparently investors felt that the process was not yet beyond the experimental stage, and that therefore the government should lend further aid. I may say that this peat fuel has been sold as far east as Three Rivers, as well as in this city and the surrounding country. I take it that this will be a very important industry not only to Ontario but also to the maritime provinces and to Quebec, and if this industry is to be established it is necessary that we take over the plant and operate it for one year.

Sir GEORGE PERLEY: The government is taking back the plant?

Mr. STEWART (Edmonton): Yes, and operating it for a year. The plant is now located on land which is held by the owner at a very exorbitant price, and it has been decided to move it across the railway track at Alfred on to property that can be purchased on reasonable terms. As the difficulties confronting the company appear to be insurmountable, we have decided, as I say, to take over the plant and operate it for one year, and so demonstrate the feasibility of the project and the value of a cheap fuel. Moreover this demonstration will be useful for the utilization of the peat bogs at the southern end of lake Simcoe and in other portions of this province where the people have to rely on imported fuels. We will be able to use only a very small portion of this \$70,000 before the expiry of this vote, and therefore it will be necessary to come back and ask for a further vote, in order that we may bring to a satisfactory conclusion the development of this cheap fuel and prove conclusively that it can be manufactured and sold at a reasonable price.

Sir GEORGE PERLEY: Was it not supposed at the time the minister handed the plant over to this company that the system had been perfected so that the peat could be produced commercially?

Mr. STEWART (Edmonton): That was the advice we received from our technical officers. They suggested several improvements in connection with machinery which was not then actually in operation. The apparatus for spreading and pulverizing and

so forth was all in use but it was suggested that the steam engines be abandoned and electricity used instead for generating power. That has been done but the company unfortunately has been unable so far to put the manufacture of peat, in this respect, on a commercial basis.

Mr. CANTLEY: In the operations which have been carried on over a number of years, and which are being carried on at the present time, the government has spent hundreds of thousands of dollars and I can assure the minister that the whole scheme is impracticable as a commercial proposition. So far as I am aware—and I do not think I am subject to correction in this—the only peat that is used is the air dried product. In my judgment, as well as in the judgment of men better equipped than I am to give an opinion, it is impossible to manufacture peat mechanically and make it a commercial success in competition with the ordinary forms of fuel to be found in this country. As I say, we have spent several hundreds of thousands on this experiment, one year following another, under different managements in different departments of government, and we have got nowhere. Nor are we likely to get anywhere in treating peat mechanically. I protest against any further expenditure in this direction.

Mr. STEWART (Edmonton): My hon. friend is under a misapprehension if he thinks that the experiment had to do with anything but air dried peat. Having some knowledge of other experiments conducted by governments and private individuals, I am bound to say that little money has been spent on the development of peat fuel in comparison with expenditures made in other experimental work. What was done was to produce machinery to spread the peat and dry it by air. No attempt was made to invent any machinery that would compress the peat, the object being simply to develop the proper machinery to spread it on the surface and dry it. Machinery was also secured for picking up the peat, thus avoiding the excessive labour cost entailed in this process in the absence of such machinery. Up to the time when the experiment was turned over to the company, what had been done was largely a matter of developing and testing the necessary machinery to do the work in such a way as to make it commercially feasible to sell the fuel in competition with other fuels on the market. We have done that. If the company had succeeded in financing the scheme they would have been making peat to-day and would have been able