

ment of such laws as will regulate, if it cannot altogether prevent, the evil complained of.

"2nd. The almost uniform testimony before your Committee was to the effect that an increased Protection to manufactures will not necessarily increase the cost of the manufactured article to the consumer; and, in the opinion of your Committee, the witnesses have made out a very strong case in support of this view.

"It appears to be well established that the cost of manufacturing decreases as the quantity of goods manufactured increases. Thus a large manufacturing establishment can afford to sell its products at a lower rate than a smaller one. If, therefore, Canadian industry is relieved from the pressure of such undue competition as that referred to in the first paragraph of this report, the effect will be that the manufacturing establishments will be worked to their full capacity, and the cost of production, and the consequent cost to the consumer, will be proportionately reduced.

"Some instances in proof of the correctness of this principle are given by witnesses whose testimony accompanies this report."

He would also refer to a short extract from the London *Fortnightly Review*, bearing upon the same subject :

"It is difficult enough at any time to establish manufactures in a new country, but altogether impossible if the local manufacturers are unfairly handicapped. The foreign manufacturer has possession of the market, to begin with. Next, he is usually a man of large capital, while the local manufacturers, as a rule, are men of small means. Once in possession of the market, with unlimited command of capital, it is a very easy matter to maintain it. No sooner is he informed, through his agents, that a certain commodity which he has been supplying is being superseded by a local production, than the foreign manufacturer immediately forwards to that market an extra supply of the commodity in question. The market being thus supplied with more than is required, prices recede, and the local manufacturers, not having capital enough to enable them to hold out for a remunerative price, succumb to the pressure. The latter out of the way, the foreign manufacturer has the field all to himself again, and, from the high prices he can now obtain for his goods, he may easily recoup himself for his previous losses. This is a plain statement of what occurs every day in the colonies when any attempt is made to compete with old established industries."

That was a plain statement of what occurred every day. Now he believed that this tariff would materially help to do away with this slaughtering system. He believed also that a number of new industries would be started, and that the people would be more largely employed in industrial pursuits. The woollen trade would be stimulated, and the iron

trade would receive a new impetus. He was informed that the hon. member for Lambton had made some startling remarks with regard to the clock factory in Hamilton. A gentleman interested in that industry, having read the report of those remarks in the *Globe* of that morning, had sent him the following telegram :

"F. E. KILVERT, M.P.—Mr. Mackenzie's statement is absolutely false; it is calculated to inflict the most serious injury upon our business, and ought to be contradicted. Ours was the usual experience of pioneers, and the first small batch of clocks made by us, three years ago, were spoiled by an incompetent foreman. The moment the mistake was discovered they were recalled. We have since sent out forty thousand clocks, which have given entire satisfaction, and are equal to any made anywhere.—Hamilton Clock Co., Geo. Lee, manager."

He (Mr. Kilvert) thought it was very uncalled for, in an hon. gentleman occupying the position of the hon. member for Lambton, to step out of his way to discredit a young industry like that. In addition to the new factories that would be started, many of which were now under way, many old ones, hitherto on short time, would resume full time, and have to increase their production. Those of J. M. Williams & Co., Meakins & Sons, the Forging Works, and others, in Hamilton, were now working overtime. He found, therefore, that all classes would be benefitted by this new policy of Protection. On referring to the census of 1871, he found that the agriculturists in Ontario, Quebec, Nova Scotia and New Brunswick, numbered 479,512; the commercial class, 75,201; domestics, 60,104; industrial, 212,748; professional, 39,224; and not classified, 143,079; and for every 1,000 agriculturists there were 443 industrial. Those figures showed that there were other classes to be served as well as the agricultural, and that employment should be found for the large industrial classes. He understood the hon. member for Lambton to say that the only producers of wealth in the country were those who tilled the ground.

MR. MACKENZIE: I never said that; but that the men who performed actual labour, either in tilling the soil, producing lumber, or otherwise, were the