

Columbia, I find that the American states increased 16.06 and the Dominion of Canada increased 17.03 per cent. in population, according to the last census, so that when we make a proper comparison between the Dominion and the older and more settled portions of the United States, we find we have more than held our own. Now, the complaint has been made that the National Policy has not done its duty, because times have not been so brisk as they were in 1882-83. But, as I said before, if we compare the position of trade in Canada with the position of other countries—in the United States, and Great Britain, for instance, we will find that our position is better than theirs, and we can gather from this, that but for the National Policy ruin and bankruptcy would have been upon us. It is in times when there is great depression in surrounding countries, when there are over-production and slaughter in prices of goods in those countries, that we find the protective policy desirable and advantageous, and it has proved itself here highly beneficial in protecting us from the onslaughts which would have been made upon us by foreign manufactures. I proposed to deal with this question more fully, but I have occupied so large a share of the public time that I cannot go into it as fully as I would wish. I want, however, to give one instance to show how the National Policy is affecting the wage-earner in this country at present. All that is required for the production of cheap goods in this country, is that there shall be a market for those goods, and the larger the market the cheaper they will be. Our people are as active and as intelligent as any others, and when they are forced abroad, as they have been, they make as good artisans, with a little experience and training, as are to be found in the world. All that they require to be fit to manufacture everything required in this country, and to manufacture as cheaply as is manufactured in the United States or elsewhere, is that they shall have some training, and this they will obtain by our furnishing them with a market for their goods. Now, the manufacturer or capitalist seeks a fair return for his investment; he looks into the chances existing for placing the products of his investment; and the smaller the output he has the larger percentage he must put upon that output in order to meet the interest upon his capital and the depreciation of his plant. There is a very familiar illustration of this. You take a blast furnace which requires \$30,000 to meet the interest upon the capital invested in it and the depreciation of the plant. If the output of that furnace be 15,000 tons of pig iron, of course there must be \$2 a ton put upon the iron in order to pay the interest and the depreciation of the plant. If you increase the output to 20,000 tons, then it only requires \$1.50

per ton to pay these charges; if you increase it to 30,000 tons, you only want \$1 a ton upon it to pay a dividend, and you can sell the pig iron \$1 a ton cheaper. If you run the output up to 60,000 tons, all you want is 50 cents a ton, and you have \$30,000 raised, and the pig iron is \$1.50 cheaper than it would be with only 15,000 tons of output. The same principle holds good in all the manufactures in which we are engaged. The percentage, which must be put upon every yard of cloth which comes from the loom, depends upon the output, in order to meet the interest upon the capital and the depreciation of the plant. You must have one of two things. You must either have a large market and a large output or you must have a low rate of wages, and that means a low scale of living and a small expenditure for the benefit of the farmer. Moreover, you cannot for any considerable length of time keep men employed at a low rate of wages while across the border, in the United States, there are larger wages paid and attractions offered to draw them to that country. The intention of the National Policy is that we shall give a large market to our own manufacturers. We have not so large a market, of course, as they have in the United States, but we can give a proportionate market, one-tenth or one-twelfth in proportion to the population of the other side. David Wells, the American apostle of free trade, has been often quoted in the house, and he says:—

"Wages are labor's share of product, and in every healthy business are ultimately paid out of product. No employer of labor can continue for any great length of time to pay high wages unless his product is large. If it is not, and he attempts, it is only a question of time when his affairs will be wound up by the sheriff. On the other hand, if a high rate of wages is permanently paid in any industry and in any country, it is in itself proof positive that the product of labor is large, that the laborer is entitled to a generous share of it, and that the employer can afford to give it him."

That is what we have been striving to do in this country, and it is what we are accomplishing when we are giving a larger market to our own manufacturers, and we have the result that a larger, a more generous wage is being paid to the employees than previous to the introduction of this policy. I have not gathered any statistics, except from one company, the Canada Cotton Manufacturing company, of Cornwall, and I have a comparison in regard to that company between 1878 and 1885, with which I wish to trouble the house in order to show the result of the National Policy in increasing the rate of wages, the number of hands, and not the price of goods. In 1878, in the six months from July to December, there were 407 hands employed in that factory, who received \$47,557 in wages, the daily amount paid being \$305, and the average paid to each