

to add the 28 per cent duty to the price. But there is more than the 28 per cent. It costs 8 per cent to import, and the protective system therefore gives them 36 per cent of an advantage. On the \$8,500,000 worth of cotton which they manufactured and sold to the people, this 36 per cent would amount to about \$3,000,000 taxes upon cotton alone, which the consumers paid, not into the treasury, but into the pockets of the manufacturers.

An hon. MEMBER. Who has got that?

Mr. DAVIES (P.E.I.) My hon. friend opposite says, "Where is it; the manufacturers have not got it." It does not follow by any means that because the people paid it the manufacturer makes it as profit.

An hon. MEMBER. Why?

Mr. DAVIES (P.E.I.) Because he manufactures at greater loss and with less advantage than they do at home in England. The thing is lost absolutely to the consumer and manufacturer.

Mr. CAMERON. Oh.

Mr. DAVIES (P.E.I.) The hon. gentleman does not see it. All I have to say is: I pity the dulness of his brain. Perhaps the whole three million dollars was not taken out of the people. They took a shade below it maybe, and you can knock off, if you like, such sum as they would have to sell their cotton for so as to undersell the imported cotton. They had a protection of \$3,000,000, and it may be that they only took \$2,500,000, leaving them a half million margin to undersell the cotton that competed with them. As the hon. member from West Ontario (Mr. Edgar) has pointed out, the Dominion Cotton Company control eleven mills. They had a capital of \$1,500,000. They were making so much money that they were ashamed to pay a dividend on the one and a half millions, because the dividend was so enormously large that the people would have revolted against it. What did they do? They increased their capital by \$1,500,000 more, and all but \$150,000 of that \$1,500,000 was water. They have \$3,000,000, therefore, of nominal capital, and of the last one and a half millions only \$150,000 was paid in cash. The report they published in 1893 of their earnings showed 10 per cent on the \$3,000,000 of capital, but on the last \$150,000 cash which they paid in, that would amount to 200 per cent. Therefore, the policy of the Conservative party, while extracting \$3,000,000 from the people in the shape of taxes, enables these men to put 200 per cent in their own pockets. My hon. friend from Lanark (Mr. Rosamond) stood up here as the representative of the manufacturing industries, himself a manufacturer protected by the tariff, and he disputed the statements made by my hon. friend from South

Oxford (Sir Richard Cartwright). But why did he not rise in his place and show that, with regard to sugar, or cotton, or iron, or wool, or any one of those enterprises which my hon. friend (Sir Richard Cartwright) referred to, there was some mistake in his calculation. No; the hon. gentleman (Mr. Rosamond) was as dumb as an oyster, because he knew that these facts were unanswerable.

Just let me say a word about sugar. Mr. Speaker. My hon. friend from Westmoreland (Mr. Wood) spoke at some length upon this question the other night, and he attempted to make the House believe that the people of Canada got their sugar as cheaply as do the people in the United States, and when he said that, he evidently thought that the question was ended. Well, Sir, was the hon. gentleman (Mr. Wood) dealing with perfect frankness in that matter? I say he was not. The hon. gentleman understands that question as well as any gentleman in the House, and he knew that the conditions were entirely different, because up to this year, when the Minister of Finance put his half cent per pound upon the raw sugar, the Canadian manufacturer got his raw sugar duty free, and was protected to the extent of 8-10ths of a cent per pound at first, which latterly was lowered to 64-100ths upon the 100 pounds. Now, the hon. gentleman (Mr. Wood) says that the Canadians are able to sell sugar as cheaply as they can in the United States. Why? The hon. gentleman knows, in the first place, that the people of the United States have to pay a duty of 40 per cent ad valorem upon the raw sugar, and which 40 per cent goes into the treasury. The hon. gentleman (Mr. Wood) knows further, that the refiners there are protected in addition $\frac{1}{8}$ of a cent upon refined sugar, and he knows that $\frac{1}{8}$ of a cent is $12\frac{1}{2}$ mills a pound equal to $12\frac{1}{2}$ cents per 100 pounds while ours are protected 64 cents per 100 pounds. The hon. gentleman will see, therefore, by allowing for that difference, that while you have a protection of almost $\frac{2}{3}$ of a cent per pound, they have only a protection of $12\frac{1}{2}$ mills. How much advantage does that give the Canadian refiner over the American refiner upon 100 pounds of sugar? It gives $51\frac{1}{2}$ cents.

Mr. DAVIN. Have not the Americans 40 per cent.

Mr. DAVIES (P.E.I.) Forty per cent is the duty paid on raw sugar; but, in addition to that, the protection given to the refiners of the United States is in the proportion of $\frac{1}{8}$ c. per pound, as against $\frac{2}{3}$ c. per pound, or nearly so, in this country. So that the sugar refiner of this country gets \$1.50 a barrel more protection on his sugar than the United States refiner. Therefore, if our refiners sell at the same price as the United States refiners, they are