

matters turned out the wiping out of the duty and the substitution of the bounty resulted very beneficially for the country. At the time of the change the Imperial Oil Company were operating one refinery at Sarnia of small capacity as compared to what it has at present. There may have been one or two other small refining plants in the country at that time but as to this I am not able to speak with certainty. At the present time the Imperial Oil Company has seven large refineries scattered throughout the country and there are possibly half a dozen other refining plants, so that at present the refineries in the country are taking care of practically all our domestic consumption. Large quantities of the raw material are imported from the United States free of duty and manufactured in our Canadian plants by Canadian workmen.

The present move on the part of the Minister of Finance in announcing the discontinuance of the crude oil bounty came as a shock and surprise to Canadian producers. We had heard of no clamour on the part of the public for the removal of this bounty, in fact, ever since the establishment of the bounty the oil business has been practically free from public criticism while in the old days of the duty the producers were being continually called upon to meet a tax upon their business.

The total number of wells in operation in western Canada is 3,574. These figures are furnished by the official inspector of oil and gas wells. There are in operation 216 power plants for the operation of these wells and outside the value of the lands these wells and power plants represent an invested capital of upwards of \$2,000,000. The following is a statement of a comparative production of the western Ontario oil fields for the different years from 1915 to 1922 both inclusive:

These details are of importance for the purpose of showing the total absence of any large drain on the treasury. This is a very small thing as regards the Dominion; it is a very vital thing to the people of Lambton and Kent:

Year	Total production in barrels
1915..	214,440
1916..	196,900
1917..	203,000
1918..	288,760
1919..	220,110
1920..	181,749
1921..	172,858
1922..	164,731

I again interpolate. I want hon. gentlemen to note that small production in comparison with the number of wells. The great number of wells gives some indication of the number of farmers that are interested. This is no large crushing corporation; this is something entirely removed from excess business profits taxes and all that sort of thing. This is very largely a side adjunct, a side activity of the Canadian farmer. We have 3,574 wells, producing chiefly at a loss if it were not for this bounty, and altogether producing in the year 1922 only 164,731 barrels. The statement continues:

The above figures are furnished by the official supervisor of bounties on crude petroleum. There is a further small production in New Brunswick and a

trifling amount of oil is produced in Alberta. The total production for the whole of the Dominion of Canada at the present time is now about 180,000 barrels. The oil producers affected by this removal claim that it will result in the complete closing down of their wells and the cessation of production of oil in Ontario and in substantiation of their claim that this will be the result they submit signed statements from some twenty representative producers showing the cost of producing a barrel of oil from their properties. It is fair to assume that men are not going to continue to operate their wells at a loss and in some instances a serious loss so the result will be undoubtedly as stated above the wiping out of the business of oil production in Canada and the wiping out of millions of dollars invested in the business, leaving to the men with this amount of money invested nothing but a trifle they may be able to realize from the junk-dealer.

I would ask my hon. friend when he speaks, to advise the committee whether the industry is to continue or not; what his honest view is; if his honest view is that these gentlemen who are in the business are all wrong, where they are wrong; how he expects their business to be carried on; whether he is indifferent to their business closing or not, as it will; whether he sees any reason why the small well should not be allowed to continue when it can continue without the slightest risk to the country; why the farmer should not be able to have the right to take one or two or three barrels a day from his well, resulting in a total which will be very much less than the total now paid, cutting it down in that way, and as regards which total the present Minister of Finance (Mr. Fielding) himself said that we need not bother about the amount and to let things stand as they were. The historical statement continues:

The Minister of Finance in announcing the removal of the bounty stated: The amount paid annually is about \$92,000—

It is less than that now. If the information I have is correct, it is more like \$85,660, but there is not very much difference anyway, only about \$6,000.

—representing a per capita tax of one cent per year or thereabouts as the burden the people of this country are bearing for the maintenance of this industry. If the bounty is removed what will happen is this; With the removal of one-half the bounty in July of 1924 which is the proposal of the Minister of Finance a certain number of wells will close, possibly as much as 50 per cent, with the removal of the balance of the bounty in the following year 75 per cent or more of the balance will close down. The small balance remaining will attempt to carry on, possibly a few producers whose all is invested in the business and who do their own work may be able to make fair wages for a period. A couple of properties at Bothwell and perhaps one at Oil Springs can carry on until they reach the point where they will have to replace worn out equipment with new, and they also will be forced to close.

Bothwell, I may interpolate, is a point in Kent, and both Kent and Lambton are vitally affected.