

**Mr. MONK.** The importance of this item and the fact that the town of Lachine has a very large nail factory and has made heavy sacrifices for the establishment and maintenance of that industry, compel me to take up a few moments of the time of the committee while I set forth the claims of this industry to better protection. It is evident that the intention of the Government was to give some measure of protection to this article. What I submit is that the protection given is insufficient. If it were the desire of the Government to extend to that industry that amount of support which we were given to understand by the speech of the hon. Finance Minister would be given to existing industries, that object has not been attained. Nothing less than a duty of \$1 per 100 pounds could possibly enable that industry to maintain itself, and it might be just as well without protection as with the duty now imposed. The raw material from which these wire nails are made is wire and the sources of supply are in Canada and the United States. Some of the factories draw the wire themselves and supply also the non-drawing factories. In the United States some factories go through the whole five processes, from the pig iron to the finished nails, and these large factories are thus in a position to produce the nails at a very low cost.

**Mr. WOOD (Hamilton).** Our people want cheap nails.

**Mr. MONK.** They want industries as well. The average price of nail wire in the United States is \$1.15 per 100 pounds, and in Canada \$1.42, or a difference of 27 cents in favour of the United States. Out of the 27 cents protection, about 14 cents is paid in freight on the rods from the United States, leaving 13 cents to pay duty on mill supplies, fuel and the difference between the cost of production in the Canadian and American factories. As regards the price of the nails which are made out of this wire, there is considerable difference between the prices in the United States and this country. In Ontario the price is \$2.42 per 100; in Pittsburg, U. S., it is \$1.50; in New York it is \$1.55; in St. Louis, \$1.70; in Chicago, \$1.60. But the best method of comparison is to take the price ruling in the province of Ontario, where is a larger number of nails used than in any other province, and which is also nearer the centres of American production, and compare that with the price in Pittsburg. The difference is 92 cents, but the American nails are of a heavier calibre, and consequently in a hundred pound American keg there are fewer nails than in a hundred-pound Canadian keg, so that an allowance of 15 per cent can be generally made. The actual difference, therefore, taking into consideration this percentage, would not be 92 cents, but 68 cents. When the duty was \$1 per 100

pounds, the difference in price was 92 cents, but if you allow 14 cents for the freight on the rods for the wire mills, and 13 cents protection for the wire-drawer in this country, and 15 cents for freight on the wire to the nail factory, which is a fair allowance, and 20 cents for the margin to the jobbers who handle the nails and sell the goods, you arrive at a total of 62 cents, leaving a margin of 30 cents to pay the duty on all supplies and the fuel and the difference in cost to our manufacturers, and also to give 100 nails instead of 85 corresponding nails which you find in the American keg.

If we turn to the cost of the nails in the United States, we find that in reality the Americans make their profit on the primary process, because they cannot, it is claimed, get a profit out of the cost of the nails. The American nail averages \$1.45; but the wire from which the nail is made costs \$1.15 and the keg 10 cents, making a total of \$1.25, which leaves only 20 cents as the margin for manufacture in the United States, on which, it is claimed, it is impossible to manufacture the nails. Now, our own costs of manufacture are greater than those in the United States factories. Most of the large American factories which turn out the nails have been purchased at comparatively low prices, many of them, I am informed, at auction. That is one cause of the difference. But another is the immense production of nails in the United States. They turn out over six million kegs of wire nails every year, against 200,000 kegs in Canada. Some American factories turn out as many as 3,500 kegs every day, the demand being so great that they are able to work for a long time—some factories, even, as I am informed, exclusively—on certain sizes of nails, rendering the cost of production much less. And, as I have already intimated to the committee, the Americans take their profit upon the earlier processes, of which there are five. Now, what I submit to the Government and the committee is this: If the object of this tariff is to save this industry, this does not attain it, because, with 60 per cent duty, the industry cannot possibly continue.

**Mr. TAYLOR.** Not 60 per cent.

**Mr. MONK.** Three-fifths of a cent per pound or 60 cents per 100 pounds. Nothing less than one cent per pound, I am informed, will enable this industry to go on. It would be better, if the industry is destroyed, to wipe out the duty completely. But, as I understand, that is not the intention of the Government. In regard to many industries, the Government have carried out what was foreshadowed, and the duties have been maintained at a point necessary for the carrying on of the industry. Why should there be any discrimination? Why should not this industry be saved as well as others, particularly if