

Mr. PAINT. This industry we are now asked to protect has cost some \$3,000,000, and I believe that if we continue to foster it, we will by-and-by build our iron ships in this country.

Resolution reported.

WAYS AND MEANS—CONCURRENCE.

House proceeded to consider resolutions reported from Committee of Ways and Means.

On item 1, oilcloth.

Mr. McLELAN. At the present time the duty on oil cloth is 30 per cent. It is found difficult to collect this on account of constant undervaluations, and the duty does not protect the manufacturers. This is not an increase in the duty, but it is to prevent undervaluation.

Mr. BLAKE. The proposed duty is 10 per cent and 5 cents per square yard. So collecting 5 cents per square yard will be equal to a duty of 20 per cent. *ad valorem*. The specific duty is, therefore, on this calculation, two-thirds of the whole duty.

Mr. McLELAN. The tendency of this change will be to prevent undervaluation.

Mr. BLAKE. And also to prevent the importation of the cheapest classes of goods.

Mr. McLELAN. It will prevent the very cheapest classes—at all events it will have that tendency. It will give more protection upon the low-priced goods than upon the average classes.

Mr. BLAKE. Will the hon. gentleman state what the variations in prices are; what is the lowest price of the imported article and what is the highest?

Mr. McLELAN. No, I cannot give the variations of prices.

Mr. BLAKE. A specific duty which amounts to 20 per cent. may be a very serious drawback to the importing of the low grade, and therefore give a higher protection to the manufacturers of the lower grades.

On item 3, straw board.

Sir RICHARD CARTWRIGHT. What is this supposed to represent on straw board?

Mr. McLELAN. That is on the average value of the article imported; 20 per cent. is the present duty.

Mr. BLAKE. Why is the change made?

Mr. McLELAN. It is believed that it is undervalued for purposes of duty. For years the value has been running from \$40 to \$50 a ton, and latterly lots have been invoiced at apparently below their real value. The specific duty is about equal to an average price of \$40 a ton.

Mr. BLAKE. I suppose the manufacturers here have represented that it was undervalued for importation.

Mr. McLELAN. No, the appraisers have done so; and on many occasions they have increased the valuations for duty. Three years ago the value was \$60 a ton. The average value is now \$40.

Mr. BLAKE. Then a progressive decline has been going on?

Mr. McLELAN. Yes; during the last three years it has declined from \$60 to \$50 and \$40.

Mr. BLAKE. I suppose the imposition of this specific duty is to arrest the decline as far as possible, and this is being done so as to prevent our having the benefit of greater cheapness.

On item 4, earthenware, &c.

Sir RICHARD CARTWRIGHT. This means a very considerable increase in the coarser articles of earthenware and stoneware. It may be, and very likely is the case, that there is no special increase on the medium articles, and perhaps a slight diminution on the best class; but on the inferior articles, those which come into common use, there is a decided increase.

Mr. McLELAN. On manufactured earthenware of all kinds there is a certain proportion which comes from the factory imperfect, and these goods are known as seconds and thirds. These goods are sent in largely from the United States from factories near the frontier, and they interfere largely with the legitimate manufacturers of goods on this side. A number of manufactories have been started in this country, which are turning out the better kind of ware at very reasonable prices; but the seconds and thirds from the American factories are sent across here and sold at nominal prices, and tend to injure our manufacturers.

Sir RICHARD CARTWRIGHT. This is going to be a very heavy impost on the coarser article, almost amounting to prohibition in some cases.

Mr. BLAKE. We know that seconds and thirds are also turned out by our Canadian manufacturers. The real object of this change is that our manufacturers may obtain a higher price for their common goods, that is the practical result of it. Would the hon. gentleman tell us what would 2 cents per gallon be on the prices of seconds and thirds as they sell in Canada.

Mr. McLELAN. The value of the seconds and thirds would be from 5 to 6 cents and the better class would be about 7 cents.

Mr. BLAKE. So that at 5 cents, the rate of duty would be 40 per cent.—a protection of 40 per cent. to the Canadian manufacturer of seconds and thirds which the poorer classes buy as against 30 per cent. on the dearer class. Then it is also to be remembered that with reference to these cheap and bulky goods the cost of packing and the transport very largely enhance the cost.

On item 5, rubber belting, &c.

Sir RICHARD CARTWRIGHT. What does the difference amount to on this rubber belting, hose, packing, mats and mattings.

Mr. McLELAN. The appraisers believe that this will not increase the price on the medium class. They report to the Customs Department that these goods have been greatly undervalued, and this change is to avoid frauds in the revenue.

Mr. BLAKE. That may be so, but is it not the fact that for at least two years the manufacturers have been asking him to make those changes.

Mr. McLELAN. I do not know that they have.

Mr. BLAKE. Now, application was made to the Government last year. I was communicated with during last Session on the apprehension that it might come forward, and the fact was made public that applications were being made. The correspondence I have received indicates that it is not only the suggestion of the appraisers, but it is also the suggestion of the manufacturers, that has induced this change.

On item 6, carriage hardware.

Mr. McLELAN. That is to make the duty on carriage hardware uniform. Parts of carriages are now charged 35 per cent., but at some ports these parts are entered as hardware at 30 per cent., and it is named as carriage hardware in order to make the duty uniform.