

States passed away and slaughter sales ceased. The change in the United States that brought about a great revival there and in Canada took place in 1879. But even without an improvement in the business of our cotton mills such as a revival in trade was sure to bring, they did not need additional protection. The Hochelaga mill made 27 per cent. upon its capital in 1878, and it is believed that none of our cotton mills made less than 10 per cent. that year.

Since the change in the tariff Canadian cotton mills have made profits so enormous that the attempt in many instances has been made to conceal the amount by watering stock and applying earnings to enlargement of capacity.

The Hochelaga mill had a capital of \$400,000 in 1878. The stock has since been watered by one-third the original amount. The cash dividend the last few years has been 10 per cent.—equal to 13½ per cent. on the original amount. Since the new tariff the mill and machinery has been doubled and then trebled out of the earnings. The watered stock is worth \$275, and the actual net profits on the real *bona fide* capital of \$400,000 is 50 per cent. per annum.

The Valleyfield mill, which has not been in operation as long as the one in Hochelaga, was started with a capital of \$374,000. That stock has been watered up to \$500,000. The dividend last year was 20 per cent., equal to 27 per cent. on the actual cash stock, besides which \$23,000 was set aside to rest account and \$15,000 spent in improvements and additions, thus making the actual net profits on the original stock 37 per cent. The stock of this company is worth 187, equal to \$215 on each \$100 of the actual cash stock originally invested.

The discussion upon the motion clearly proved that the duties upon cottons and woollens are unequally distributed and bear harshly and cruelly upon the poor. The plea of necessity cannot be raised, for we have a large surplus revenue. The cotton manufacturers are not entitled to the increased protection mainly at the expense of the poor and the middle classes, for their profits were high enough before the duties were raised and are now enormously and unjustly high. The amendment asked for the redress of a grievance affecting the great mass of the population of Canada, and in the interest of justice and fair play it should have been granted without a dissenting voice. It was rejected by a strict party vote. Yeas, 52; Nays, 118.

## PROVINCIAL RIGHTS ASSAILED.

### Disallowance of the Streams Bill

The fullest liberty of action by the Provinces, within their true constitutional limits is the only safety of the Federal system of Canada. The British North America Act of 1867 was a solemn compact, under which local control over local affairs was guaranteed. Under that Act the Dominion Government has no more right to interfere with the constitutional legislation of the Provinces than a Local Government would have to interfere with the legislation of a municipal council. When the question of Confederation was under discussion the necessity of allowing the fullest liberty of action to the Provinces within their own jurisdiction was frequently pointed out, and no sooner had we entered upon a trial of the new system than the propriety for defining the conditions upon which local legislation would be interfered with became apparent.

On the 8th of January, 1868, Sir John Macdonald prepared a State paper in which he dealt with the question of disallowance as follows:

"In deciding whether any Act of a Provincial Legislature should be disallowed or sanctioned, the Government must not only consider whether it affects the interest of the whole Dominion or not, but also whether it be unconstitutional; whether it exceeds the jurisdiction conferred on the Local Legislature, and, in cases where the jurisdiction is concurrent, whether it clashes with the legislation of the general Parliament.

"As it is of importance that the course of local legislation should be interfered with as little as possible, and the power of disallowance exercised with great caution, and only in cases where the law and general interests of the Dominion imperatively demand it, the undersigned recommends that the following course be pursued:

"That on the receipt by Your Excellency of the Acts passed in any Province, they be referred to the Minister of Justice for report, and that he, with all convenient speed, do report as to those Acts which he considers free from objection of any kind, and, if such report be approved by Your Excellency in Council, that such approval be forthwith communicated to the Provincial Government.

"That he make a separate report or separate reports on those Acts which he may consider: