

fore the House has anything to do with regard to the application made by the Nova Scotia Steel Company for some changes in the bounty provisions for the industry of that company.

The MINISTER OF CUSTOMS. I am not sure what the hon. gentleman has in his mind. I do not know exactly to what he alludes.

Mr. McDOUGALL. I understand the Nova Scotia Steel Company put in an application for an extension of the time of the bounty with a view to going on with further works in the province. They are arranging for the building of extensive works in my constituency, but their construction will depend largely on the concessions granted. Does this Bill provide for the concessions asked? I understand several deputations from the company have been here during the present session. What does the Government propose to do?

The MINISTER OF CUSTOMS. I am aware that representations have been made to the Government on the subject. This Bill, however, simply deals with the amount of bounties due to certain companies. There has been some difference in this regard, and there are due to the Feronia Company, and one or two iron companies, a sum amounting altogether to \$6,000. This Bill deals with that matter alone, and does not involve any extension of the principle of bounty.

Sir CHARLES HIBBERT TUPPER. I do not think the Feronia works got the full benefit of the term of five years.

The MINISTER OF FINANCE. This resolution covers the point. It was intended that the bounty and the change of duty should take effect at the same time. The tariff, however, took effect immediately it was adopted by the House, whereas the Bill respecting bounties took effect at the end of the session. There was therefore a period between the two dates and thus the company was placed at a disadvantage, and that is dealt with in this resolution.

Sir CHARLES HIBBERT TUPPER. Was there not a distinction in regard to bounties payable in respect of new industries and those which had already received bounties? For instance, the period was running in such a case as that of the Feronia Iron Works. The Hamilton Works would, of course, come in, and they were entitled to the bounty for a longer period than the Feronia Works.

The MINISTER OF CUSTOMS. Under the Act the bounty was applicable only to steel ingots made in Canada prior to April 23rd, 1902. The Act only extends to 1902 for any industry.

The MINISTER OF FINANCE. Under the original Act the bounty was for five

years from the date of the starting of the furnace.

Mr. McDOUGALL. I regret to find the Government have not seen fit to grant to the people engaged in that great steel industry the concessions they ask, which I do not think are too great. They want the bounty to extend for a longer period of years, but at the same time they would be subject to reductions after a certain period, or after the period set out in the present Act. If the bounty regulations were not changed after a certain period, they would get no bounty and new works will not get much advantage. These people entered into negotiations for the starting of a large branch of their industry in the county of Cape Breton. The people of Sydney offered a bonus, I am informed, of \$50,000. They also offered exemption from taxation for a long period of years, for twenty-five years or more, and were willing to make reasonable concessions in respect to land. These facts go to show the importance of the industry in the eyes of the people of that constituency. The advantages to be gained by establishing that industry in the county of Cape Breton are great, as the company will be able to get ore and coal cheaper, and thus make their business more profitable. Different ores are, however, required, and these can be obtained from Newfoundland, which the company are unable with equal convenience to do for their head works at Feronia. The coal industry, moreover, is not so prosperous as it should be. Not more than half the number of coal mines are open in Cape Breton to-day that were seven or eight years ago.

The MINISTER OF FINANCE. How as to the output?

Mr. McDOUGALL. I quite agree that the output is increasing, but it does not come up to the rate of the former increase of the mines, owing to the manner in which the mines are operated at present, with the exception of the old Sydney mines which is not in the new organization. We have coal development carried on under very different circumstances now as compared with formerly. Where ten men were employed years ago, one man does the work and produces as large a quantity as the greater number; but the mines are not worked to their capacity, and therefore we call on the Government to encourage industries in the neighbourhood of the mines which will furnish a market for larger quantities of coal. The two best-producing mines in the county have closed down during the last twelve months, and all the people engaged are scattered throughout the province and many have left the country altogether.

Mr. SPEAKER. This is a motion simply to effect a change in the law making certain bounties retroactive. It is not a motion that opens up the general question of