

which will pay the man who produces them, fairly well for his labour. If the price of these products can be raised, you can at once increase the production.

That is the law of supply and demand; not merely a demand for a product at some price, but a demand at such a relatively high price as will leave the man who produces, satisfactory returns for his labour and his capital. Then, the demand itself depends upon two things. It depends, I think, largely upon excellence of quality, and then on relative cheapness or lowness of price. If everybody in Ottawa could get strictly fresh laid eggs during the winter at 20 cents a dozen they would use that kind, instead of eating other eggs at 15 or 16 cents a dozen; and the demand would be so greatly increased that there would be no possibility of overstocking the market at that price. Excellence of quality would make a larger consumption per head by present customers, and lowness of price would lead the common people to eat what only the rich can now afford. And therein lies, I think, a great deal for the Canadian farmers to examine;—whether they could not get the large class of consumers of high priced foods in England to prefer our fine food products, and so get for a portion of our exports somewhat near the prices paid by the wealthy classes for very dainty food. The production will respond to relatively high prices or profits. Just so soon as the profits increase, just so quickly is there a great enlargement in the production. Let me give an illustration. The high class consumers of beef in Great Britain pay rather more than a shilling a pound for the best cuts, eight pence a pound for the second cuts, and four pence for the third class of cuts of their beef. They often pay higher prices than these, but as far as I can learn that is a moderate average for the very best quality of beef. That leaves an average equal to 17 cents a pound, by the carcase, after allowing for the loss in weight in the retailing of the pieces. In figuring out the actual cost of retailing beef and leaving a wide margin for profit, I find a retailer could sell beef with an excellent revenue for himself if he had clear a cent and a half per pound, after allowing for the loss in weight in cutting up. That is a profitable business. I have allowed nearly a hundred per cent above the actual cost of wages and rent. As the business is done now, it costs a little less than two cents a pound of dressed beef in Great Britain, to pay all the expenses of shipping cattle alive from Montreal, slaughtering them on the other side, refrigerating them there, and selling them on commission. The actual cost during the past year, reckoned on the net weight of beef from animals shipped alive, was rather less than 2 cents a pound from Montreal outwards. Allowing the retailer what I call a liberal margin for his services in this business, and counting the cost for transportation, killing, etc., at what it actually cost last year, the total charges incurred in conveying the live cattle from Montreal and the beef from them to the consumer would be $3\frac{1}{2}$ cents a pound of beef. Taking the $3\frac{1}{2}$ cents from 17 cents, which is the average price paid by the best class of consumers in Great Britain, leaves $13\frac{1}{2}$ cents per pound, which, it seems to me, might be available for the farmers of the provinces of Ontario and Quebec for the very best quality of beef.

By Mr. Cochrane :

Q. That is on the dressed meat?—A. Per lb. on dressed beef by the carcase. I say available to the farmers, because the hides and the offal and the tallow should pay all the charges for freight from the farmers' places to Montreal. I am reckoning the business as it is now run, with expenses as charged on live cattle.

By Mr. Wilson :

Q. Do I understand you to say $3\frac{1}{2}$ cents is what the actual cost would be delivered in Great Britain from Montreal?—A. Yes, from Montreal to the consumers.

By Mr. Macdonald, (Assiniboia) :

Q. That is the retailers' profit?—A. No; one and a-half cents would meet the expenses of the retailer. I shall tell you how I reached these figures.