

policy on those who invested capital in those enterprises and the development to which this policy enabled those mills to attain. What has been the effect in the maritime provinces? We have in New Brunswick the St. Croix, the Courtney Bay, the Parks, the Moncton and the Marysville mills; in Nova Scotia there are the Halifax and Windsor mills. In all these enterprises, according to the census, \$3,308,000 of capital have been invested in the construction of buildings, machinery, and equipment. They employ 2,215 hands, and pay a large amount yearly in wages. In Nova Scotia the average wages per head is \$196, or 65 cents per day. I want to ask this House, with the single exception of the Gibson mill, which occupies a very exceptional position, where are the men and where is the capital that were originally engaged in the establishment of these mills? I have shown the House that instead of encouraging the ship-building industry, the Government, by adopting this protective policy, have induced men to invest any capital they had in these mushroom enterprises, with the result I have indicated.

Take the Courtney Bay mill, near St. John: what is its history? It had a capital of some \$320,000, it carried on operations for some years and then became involved: the property was mortgaged to carry on the business; the bondholders foreclosed; the enterprise never paid one dollar of dividend and was ultimately sold out, and the shareholders who had put \$320,000 into the enterprise, lost every cent. Such was also the case in the adjoining mill, the Parks mill, which under the old Mackenzie regime tariff went on prospering fairly well for a number of years. It followed in track of the Courtney Bay mill, and the capital was lost, the mill mortgaged, and the bondholders foreclosed. It was the same with the Moncton mill, except that the shareholders there got 15 or 20 cents on the dollar out of it, and one or two dividends. The same story runs through them all; men are enticed to put their capital into these mills thinking they were going to make fortunes, and for a year or two, all goes merry as a marriage bell. They get increased prices, but fierce competition between the numerous mills, that grow up in a restricted market, ran the prices down.

Some hon. MEMBERS. Hear, hear.

Mr. DAVIES (P.E.I.) "Hear, hear." I well remember that when the prices came down hon. gentlemen opposite told us: Now you see our prediction is correct. Protection has had the effect we said it would; it developed a home competition which has resolved the question of prices as you want getting cotton as cheaply as you would if it to be resolved, and here you are to-day you were importing it from Great Britain.

Some hon. MEMBERS. Hear, hear.

Mr. DAVIES (P.E.I.)

Mr. DAVIES (P.E.I.) That sounded splendidly for a year or two, but what took place? Follow the history of the mills. A year or two had not gone by, after the time you got this cheap cotton, before a fierce competition in a restricted market brought bankruptcy to the cotton mills, and the money lords of Montreal stepped in and bought out these factories for a song. The original investor lost his all. He lost his interest upon his money, and the capital he invested at first. The mills fell into the hands of men who did not even pay cash, but gave their bonds in payment of the few cents on the dollar they offered the original shareholders. The combine was formed, the competition ceased; that took place which always takes place under protection and a restricted market. A monopoly is formed and the monopoly dictates the price. You do not get the cheap cotton now you once did. The competition exists no longer. The mills are owned by the combines. The quantity they shall make and the quantity they shall sell, and when and where they shall sell it, and the price at which it shall be sold, is all dictated by the combines. And so far does that combine go, that although the Marysville mill, owned by Mr. Gibson, is not in the combine directly, yet in order to secure that there should be no competition, they enter into a contract with Mr. Gibson whereby they are bound to take from him everything he manufactures or can manufacture, at a stated price, so that he shall not sell it on the market in competition with them. What is the result? You have excluded the cheap cottons of England by your protective system. Your monopoly has prevented competition at home, and the monopoly dictates the price at which people shall pay for their cotton, and your protective policy enables the combine to add at least 30 odd per cent to the price for which you would be able to purchase the cotton in England if the policy did not prevail. That, Sir, in a nutshell, is the history of your cotton mills; and the history of your cotton mills is the history, very largely, of your other protected enterprises.

I say also, Sir, that in the matter of cotton as in others, the protective system forces the consumer to pay enormous sums every year, which do not go into the treasury at all. What are the facts about the importation of cotton? We imported \$4,000,000 worth of cotton last year, and we paid duty into the treasury of \$1,140,000. We manufactured in Canada, according to the census of 1891, cotton to the value of \$8,000,000, but we paid no duty into the treasury upon that. Did the cotton manufacturers take advantage of the protective duty, or did they make a present of it to the people? Is there a man in this House who believes that they are fools enough, when the law permitted them, not