York (Sir Henry Drayton) was made entirely on behalf of the farmers who are interested in the oil industry. I am somewhat at a loss to know why any plea should be made entirely from the farmers' standpoint. With that in mind, I wish to make a few observations. The oil industry, as most hon. members no doubt are aware, is not entirely in the hands of farmers. In fact, only a small portion of it is in the hands of farmers or those who own the land. Oil companies lease the land from the farmers with the object of drilling for oil, and the right of a company to put down a well and to enter into the oil producing business is always procured from the owners of the land by a lease which gives every eighth barrel or the equivalent thereof to the farmer. So, when the hon. member for West York (Sir Henry Drayton) speaks of the bounty being of such interest to the farmer, he is not entirely correct. The amount of bounty paid to the oil industry last year throughout the entire Dominion was less than $80,000. Only one-eighth, or less than $10,000 of that bounty went to the farmers of the Dominion of Canada during last year, while on the other hand about $70,000 went to companies operating the wells and producing the oil. Why then all this plea on behalf of the farmers when the meagre sum of $10,000 is distributed amongst the farmers of this Dominion who have oil wells on their properties?

We are indebted to the hon. member for West York for the somewhat lengthy history of the industry, and in this connection I have a few observations to make. It is true that in the early days of the oil industry there was a duty on crude oil coming into this country. At that time there was nearly enough oil produced within this Dominion to supply the needs. When, however, oil became more in demand and it was found necessary to procure crude oil from outside of this country to keep the refineries going, the Canadian refiners came to the government then in power and through their efforts secured the removal of the duty on crude oil entering Canada—another case simply of the manufacturer who was a free trader on what he had to buy but a protectionist on what he had to sell. The refiners succeeded in getting crude oil put on the free list and at the same time in retaining a protection on the refined article of from half a cent to two cents a gallon. Of course, the producers of crude oil at that time felt that they, having enjoyed the protection on crude oil, should not be left to shift for themselves.

To satisfy the producers of crude oil, the Minister of Finance in 1904 gave them a bounty. He gave the refiners what they wished by giving them free crude oil and he gave the producers within this country a bounty. That has continued for about twenty years. Last year we were given notice that the bounty would be discontinued this year; that one-half would be cut off and that in the succeeding year the other half would be taken off; while the refining branch of the industry was left alone, it can obtain its raw product free and yet it has a protection of one-half to two cents per gallon on the refined product. What should have been done was to give assistance to neither. If the government removed the duty from crude oil, they should also have reduced the duty on the refined article and given this country the benefit. They have, however, made fish of one and flesh of another; they have put the producers of crude oil in open competition with producers of crude oil in other countries, but they have left the refiner in a position where he can charge from one-half to two cents a gallon, according to the grade of the oil, more than he could if not protected.

I was very much interested in hearing the remarks of the hon. member for St. John (Mr. MacLaren), and I observe from a return brought down in the House that some few hundred dollars less than $4,000 was paid in bounties to oil producers in his province, New Brunswick. In Ontario over $76,000 was paid in bounties and the major part of this came to the riding of East Lambton; in fact, I think I would be safe in saying that over three-quarters of the oil produced in Canada is produced in East Lambton and, therefore, three-quarters of the bounty paid would be paid in that riding. But that bounty went to no exceeding great number of producers. One hundred and fifty would count them all told. There are about fifteen oil companies operating in Canada and they get the major portion of the oil bounties. The farmers who have leased their lands to these oil companies get one-eighth or the small percentage.

Mr. MANION: Surely the hon. member does not think the farmer who just owns the land should receive the same bounty as the man who is developing the well?

Mr. FANSHER: I certainly do not. I do not contend that at all, but I contend that when hon. members in this House argue for the retention of the oil bounty from the standpoint of the farmer, when the farmer gets only