

the things which the community wanted. He made honest goods and earned a reputation for the articles he produced. He had the good sense not to attempt to make things not suited for the market and which, with his limited equipment and the small area of the market, he knew it would be foolish to attempt to make, articles of a very advanced character. But he made the things which for the moment served the community, and as days rolled on the community grew and his shop grew with it. He enlarged the field of operations; his reputation for making honest goods at fair prices helped to build up his industry. By and by sons came to him and joined him in the factory, and their youth and energy enlarged the scope of its operations. The shop was enlarged; new machinery was introduced; more help was added, and so growing with the growth of the community, there were built up legitimate manufacturing industries in many parts of Canada. That was the development of manufactures in a legitimate way.

And now the times have changed. We have had another way of developing manufactures, and it will not be unprofitable for us if we look at what the results have been in many cases. The old fashion workman never dreamed of asking bonuses, exemptions, or favours or anything of that kind; he expected to pay his way like a man and to earn every cent he got. But now under the high tariff policy the first step in the direction of a new factory is to have the bonus hunter set out on his way. He expects to receive as a matter of course exemption from the taxation which every other citizen expects to pay as a matter of course. Not content with having an Act of Parliament to license him to charge high prices for his goods, he thinks the city, town or village must give him further help by way of a site for his factory or by some grant of that kind; and if perchance the people of the town shake their heads and do not think they should help him in that particular way, he will remind them that there are other towns quite ready to do so and he will intimate that if they do not grant the bonus, the rival town not far away will grant it. And so this system of protection, always selfish, always greedy, sets these two towns by the ears to bid against one another, to be rivals and jealous of each other, instead of cultivating those friendly relations which should exist. Then the factory is built in one town or the other. If it is fortunate enough to have a market for its products, if the business has not been overdone, undoubtedly for a short time this factory will prosper, and it will take advantage, I am sure, of the high tariff and charge the consumer every penny the law will permit. For a little while this will go on, and then we will reach the next stage of the protective movement; then we will reach the stage at

which excessive competition comes, the competition which results from over-production at home. After a short struggle it will be discovered that his factory, heralded with such a flourish of trumpets, can no longer find work for its people or a market for its goods; so the factory closes up, and the workmen in whose interest we were told the National Policy was framed may go abroad and find work as best they can. Has not that been the history of many a National Policy factory in Canada?

Some hon. MEMBERS. Hear, hear.

Some hon. MEMBERS. No, no.

The MINISTER OF FINANCE. Then we pass on and reach the next stage, which inevitably follows the stage of over-production. Then the big manufacturer comes in and buys up the little factory for a song. The stockholders, many of whom are generally people of small means, have to suffer the loss of their investment, and the factory, then in the sheriff's hands, passes into the hands of some wealthy manufacturer, who will be willing to pay therefor in order that he may control the market with the products of his larger factory. We have had that development, and all over Canada we have had complaints of that condition of affairs, which was referred to in the Liberal platform as the "development of monopolies, trusts and combines."

I submit that the development of the olden times, if it was slow, was a more wholesome development, and that there is a better chance for the development of manufacturing enterprises in the end under a moderate tariff than there is in the end under the high tariff policy. The big fish will eat up the little ones. Under the National Policy the small manufacturers were driven to the wall; the large ones may hold on for a while, but even for them in most instances the end comes, because the whole business rests on an artificial basis. I say, therefore, that the manufacturing interests of Canada should not be misled by the cry that they are identified necessarily with the success of a high tariff policy, and I believe many a manufacturer has now made up his mind that it would be better for him if we had a very moderate revenue tariff than the artificial condition brought about by the National Policy.

Let us remember, Sir, that the protectionist had more than the advantage of the rate of duty imposed on the articles he manufactured. Nature is to a certain extent a protectionist, because she has placed advantages in the way of the home manufacturer. In the first place, he has the advantage of what I may call convenience. It is more convenient to buy things at home than to send abroad for them, and other things being equal, any one in Canada would prefer to buy them at home. Then he has