

The product of that branch of manufacture in 1871 was \$2,685,393; and who will say that it has not been trebled or quadrupled since that time? At that time 2,546 men were employed in manufacturing agricultural implements, and I say that the number of hands has been increased four times since that period. The effect of the National Policy upon this industry is but a repetition of its effects upon the others I have named, an enhancement of the duties upon all the articles they consume. I am now speaking only of the articles connected with iron, and have no reference to the paints, oils, cloths and so forth which also enter into the manufacture of their products. Taking the whole list we find an increase of from 17½ to about 25 or 30 per cent. They had 95 per cent. of the home market in 1871, and who will say that the home market was not as effectively theirs as it is now. I will not go through all the industries that are affected by these duties on iron, but take for example the sewing machine industry, and what a large one it is. It has been injured, as can be abundantly proved by the return of drawbacks on manufactured goods brought down a short time ago. Before doing that, let me prove from the hon. Finance Minister himself that the imposition of these duties on raw materials do operate injuriously upon the manufacturers. Speaking on the question of drawbacks in 1879, and referring to this very sewing machine industry, he stated:

"The drawback is for the purpose of encouraging those industries and enabling them to compete successfully with manufacturers in other countries. I am satisfied that this system can be carried out successfully, but some regulations may be necessary in regard to it. It will doubtless entail a great deal of trouble in the Departments, but still there can be no difficulty in practically working out a system."

If the duty did not increase the cost of that article to the manufacturer, why does he want a drawback to enable him to compete with foreign manufacturers in other countries? By their system of drawbacks, the Government gave their case entirely away, because it shows that the hon. Finance Minister knew that these duties were handicapping the manufacturer; and here we have him telling us plainly that the imposition of a duty on the raw material of sewing machine manufacturers and all other manufacturers of iron, places them at a marked disadvantage in competing with foreign manufacturers in other countries—and why? Because it enhanced the cost of the article we produced; and in order to get over that difficulty the Government proposed that drawback.

Mr. DOMVILLE. But the iron manufacturers are not finding fault.

Mr. PATERSON. How does the hon. gentleman know?

Mr. DOMVILLE. We have no evidence of it.

Mr. PATERSON. Yes, if I remember rightly, a little while ago I read in *Hansard* that a Mr. Domville, one of the most enterprising iron manufacturers of this country, had found a great deal of fault with the Tariff.

Mr. DOMVILLE. I did not complain that there was too much duty, but asked that more should be put on.

Mr. PATERSON. I rather think my hon. friend's argument was this: "You put \$2 a ton duty on pig iron; that is a practical monopoly for the Londonderry iron works, and they charge me more for my iron, so that it costs me more for the finished article that I use in my rolling mill; and I want you to take the duty off pig iron, so that I and other rolling mill proprietors can get our goods cheap."

Mr. DOMVILLE. No, not at all. I certainly stated that if we had active competition in this country in the production of iron rod, iron would rule as cheap as it could have been imported from England without any duty. I did not state that, in consequence of the duty, iron had become dearer.

Mr. PATERSON (Brant).

Mr. PATERSON. I do not think I misinterpreted my hon. friend's remarks; but let me ask him, as a business man, if the duty on the products of pig iron has not enhanced the price.

Mr. DOMVILLE. I will state that bar iron and pig iron have not been increased in price in consequence of the duty; not only has pig iron been cheaper during the past year, but bar iron has been cheaper, and so have nail plate and nails. I state that without fear of contradiction.

Mr. PATERSON. Whatever his opinion may be, if he chooses to say that the price is not to be enhanced by the duty, then he must answer the question of who paid the duty, and if he says the foreign producer then he is wrong, and his testimony will be entirely hostile to that of the manufacturers on this point. I have stated that the only reason for the Finance Minister's instituting a system of drawbacks was that the manufacturers were hampered, and I can reinforce it by the statements of the Minister of Railways on the subject. Speaking in 1878, when the Cartwright Tariff was in operation, he said:

"Not only was that the case, but everything a Government could do to foster the manufacturing interests of this Company was done by the late Government. As the hon. gentleman knows right well we put the material the manufacturer used on the free list. We protected the manufacturers by relieving the raw material as far as possible from taxation. The hon. gentleman knows that we allowed machinery that could not be manufactured in this country to be brought in free of duty, thus assisting those who were engaged in such manufactures."

Then you find the Minister of Railways declaring that the policy of his Government, when in power before, was to afford protection to the manufacturers by placing their raw material on the free list; and he condemned the Cartwright Tariff because certain articles of raw materials had been taken out of that list. Again, we find him saying:

"I may tell the hon. gentleman further that what little protection was given to the manufacturing industry of Canada by the imposition of 2½ per cent. additional duty, raising the Tariff from 15 to 17½ per cent. was swept away by taking the raw material that our manufacturers used and taxing it so that the policy was as completely a reversal of that which had existed as was possible."

There was the testimony of the Finance Minister and the Minister of Railways to the fact that the imposition of duties on the raw material of manufacturers was a direct burden on them, and that their plan of protecting the manufacturers prior to 1874, was by having that raw material on the free list. And yet the members for King's and the Finance Minister will now be forced into the position of taking back their statements, and to assume the position the member for Kings does to-night, that you may put duties upon raw materials of manufacturers and not burden them. The statement of the Finance Minister and the Minister of Railways are against him, and the imposition of the drawback system is against him. What has been the effect of our drawbacks? They will show the amount of the burdens heaped on some of the industries. Last year two firms engaged in the manufacture of sewing machines were paid in drawbacks on the raw material \$2,931, which shows that they were burdened that amount—on their whole product? Nothing of the kind; but on their products exported to foreign countries. And if they were taxed in that way on their exports, they were equally taxed on each sewing machine that went into every Canadian family. Take the manufacture of fence wire. Four firms were paid \$6,998 in drawbacks, which proves, on the barbed wire for fences made and exported, they were burdened to that extent with the duty on raw material; and if so, they were burdened to a like extent on every yard or mile of wire fencing purchased by our farmers. On our machinery, we find claims from a large steam engine firm in Ontario, for \$750, which the Government has not allowed, but the owners claim that they are burdened to that extent on their limited exports to foreign countries. If burdened to