

just given utterance to. We are told that we regulate the price of binder twine, of which some 28,000,000 pounds are used in Canada, and we do this despite the fact that the whole product of the Kingston penitentiary is some 400 tons. How, with such an infinitesimal production we can control the price is to me inexplicable. The hon. gentleman further said that we sold the binder twine to our friends at three and four cents a pound less than to the general public. What authority has he for that statement?

Mr. T. I. THOMSON. The Auditor General's Report. I will lay it before you in a moment.

Mr. FITZPATRICK. I should like to see it. We put up for sale our output each spring. We send our circulars around the country telling our farmers that each one of them on application may have a certain quantity at cost price with one cent added. We have issued this circular the last three years. Those who take an intelligent interest in what is going on know that.

Mr. SPROULE. You sell the twine at ten and a half cents a pound, but it is only 600 feet to the pound. The ordinary twine is 650 feet to the pound. When you take into consideration the length and add the freight, the price is about the same as you can buy it at in any village in the country.

Mr. FITZPATRICK. That only shows that binder twine is sold at a reasonable price, because our twine is sold at actual cost plus one cent, and we pay fifty cents a day for our labour and buy the raw material at the lowest cash price.

Mr. SPROULE. How is it that last year or the year before, at the end of the season the balance was sold out to Mr. Connolly for about 5 cents a pound, whereas the farmers had to pay 10 cents?

Mr. FITZPATRICK. There has not been a pound of twine sold to Connolly since 1896. In 1896 Mr. Connolly, through a man named Galliher, succeeded in buying up the whole output of the year, and as a result not a single pound of binder twine was put by the government on the market that year.

Mr. SPROULE. I may be mistaken in the name, but I know the twine was sold and the excuse given for selling it at so low a price was that it would deteriorate if held over. But our farmers have had twine lying from year to year in their barns and it did not deteriorate. I have frequently put the question to them, and they have invariably said that keeping it over for a year made no difference. But that was the excuse given to us for selling this large quantity of twine at so much less than the price at which it was sold to the farmer.

Mr. FITZPATRICK. The hon. gentleman (Mr. Sproule) is confusing two things,

Mr. FITZPATRICK.

and I think he will agree with me, when I explain the matter, that is the case. Two or three years ago—I have forgotten exactly when it was—a resolution was passed in this House ordering the Department of Justice not to dispose of the binder twine except in small lots to farmers and to sell it at a certain small advance above cost. During the season the binder twine was offered for sale to the farmers, but they took only a small proportion of it, something like one-quarter of it. So we had something like three-quarters left over at the end of the season, and that was sold by public auction. That is why the twine realized this small figure. And what was the result? At the next session of parliament it was decided that, instead of proceeding that way the Department of Justice should have a free hand like other manufacturers, to sell the twine, preference being given to the farmers.

Mr. SPROULE. It was because preference was not given to the farmers that it had to be sold by public auction.

Mr. FITZPATRICK. When I say that it was sold by public auction, I do not mean that an auctioneer stood up and sold it on the market, but that tenders were called for.

Mr. SPROULE. We tried to bring it out that these advertisements were not put in the papers to say that the twine was for sale to any person who would pay the highest price for it, but circulars were sent out to individuals who were in the habit of handling twine, and they put in their tenders. So far as our inquiry led to real information, we were inclined to believe that there was an understanding among these parties as to who was to get the twine and what price was to be given for it. Just as, on a former occasion, when the twine made in the Kingston Penitentiary was sold to H. N. Bate & Sons, and the Hobbs Hardware Company of London, the same individuals controlled the Central Prison output and so controlled the price of binder twine for Canada.

Mr. HEYD. It is no wonder that the hon. member for North Grey (Mr. T. I. Thomson) left the House when the facts were given. But I see that he has now returned. If the hon. gentleman will turn to 43—M of the Auditor General's Report he will find an account of the sales of binder twine and the prices received:

32,945½ pounds pure manilla (600 feet) at 10½ and 10½ cents.

8,590 pounds pure manilla (650 feet) 11½ cents and 11½ cents.

34,586 pounds sisal at 9½ cents, 9½ cents and 9 cents.

51,091 mixed manilla (monarch) at 10½ cents and 10½ cents.

38,714½ pounds Kingston special at 9½ cents and 9½ cents.