

for anyone else to ascertain that cost with any accuracy from the data obtainable in the shop. It was clear that under the conditions that obtained the Government was, from day to day, sustaining unnecessary loss by Government operation, and that free labor was thrown into competition with prices lower than anyone in business on his own account, and with a full knowledge of the trade, would make them. To discontinue the operations of the north shop was impossible if we would have any regard to our duty to the prisoners. We had already discontinued the manufacture of brushes and brooms, and thrown a large section of the population out of work, and the question was even then how to employ the men.

#### MUST MOVE CAREFULLY.

To plunge hastily into possible solutions would have been neither good business nor good politics. It was imperative that the men should be kept at work, and we decided if proper terms could be obtained from responsible parties in the trade, to have the work carried on under contract rather than under Government operation.

We took the matter up with Taylor, Scott & Co., and the result was the contract ratified by this House last session. I shall not detain the House with details of that contract any further than to say that for the labor furnished under it we have obtained during the last six months of 1906, and are obtaining now, 4 cents per hour per man for most of that labor, and for the balance 5 cents per hour per man, as per the terms of the contract, and that the contract to date had netted in cash to the treasury of this Province more per man than any other contract that the Government of the Province ever entered into, or than was ever realized by this Province from Government operation.

More than that, the contract has been carried out to the letter by Taylor, Scott & Co., and instead of a succession of defalcations, with loss and litigation at the end, not a payment to date has been twenty-four hours overdue.

#### CAUSE FOR OBJECTION.

It is true that the contract has been objected to, but it is equally true that the principal objector was himself a manufacturer, who profited very largely from the low sales under Government operation during the last long years without any objection on his part to prison labor contracts, and who objects now principally because he no longer profits at the expense of the Government from the work done there. It was urged as well that Taylor, Scott & Co. were underselling the market, and thereby putting their goods in unfair competition with the goods of free labor, but the fact is that Taylor, Scott & Co. are putting those goods on the market at prices far in advance of prices obtained under Government operation. Not only that, but it can be amply shown to the satisfaction of some of the very men complaining, that other manufacturers in the Province of Ontario are selling goods in similar lines, manufactured by free labor, at lower prices than obtained by Taylor, Scott & Co. The contract not only in this, but in other ways as well, has reduced rather than increased the competition with the free labor of this Province. Let me instance: Under Government operation there was sold in this Province in round numbers three times the quantities of goods from the north shop