

Mr. McLELAN. There might be a temporary increase of price, but if the hon. gentleman had given study to this question, he would know that in the United States—

Mr. BLAKE. Hear hear.

Mr. McLELAN—where there has been a very high duty on iron to encourage home manufacture, the price has now become very low. There was a time when the duty did increase the price, but prices there now are lower than here.

Mr. BLAKE. The hon. gentleman has told us in tones lugubrious, as consorted with the character of the announcement, of the unfortunate low price of pig iron for some time. What is the average price of pig iron, analogous to that made in the Acadia Steel Works, in Scotland and elsewhere?

Mr. McLELAN. I do not know that I can give the prices exactly as they have gone down, but as a fact they are lower, and that decline has prevented capitalists from going into the manufacture of iron. All iron is considerably lower in price than it was three years ago.

Mr. BLAKE. What is the price of pig iron now?

Mr. McLELAN. I will get the quotations and send them to the hon. gentleman.

Sir RICHARD CARTWRIGHT. I observe last year a curious illustration of the great benefits of protection to the United States; and I can possibly refresh the hon. the Finance Minister's memory. A certain class of iron which was required to be laid down at Galveston, in Texas, was offered to be furnished by the English houses at \$21 per ton delivered there. The American works were able to supply it at \$39 per ton. There was just a difference of \$18 per ton between the price the American works were able to supply it for, and the English works; and the English manufacturers were able, after paying the duty of \$17 or \$18 per ton, to get the contract. That is the result of the great fall in classes of iron extensively used in the United States, and they have had a protection for 100 years.

Mr. McLELAN. A ton of pig iron represents 10½ days' labor per man. The conversion of the necessary quantity of pig iron into bar iron represents 16·67 days' labor, making together 27 days' labor.

Mr. BLAKE. But there is an extra duty on bar, I think.

Mr. McLELAN. Bar iron is 17½.

Mr. BLAKE. I have not lately looked at the relative prices of American and Scotch and English pig, but the last time I did so, which was not long after this duty was imposed, I found that they ran very close upon the prices of the English or Scotch pig, duty and freight being added, that there was just a narrow margin between the two. I do not remember what changes have been made in the American tariff lately, but at that time I believe the duty on pig was \$7, and the cost of the American pig of the same grade was just that much more than the cost of the Scotch or English pig, and some grades of Scotch and English pig were being imported into the States, notwithstanding the duty. At that time also, I ran over the results, for several months, of the imports into Montreal and some other Canadian ports, and I found that the prices in the principal markets of sale in Canada for pig were equivalent to the prices of those commodities on the other side, adding freight and duty.

Mr. CHARLTON. It would seem from the statement made by the Minister, that 10½ days are required to produce a ton of pig iron, that the facilities of producing pig iron at this point are exceptionally good. If my memory serves me, that is as small an amount of manual labor, or a trifle

smaller, than is required upon the Clyde, in Scotland, and I do not think there is any point in the United States where pig iron is produced at a less cost or number of days per ton than 10½ days. I should infer from this that the facilities at this point are exceptionally good. The Minister referred to the beneficial effects produced by protection in the United States, from the fact that that country now produces iron at a very low rate. We must bear in mind that the taxes paid by the consumers of iron in the United States for the past twenty-five or thirty years have amounted to an enormous sum in the aggregate, and that the reduction in the price of iron in that country in late years has been due to over-stimulation followed by over-production. There is over \$100,000,000 invested in useless plant in the United States, in blast furnaces that are standing idle, and have been standing idle for years, and, if we take the interest at 6 per cent. on that amount, it makes an annual waste of \$6,000,000, and add that to the other outgoes under a protective system, I think we will arrive at the conclusion that the nation is paying a pretty large price for its iron, even if of late years it has been offered at tolerably low prices. The iron industry of the United States is unable to stand in the open markets of the world, with the iron industries of England or Belgium, and it has been found necessary to protect it by duties. The fact that it is lower in price than in former years does not prove that the iron industry of the United States is on a more healthy footing than it was when there were no duties at all. Before the excessive protective duties were imposed, the iron industry in the United States made substantial, healthy progress. When those duties were imposed, there was a rapid, and abnormal progress, the profits were very great, and that was followed by over-production, stagnation, and the sinking of this immense amount of capital. It strikes me that, with an ability to produce pig iron by ten and three-quarter days' work a ton, we ought to have an industry that should be able to stand alone. I doubt if there is any place in the world where it can be produced with less manual labor.

Mr. CASEY. This bounty of course will cost the country something, but I do not know but that the investment may in one sense be looked upon with some degree of pleasure by that portion of the public who have believed with us all along that the National Policy was a humbug, because, in connection with this bounty, we are placing on record, by the solemn action of this House, a confession that the National Policy has been an utter failure and a humbug, so far as the iron trade is concerned, at all events. It is almost worth what it cost, or the amount of the bounty, to have this solemn confession put on the Statute-book by the authors of the National Policy themselves. We were told that, when the National Policy would come into force, iron smelting would be greatly developed all over the country. The ridiculous failure that has followed need not be expatiated upon. I understood the Minister to say that there is only one smelting works at present in operation, though two others are projected. That is the result of the National Policy for all these years. Before the National Policy, we had several smelting works in operation. Now there is only one, in the Minister's own Province, and that one is in such a glorious and magnificent state of prosperity that the Minister, who comes from that Province and knows the affairs of that company, tells the House that they are unable to manufacture pig iron at a profit without assistance. He is afraid to give them that assistance by a further increase of duty, because he confesses that it would increase the price to the consumer of pig iron, and, although a general increase of prices may have seemed desirable in 1878, he knows that the public will not put up with it just now. He cannot give the assistance in that form, so he must give it in another form, and he gives it in the form of