

Mr. McLELAN. I think so practically. At Pictou there were some few tons manufactured.

Mr. BLAKE. In the other parts of the Dominion, does one establishment take the bulk?

Mr. McLELAN. The memorandum sent me by the Customs Department does not separate it.

Mr. BLAKE. Perhaps at a later stage of the proceedings the hon. gentleman would give us the division of that. For 1885 I think the amount of the bounty was \$36,654.91. Could the hon. gentleman say how that is divided—how much the Acadia Steel Works got?

Mr. McLELAN. I think they had about the same proportion.

Mr. BLAKE. And for the year 1884, the first year, the amount of the bounty was \$44,089.91. What proportion had they that year?

Mr. McLELAN. The years run about the same proportion all through for the three years in which it has been in operation.

Mr. BLAKE. Then the production altogether, and the production of the Acadia Steel Works in particular, has been diminished, and is not increasing?

Mr. McLELAN. In the last year, and in the previous year, the production was nearly the same, but not so much as in the year before, because the company became involved and went into liquidation a few years ago. I think the production has fallen from forty-four to twenty or thirty during the last two years.

Sir RICHARD CARTWRIGHT. How many men are employed there for all purposes?

Mr. McLELAN. From 500 to 700, in the manufacture of bar iron and car wheels and other works.

Sir RICHARD CARTWRIGHT. I believe they manufacture very good car wheels, but they manufacture a good many other articles besides iron. The bulk of this bounty was paid—20,000 tons apparently were provided, so that there is some extraordinary discrepancy between the estimate the hon. gentleman made just now, that twenty-six days of labor were required to produce one ton of iron and the actual result.

Mr. McLELAN. The men may be employed in other work.

Sir RICHARD CARTWRIGHT. Then they would not use twenty-six days for the production of a ton of iron.

Mr. McLELAN. The men employed in the manufacture and transportation of the ore to the furnace and in the work of smelting, consume about twenty-six and three-quarters days' labor per ton altogether. Then, in the manufacture of car wheels and other work, other men are employed, about from 500 to 700 men altogether being employed.

Sir RICHARD CARTWRIGHT. You say twenty-six and three-quarter days are employed to produce a ton of iron?

Mr. McLELAN. That is what they give.

Sir RICHARD CARTWRIGHT. At the usual rate of wages at such manufactories, the process would prove a very expensive one.

Mr. CHARLTON. The hon. Minister refers to rolled iron.

Mr. McLELAN. Yes.

Mr. CHARLTON. What is the cost in labor of producing a ton of pig iron? It would be satisfactory to know, so that we might compare results in Nova Scotia with results in the establishments on the Clyde and other places.

Mr. McLELAN.

Mr. McLELAN. I have not got a statement of that.

Mr. BLAKE. I suppose the statement the hon. gentleman is not able to find at the moment is one that runs out the details, and gives the labor in getting at the ore, in transport and conversion into pig or rolled iron or bar iron.

Mr. McLELAN. I have a statement of that kind, but cannot lay my hands on it at present.

Mr. BLAKE. The hon. gentleman may be able to find it before the final passing of the measure. It is unfortunate he has not got it now. I recollect when this bounty was proposed, glowing statements were made as to the largely increased production that would result from it. All that the hon. gentleman is now able to point to as accomplished is apparently that the Londonderry Works have been kept open by it and were not forced to shut down. I understand they have been run by liquidators in the interests of the creditors.

Mr. McLELAN. Yes; but it is believed that in the present season a new company will be formed. A gentleman from Glasgow is now in the country negotiating to form a company to take over the works and liabilities and furnish the necessary capital.

Mr. BLAKE. Have any new works been actually started since this bounty was established?

Mr. McLELAN. I am not able to say that any have been established. The great decline in the price of iron has prevented capitalists from going into that business.

Mr. BLAKE. I am sensibly aware of the misfortune which this country has experienced through the decline in the price of iron. I hope it will rise soon. May it become dearer, and then we can get on. The hon. gentleman has said that, inasmuch as iron is a raw material for many manufactures, it was thought expedient to afford this further encouragement by a bounty instead of by a duty. Why?

Mr. McLELAN. We have been in most cases, wherever practicable, admitting the raw material free of duty. The hon. gentleman will see by the trade returns that a very large proportion of our imports for the purpose of manufacturing are now admitted free of duty. Cotton, for instance, and other articles that are worked into different manufactures are admitted free.

Sir RICHARD CARTWRIGHT. With the exception of the article of tea. We do not import anything for the consumer, but everything for the manufacturer.

Mr. McLELAN. Who is thereby enabled to produce the manufactured article at that much less.

Sir RICHARD CARTWRIGHT. But he does not give us the benefit.

Mr. BLAKE. Will the hon. gentleman state why it was considered preferable to encourage this by a bounty instead by a duty?

Mr. McLELAN. On the same principle that we have admitted various other goods free of duty or at a low duty, that enter into the manufacture of the various articles we require.

Mr. BLAKE. It is then because the duty increases the price to the consumer?

Mr. McLELAN. It may increase the price to the manufacturer.

Mr. BLAKE. To which? The manufacturer of iron? Then it is because it was thought expedient that, instead of increasing the cost to the manufacturer, which must increase the cost to the ultimate consumer, we should pay out of the general taxes a portion of the increased cost.