

and machinery. This remains precisely the same whether the machinery is in full operation or not. Raw materials can be purchased more cheaply in large quantities than in small quantities. The expenses of office management and of travelling salesmen are less in proportion when the output is large than when the output is small.

It stands to reason, then, that if, owing to insufficient protection, foreign manufacturers bring their goods into this country and share the limited market with our home manufacturers to such an extent that the latter have to run at half their capacity it will not only injure the Canadian workmen, who will be thrown out of employment, but the profits of the manufacturers will be cut down without any decrease in the price to the consumers. But if by increasing the protective tariff we can enable the home manufacturers to double their present output they can afford to increase the wages of their workmen, lower prices to the consumers and still make more money than they now do.

It is true that a large importation of foreign goods during a period of depression may temporarily cause a reduction in prices to the consumer, but the experience of both the United States and Canada under low tariffs proves that when the home factories