ment to prison labor, then why not use machinery that would require more hand labor, and thereby give more employment to the prisoners. In this way the prison labor could be used, without coming into such strong competition with free labor. The present system of equipping the prison industries with improved machinery and hiring out prison labor is inconsistent with the policy of excluding prison manufactured goods from this country.

"In looking over **the prices of piecework** on the various goods mentioned **in the present agreement,** we notice that they **range from one-fifth to one-third of the cost at which these same goods can be manufactured by paid labor,** and that the basis on which these piecework prices are made is prison labor at 3 cents per hour, which is less than one-fifth of the price at which unskilled labor can be had in the market. We also notice that the Central Prison prices include, not only labor, but all general expenses, and the only item entering into the cost of production, which Taylor, Scott & Company have to supply, is their raw materials. All this gives them a great advantage in the sale of their goods, for they can place, and are placing these goods on the market at a very much lower price than any other manufacturer. In addition to the piecework prices arranged by present agreement, Clause 3 therein gives the firm of Taylor, Scott & Company the right to manufacture 'other products in the manufacture of which the use of machinery or tools of an unduly hazardous character is not required.' Under this clause, the company can manufacture almost any line of wooden goods, and in this way would compete with almost every factory manufacturing wooden goods in the Province of Ontario."

The Government thus furnished to Taylor, Scott & Company 100 men who worked for 3 cents per hour, or 30 cents per day of ten hours. If unskilled and semi-skilled labor was worth from $1.50 to $3 per day during this period, surely convict labor ought to be worth at least $1 per day. If so, the Government made a present to Taylor, Scott & Company of 70 cents per day on each of 100 men, and this, for 300 days, would mean a gift annually of $21,000, to say nothing of the fact that the company paid nothing for the use of buildings, workshops, machinery, railway yards, etc. The present Government, in addition to unfairly bringing prison labor into competition with free labor in the manufacture of extensive lines of woodenware, practically made a favored firm the present of at least $27,500 per year. Why did they do this?