

the lowest prices, at the following figure: \$7.50 per ton, f.o.b. agency; \$7.50 per ton, f.o.b. farm No. 2; \$8.50 per ton, f.o.b. farm No. 3; \$9.10 per ton, f.o.b. farm A; \$9.50 per ton, f.o.b. farm B. Here I desire to draw to the attention of the hon. member and of the committee the fact that the answer given to a question asked by the hon. member for Bow River was incorrect, as the official of the department who compiled the figures gave the amounts of the highest tender for the year 1932-33 instead of the figures of the lowest tender, an error which I now correct.

Mr. GARDINER: Has the minister the names of the other persons who were asked to tender, with the amounts of their tenders?

Mr. MURPHY: I have given the hon. member the names of those who were asked to tender.

Mr. GARDINER: Was only Mr. McConnell asked to tender?

Mr. MURPHY: Possibly the hon. gentleman did not hear me. A few moments ago I said that the Midland collieries of Drumheller were also asked to tender.

Mr. GARLAND (Bow River): Were they asked to tender in 1931-32 also?

Mr. MURPHY: Yes.

Mr. GARLAND (Bow River): And who else?

Mr. MURPHY: That is all, just the two.

Mr. GARDINER: What was the tender of the Midland Coal Company of Drumheller?

Mr. MURPHY: For the year 1930-31 the figures were as follows:

	McConnell	Midland
Agency.. . . .	\$7 50	\$7 65
Farm A.. . . .	9 50	9 65
Farm No. 3.. . . .	8 50	9 10
	1931-32	
Agency.. . . .	\$7 50	\$7 65
Farm No. 2.. . . .	7 50	7 65
Farm A.. . . .	9 10	9 25
Farm B.. . . .	9 50	9 65
Farm No. 3.. . . .	8 50	8 65

On May 2, when these estimates were being considered, the hon. member for Bow River asked the following question:

Mr. Garland (Bow River): Since the mine is producing 3,085 tons of coal, and, as the minister states, he hopes to produce a greater quantity next year, why is his department purchasing coal from outside at more than twice the amount? Is that economic? Is it common sense? If the Canadian National Railway system was run on that basis it would be broke long ago.

To which I made the following answer:

Mr. Murphy: As I stated, the mine has been open only a few months, and it may be that the department was not in a position at the time—I speak again subject to correction—to supply its needs. In other words, the tenders were called for for the season 1931-32, prior to the opening of the mine. But now that we are in a position to meet those requirements, there is no reason why the coal should not be supplied to the agency from the mine provided it is suitable coal for their requirements.

I asked my officials to wire the agent why tenders had been asked for when we had a coal mine of our own, in order to see if I was generally correct in my statement, and the following telegram was sent:

Question raised in house as to why department did not use coal mined from reserve for agency purposes instead of purchasing by tender. Is Blackfoot coal not suitable for agency purposes? If it is, can it be used in the future? Explain fully. Rush reply.

To this the following answer was received:

A. S. Williams,
Acting Superintendent General Indian Affairs,
Ottawa.

Tenders for agency coal awarded last August. Blackfoot coal mine not open until October. Coal from Blackfoot suitable and could be used in future if mine under supervision. Without supervisor we cannot rely on supplies.

G. H. Gooder.

I think I was generally correct in the statement I made in the house on May 2, when I said this mine was not in active operation when the agent asked for tenders for this coal. It is true that in answer to a question by the hon. member for Bow River certain figures were given showing that a certain amount of money had been spent on that mine in the two previous years. I may explain that that money was spent in the purchase of tools for the operation of the mine, and that active mining operations as such had not been carried on, the Indians simply doing a certain amount of drift mining in that area.

Mr. Garland (Bow River): There is still something to be explained in connection with this matter. The quotations mentioned by the minister, running from \$7.50 for the year 1931-32, are still \$1.10 higher than the tenders received by the Royal Canadian Mounted Police for only twelve tons of coal delivered at the barracks. Here is evidence that \$1.10 more was paid than the coal could have been procured for if tenders had been called for by advertisement. That will require some explanation. With regard to the coal mine on the reserve, that mine has been open and in operation for some four years. In 1929 the mine produced 260 tons; in 1930 it produced