

It was charged with these sums. Hitherto they have not been much, they have been much in the aggregate, but in any one year up to the present time the amount has not been large enough to become a matter of any considerable consequence. But with the prospect of having to pay very large sums now and for several years to come for that service, I think the House will agree with me that it is time there was a change in the method of book-keeping. I propose, therefore, that hereafter, beginning with the 1st of July next, whenever payments are made in the way of bounties on iron and steel, they should be paid directly from the treasury and should be shown in the public accounts in that way, instead of appearing in the Auditor General's Report, which is the only place you can conveniently find them, as a refund of duty, which is of course entirely incorrect. Now, I think the House generally will agree with me that this is a wise policy. There is one other point in connection with the matter. If these bounties were to be paid continuously from year to year as part of our ordinary expenditure, we should of course have to charge them against the revenue of the year, they would have to be charges against income. But the House is aware that we are treating this as a temporary subsidy for the establishment of a great industry, and we propose that that should cease to exist this year in a short time—in six years from the 1st of July next. We propose, therefore, to treat this precisely as we do a railway subsidy, and that it should appear in a statement of the public accounts exactly as a railway subsidy now appears. That will make a slight change in some comparisons that are occasionally made. If we want to be absolutely exact in our calculation with respect to customs revenue and with respect to surplus and deficit, a careful note must be taken by those interested in such discussions, and it will be admitted that it is better that we should make a change in the way I propose than that we should go on paying large sums of money, one million, two millions, some persons say three, four or five millions, in the way that it has hitherto been paid, thus diminishing our apparent customs revenue, instead of paying it as a direct charge upon the country.

Mr. WALLACE. Will it be charged to consolidated revenue fund?

The MINISTER OF FINANCE. It will not be charged to consolidated revenue fund.

Mr. WALLACE. Why?

The MINISTER OF FINANCE. It will be treated as a railway subsidy. We have treated railway subsidies, not as chargeable to the ordinary revenue of the year, but to a special revenue, and not as if it were to become an ordinary and annual charge. If it were a continual charge it would be perfectly right to charge it against the consolidated fund, that is, against the ordinary expenditure of the country; but as it is to be a special charge, existing only for a short period and designed as a subsidy for establishing a great industry, we propose to treat it exactly as the grant of a similar sum of money for the encouragement of a railway.

Mr. WALLACE. Then we understand it will be charged to capital account?

The MINISTER OF FINANCE. Well, the book-keepers make a fine distinction, which perhaps neither my hon. friend nor myself clearly see, between capital account and railway subsidies. Perhaps the theory upon which that has been done is this: That if you make a public work, even though it is only a hole in the ground, it belongs to the Dominion, but a subsidized railway does not belong to the Dominion. That is the theory, at all events. We do not call it, technically, capital account. It is charged to a special account, but in the sense which the hon. gentleman has in his mind it is capital account, inasmuch as it is not charged in the ordinary expenditure of the year.

#### TARIFF—BEET ROOT SUGAR INDUSTRY.

I do not propose, Mr. Speaker, to make any changes in the tariff. In saying that I do not for one moment assume that the tariff is perfect, I quite realize that imperfections may be shown, I realize that here and there some special interest would be pleased if we were to make some change. I am not prepared to say that there are not some cases in which there are inequalities which might better be remedied. But there are not many items in the tariff which can stand absolutely alone. Occasionally, a