

Sir LEONARD TILLEY. Yes.

Mr. BLAKE. Which would make 63,000 tons for consumption; and that would include charcoal and the other pig?

Sir LEONARD TILLEY. Yes.

Mr. BLAKE. With that there were 7,000 tons of charcoal imported, and he calculated, I presume, about 5,000 tons of charcoal made.

Sir LEONARD TILLEY. Yes.

Mr. BLAKE. I understand from his calculations that about 12,000 tons of charcoal were consumed in the country, and about 71,000 tons of the other pig iron. Then he calculates that Londonderry will make 30,000 tons, which, with the other pig iron, will be very nearly half the whole consumption in the county of that description of pig iron. How many new industries, under these circumstances, does he expect will be obtained?

Sir LEONARD TILLEY. When you get pig iron, you don't use it all as pig, for the purpose of stoves, &c., but they convert it into plates, bars, &c. Therefore, it is not confined simply to the 81,000 tons used in the shape of pig-iron; but when it is once manufactured, and in pig, then no doubt, it will be manufactured into bars, round and square, into sheets and various other things for mercantile purposes; and, under these circumstances, it will not be confined to the 81,000 tons of pig iron. It is intended to extend this to bar iron and all that kind of thing, but the bounty will be paid on pig iron which is produced, and then they convert it into other things.

Mr. BLAKE. I asked the hon. gentleman how many new industries for the production of pig he expected would be established?

Sir LEONARD TILLEY. We do not know that. The consumption is increasing largely, and I think I may safely say that 150,000 tons may be very shortly required, providing they convert it as they will into bars, nail-plates, and other purposes—perhaps 200,000 tons. That is my calculation. But it is impossible for any person to estimate what the results of industries of this kind will be when they are thoroughly developed.

Mr. BLAKE. No; but when it is proposed, out of the taxes of this country, that there shall be paid \$1.50 a ton for the product, it is of some degree of interest to know what the charge on the public revenue is likely to be. No Finance Minister who knows his business as the hon. gentleman does, would have brought down a proposition of this kind without having made a calculation with the same degree of precision and information which he had with reference to the product at Three Rivers, as to what the probable charge upon the revenue would be. The hon. gentleman has just stated that 150,000 tons will be shortly made, or that the quantity might run up to 225,000 tons. I ventured to ask the hon. gentleman what his expectations were, and he has told the House, in reply, that it is impossible to calculate what the whole extent of the output will be. The hon. gentleman rightly observed that the product would probably not be limited by the estimated amount of pig iron produced in the country, because there is a large quantity of pig iron produced by the Londonderry Company, and I understand a very large portion is converted by themselves into bar. Is that so?

Sir LEONARD TILLEY. They convert a portion of their product into bar, and sell it in that condition. The quantity of bar iron imported last year was 44,472 tons; and, therefore, taking the whole quantity imported and manufactured during the last year, it would amount to 125,000 tons of pig, bar, square and round.

Mr. BLAKE. That is on the supposition that we manufacture here all the pig, and make all the bar iron we use?

Sir LEONARD TILLEY. That is taking the pig and square and round bar, because that is likely what they would first manufacture. No doubt we may make nail-plates and other plates, but the leading articles will be pig and square and round bar. I have looked into that matter to see exactly what will likely be required, and I find that 125,000 tons was required last year.

Mr. BLAKE. Then the hon. gentleman stated that he would not expect for some years the production to overtake the demand, and, therefore, the price will be increased; and that is given as a reason why he proposes to give an additional bounty, instead of a duty, in order not further to burden the various manufacturers dependent on the supply of pig and bar as the raw material. For the purposes of this discussion, it is conceded that at this time the duty on pig operates to increase the price of the imported article.

Sir LEONARD TILLEY. As regards pig we have never said anything else.

Mr. BLAKE. The hon. gentleman says that now. The hon. member for East York (Mr. Mackenzie) called the hon. Minister's attention recently to a circular sent out by manufacturers of merchant bar iron. I suppose the hon. gentleman has seen it.

Sir LEONARD TILLEY. No.

Mr. BLAKE. I will read the circular which has been distributed in print. It is signed "Ontario Rolling Mills Company, Hamilton, Ontario; Scovil and Purdy, St. John, N.B., manufacturers of merchant bar iron," and it is as follows:—

"We call your attention to the proposed re-adjustment of the Tariff, and beg to submit for your information that, before Confederation, the Tariff on bar iron in Ontario was 30 per cent., with no duty on the raw material, and that the Tariff on bar iron under the National Policy is 17½ per cent., less one to two dollars duty on scrap, &c., leaving a protection of about 12¼ per cent. only until the present re-adjustment, an inadequate amount to compete with foreign iron of general merchant sizes as used by the public. Under this policy, only three Canadian mills attempted to compete with England, &c., in general merchant iron; two of these mills use scrap iron exclusively, and the other one uses pig iron, which they make from the ore. It is now proposed to give the pig iron makers a bonus of \$1.50 per ton on all the iron made for a certain time. This bonus is equal to nearly \$1.87 per ton on bar iron, as it will take nearly 1¼ tons of pig iron to make a ton of merchant bar iron, and it is intended to give us this third concern the benefit of this, to the exclusion of the other two, who have been as well endeavoring to meet the same unremunerative markets with the expectation and promises of Tariff assistance as soon as the National Policy was, after consideration accepted by the Canadian people in the last General Elections. We ask you as legislators to see to it that this injustice is not done us, and to see that the other establishments who have been endeavoring to compete with the imported merchant bar, receive an equivalent to the bonus, as well as the makers of merchant bar iron made from the pig metal, thus putting us all on the same footing. We would further call your attention to the fact that it is just as important to encourage and build up the manufacture of bar iron for general purposes as it is to encourage the manufacture of pig iron alone, as a very large part of the market for pig iron should be from these bar iron makers, and is everywhere else, and will be in Canada if you will see this matter righted and justice done. We would also refer you to the Tariffs of other countries to show that the more advanced an article is in manufacture (that is, that the more labor spent on it) the more should be the Tariff, to be in proportion to the cost of the raw material. This will not be the case as it is now proposed with iron in Canada, as pig iron is to have a bonus of \$1.50 per ton, with the present duty of \$2, equal to \$3.50 per ton in all,—on say a valuation of \$15—would be equal to nearly 22 per cent., while bar iron, costing more than twice as much for actual labor spent, has only 17½ per cent. All bar makers outside of the furnace owners, under the proposed Tariff, must go out of the business if you don't see this matter righted. We trust you will see the injustice of the proposed adjustment, and amend the Tariff clause to include a bonus or equivalent on 'general merchant bar sizes of iron made from other raw material than pig iron in Canada, and competing in the same markets.'"

I think the duty on scrap is proposed to be taken off, so the observation on that point does not apply to the present proposal.

Sir LEONARD TILLEY. I had neither read that circular, nor heard it read before. What is their proposition? It is this: That by giving \$1.50 as bounty to the producers