

the manufacture of beet-root sugar. That exemption expired on the 1st of April. We propose to renew it for another year up to the 1st of July, 1904.

With a view of encouraging alluvial gold mining in the Yukon district, we propose to ask the House to place on the free list until the 30th of June, 1904, machinery and appliances of a kind not made in Canada for exclusive use in alluvial gold mining.

I think I have now stated all the changes to be made in the tariff.

Mr. MACLEAN. Woolliens.

The MINISTER OF FINANCE. There is one other change which is not included in my resolutions, but which will come later. There is a provision in the Customs Act that we may admit free of duty certain articles for the use of manufacturers. I suppose the principle should hold that the greater includes the less; and if we could take the duty off altogether, it would seem to be a sensible inference that we could take off part of it. However, the Act is not so interpreted. If we want to give the manufacturer absolute freedom of duty, we can do it; but if we think that this is too much and want to give him something less it is held that under the present Act we have not power to do it. There are some curious things in connection with the administration of our tariff laws. There are cases in which it is found that the raw materials which have to be imported from a foreign country are charged a higher duty than the manufactured article made from such materials which comes in from Great Britain under the preferential tariff. With the view of meeting such a case, we propose to amend the Customs Act so that we shall not only have the power in such a case to abolish the duty, but to reduce it.

There is another matter, perhaps somewhat outside the line of the budget, but nevertheless of much importance, as to which I desire to make a short statement.

The Dominion has spent a vast sum of money in the construction of canals and in the improvement of our waterway from the great lakes to the ocean, by way of the St. Lawrence river. Some years ago, these canals had but little depth of water. It was deemed wise to enlarge and deepen them, at a very heavy cost to the Canadian

treasury. The canal system is now about complete, and we are looking to it, as well as to our railways, to carry the great volume of traffic which must pass between the western and eastern portions of Canada. Those who are most closely associated with the operation of the waterways are naturally anxious that every possible obstacle may be removed and every reasonable encouragement given for the transportation of our products through these channels to Montreal and other ocean ports. A large deputation of gentlemen interested in the traffic recently waited upon the government and urged that, with a view to giving greater encouragement to the business, canal tolls should be abolished, and the inland waters made as free to ships as the ocean is. The government have given the subject very careful consideration. There is room for some doubt whether the tolls that are charged are large enough to be a serious obstacle to the traffic.

But while these doubts exist, we do not feel that they are such as should prevent us giving the proposal a trial. The revenue involved, though considerable, is not large enough to prove a disturbing factor in these days of prosperous Canadian finances; and we would gladly yield up this item of our receipts if we could feel assured that it would have the great effect anticipated by the gentlemen who comprised the deputation. We desire to reserve our right as to future action, which may depend upon the results of the experiment which we intend to make. Subject to that reservation, I now announce that the government have determined for a period of two years to suspend the charges for tolls and make the entire canal system of Canada absolutely free to all.

This, as I have said, we will try as an experiment. We hope it may be justified, and we reserve our right as to what may be done at the end of the two years. We think that a trial of that kind will be all that those more particularly interested in this matter can ask us to do, and we do it with the desire that our great waterways shall carry the traffic which nature has destined they should carry.

I am sure, Mr. Speaker, that every member of this House and every good citizen of Canada will rejoice over the happy condi-