

derive no advantage from the fact that wheat was higher here at present than in the United States, because they had no wheat to sell—that the farmers in his neighbourhood raised oats. That may be true, but there are, nevertheless, a large number of farmers in the country who do raise wheat, and have it to sell, and those farmers are at present obtaining fifteen cents more for their wheat than if it were imported free of duty from abroad. What is true of wheat this year may be true of oats or potatoes or of some other agricultural product next year or some subsequent year. The principle is this:—That, while the theory which my hon. friend from North Norfolk (Mr. Charlton) laid down is, in the main, a sound one—that where there is a surplus for export the imposition of a duty upon the article does not increase the price at the time in the home market—yet as a matter of fact, in the different lines of agricultural produce, occasions frequently arise—almost every year—in which, in some particular line there is a scarcity in the market. That scarcity may result from failure in the crops or from other causes, but, almost every year, the market at some time becomes bare in regard to some class of agricultural products; the demand is greater than the supply; and when that condition of things arises, the farmer gets the benefit of the increased price which the duty gives him. I think that under these circumstances, the hon. gentleman will have great difficulty in persuading the farmers that they have derived no benefit from the duties imposed on agricultural products. They have not been very successful in their attempts in this direction in the past, and I do not think they will meet with much greater success in the future. The principal object of the protective policy of the present Government was to stimulate the growth of manufacturing industries in the country. That it has been successful in that object appears to me to be too evident to admit of discussion. The figures given in the last census returns show how very rapid has been the growth of manufactures in this country during the ten years which these census returns cover. These figures have already been presented to the House; but they are so important that I shall ask the privilege of reading them again. The increase during the ten years in the number of establishments was from 49,000 to 75,000; increase in capital invested from \$164,000,000 to \$354,000,000; increase in number of employees from 254,000 to 370,000; in wages from \$59,000,000 to \$100,000,000; in cost of raw material from \$179,000,000 to \$256,000,000; and in products from \$309,000,000 to \$476,000,000. The only criticism of these statistics which has been offered and which appears to me worthy of notice is that of the hon. member for South Oxford (Sir Richard Cartwright), that they were not reliable be-

cause the enumerators had included among the industrial establishments a number of establishments in which only one or two persons were employed, and which could not properly be classed as manufacturing establishments. The hon. member for East Hastings (Mr. Northrup) answered that argument when he pointed out that the classification of these establishments showed that the increase in the number of small establishments had been no greater in proportion than in the larger ones. The classification of the different industrial establishments of the country shows an increase in those having an output of less than \$2,000 to be 55 per cent, in those having an output of from \$2,000 to \$12,000, to be 23 per cent; in those with an output from \$12,000 to \$25,000, to be 29 per cent; in those having an output of from \$25,000 to \$50,000, to be 26 per cent; and in those with an output of \$50,000 and upwards, to be 69 per cent; and the average of all 53 per cent. These census returns, if they needed any corroboration are corroborated by the Trade and Navigation Returns, which show the enormous increase that has taken place in raw materials imported from abroad, augmented by the increase of raw materials that have been produced at home. However, I merely refer to this matter of the increase of the industries of the country, and I shall not dwell upon it, for it seems to me too self-evident to admit of discussion. I wish to devote a little attention to the theory which has been advanced by my hon. friend opposite, to the effect that the protective duty which has led to this great increase in manufactures in Canada has proved prejudicial to the great masses of the people, because it has increased the prices of manufactured products, while that increase in prices has not been paid into the public treasury. The answer which the advocates of the National Policy make to that theory is this:—That, although, under a protective policy, the cost of manufactured goods may be somewhat enhanced—not to the full amount of the duties imposed, but while they may be somewhat increased for the time, while these manufactories are in the early years of their existence—another principle, the principle of home competition, comes in and eventually reduces the prices to the same level that they would reach if they could be imported from abroad. These are the two opposing theories, and in order to ascertain which of the two is correct, we can only appeal to the experience of the past; and then leave the question to the judgment of this House and to the good sense of the people of the country to say which of these theories is most nearly correct.

Mr. DAVIES (P.E.I.) How does that work, may I ask the hon. gentleman—

Some hon. MEMBERS. Order.