

Hochelaga HII, B, H, and the analogous brands of Cornwall AC and Dundas are most in consumption, and in them the average increase over January, 1879, was 21.51 per cent.; over May, 1879, 14.13 per cent.; and over the average of the whole year 1879, 17 $\frac{2}{3}$  per cent. The average increase in the price of all these brands, making allowance for the proportion consumed of each brand, in December, 1881, over the price in January, 1879, was 17.95 per cent., and over the price for the whole year 1879, 14.35 per cent. These results are derived from the mill lists. I do not interfere with the terms for cash, but I have taken the trade discounts, which, in the early portions of this period, were allowed on the mill prices, and I have reduced them to net terms, subject to the usual credit. The prices to which I have referred of the various classes of goods are perhaps material to be given in detail, at rate for the month of January, 1879, for the average of the year, and for December, 1881. The brands I have referred to are consumed in about these proportions: 15 per cent. of the first brand, 15 of the second, 40 of the third, 20 of the fourth and 10 per cent. of the fifth. There are some other brands of which, however the consumption is, relatively speaking, insignificant. The prices of Canadian greys at the Hochelaga mill are quoted as follows:—

	Jan. 1879	May, 1879	Year 1879	Dec. 1881
G.....	5,781	6,012	5,881	6,625
H.....	6,240	6,475	6,338	7,125
HH.....	7,170	7,630	7,408	8,625
XX.....	8,095	8,556	8,325	9,375
XXX.....	8,550	9,020	8,752	9,875

The prices of the Cornwall goods and the Dundas goods, with which I shall not trouble the House in detail, show the general results, with certain variations, producing the general averages I have given. Now, you will observe that Mr. Gault's letter, upon which the hon. Minister relied, gives the average price of Canadian goods in 1879, as 28 cents per lb., and for December, 1881, as 28 $\frac{1}{2}$  cents per lb., being an increase of only 1.80 per cent. The increase, as ascertained by these figures, is no less than 14.35 per cent., and that is the real measure of the increase in the cost of grey cottons between 1879 and December, 1881. Now, the duty, as I have proved to the House, is a little over 30 per cent.; it was 17 $\frac{1}{2}$  per cent.; the increase in duty is therefore 12 $\frac{1}{2}$  per cent., and the manufacturer has increased his price to the extent of the duty, and a little more; while the duty has increased 12 $\frac{1}{2}$  per cent., the manufacturer's price has increased 14.35 per cent. To pause here and enquire what the effect on the Canadian people would have been, supposing a like increase had taken place in the cost of all Canadian cottons to that which has taken place in the cost of brown cottons, the increased cost on the cottons manufactured from last year's imports, assuming 1,000,000 lbs. or more of raw cotton to have been manufactured, would have amounted to about \$625,000 over the cost in 1879. The next question to be disposed of is, how near the makers do, in fact, go to the duty point. I have already shown that the manufacturers have increased the cost of cotton to an amount more than commensurate with the increase of the duty. Now, how near do they go to the duty point? I say they go as near as they dare; that is natural and reasonable. The duty was put up in order that they might raise their price—in order that they might have an advantage; I say they take all the advantage they dare take of it, and Mr. Gault admits that. Fortunately, we are not met here with the statement that there is any patriotic or philanthropic feeling on the part of the manufacturers

which induces them to take any less advantage than they can take; but, this gentleman says they do go as near the duty as they dare. I will give you his own words:

"You will see that the manufacturers are not really availing themselves of the extra cent per square yard, the principal reason being that they require to be this much below the regular market price of the United States trade to prevent enough odd lots coming in to disturb the market."

That is, they go as high as they can without allowing odd lots to come in to disturb the market. But there is no question of reasonableness of price or of consideration for the consumer. Nay, more; there is no question about the dealers' legitimate profit; there is no question about the wholesale merchants' or the retail merchants' legitimate profit. The arrangements are such that these profits are absorbed by the miller. There is an amusing statement in Mr. Gault's letter on this subject. He says:

"It is worthy of remark that nearly all the wholesale houses, as well as retail, sell Canada manufactured cotton to their customers at or about the mill price, certainly in few instances in which more than 5 per cent. profit, while imported goods of the same class usually pay 10 or 15 per cent. profit, customers getting the advantage of the close competition between the dealers."

Sir LEONARD TILLEY. Hear, hear.

Mr. BLAKE. The hon. gentleman cheers it. Is it for philanthropic reasons that the dealer retails or sells it that way?

Sir LEONARD TILLEY. The consumer gets the benefit.

Mr. BLAKE. Not so. It is because the manufacturer takes the whole profit in his dealings. Goods must be sold at a living profit; but, as Mr. Gault says, the Canadian goods are sold at cost by the wholesale merchant and retailer. Now, even cotton manufacturers do not sell their goods for love. They sell them to make money; so the wholesaler, so the retailer, and this is certain that the wholesaler or retailer must get on his average sales a living profit, or advance, or else he will get into the Bankruptcy Court, if there is one, or into trouble if there is not. What he does not get in cottons, as what the grocer does not get sugar, he has got to make up from the consumer on other classes of goods. It is no advantage to the consumer, when a certain average rate of advance must be obtained by the middleman, in order that he may live, to be told that a particular article is sold at cost; he will have to pay more for some other article to make up the difference. What happens in this case is, that the cotton manufacturer, absorbs not merely his own share of the profits on cotton but also the share of those who intervene between him and the consumer; and, therefore, the consumer not paying to the middleman a profit on this article, has to pay to the middleman on other purchases his living profit in the prices of cotton and other articles as well. The consumer must pay in the end as much as will enable the middleman to live, on his average transactions. The manufacturer gets the whole profit, the mills have a perfect monopoly at present on many of these goods, securing their own prices and terms; and the question, being reduced to a purely business question, is—how near do the mills go to the duty point without permitting odd lots, as Mr. Gault says, to come in and disturb the market? That is the question which agitates and disturbs their minds. The duty is on the average over 30 per cent.; to that is to be added the advantage from freight, which, so far as the American goods are concerned, is of course a varying one, dependent on the market for consumption. It may take as much to carry goods from Boston to Toronto, as from Montreal to Toronto; and therefore there would be no advantage to the Canadian manufacturers of Montreal, over the American manufacturers of Boston, in the way of freight; but no doubt there would be some advantage, even