

advance has since been made in the manufacture of machinery and in the methods of manufacturing beet root sugar as to ensure the success of the enterprise now. I think there is something in that and that the conditions which exist to-day are such as to give that industry a fair trial if it is naturally adapted to the soil of Canada. Our customs duty, which runs as high as \$1.26 per 100 lbs. or a cent and a quarter a lb. on the highest grade of sugar, while it is designed for revenue purposes will provide an incidental protection for beet root sugar produced in the country. The competition from foreign beet sugar is likely to be less keen hereafter as it seems to be settled that the continental bounties on this article, which have so long had a disturbing influence on the world's sugar trade, are about to be abolished. In addition the Ontario government have granted a bounty of half a cent a lb. for two years and of one-quarter of a cent a lb. for the third year, but limited to \$75,000 per annum, and I understand that at least three factories are at the present moment in the course of construction in that province. They are certain to go on—one of them is already started—and I am inclined to think that a fourth is in a fair way to being erected. In addition to that the establishment of the industry is no longer problematical but it is a certainty in the North-west Territories. Gentlemen have come in from the south and are erecting a refinery in Lethbridge. With the aid which has been given in the way I have described, with the incidental advantage derived from the customs duty on sugar, with the abolition of the bounties on continental sugar, with the advantage of the Ontario bounty as respects factories in that province, and with the further advantage we have given the beet root sugar industry of the free admission of machinery and structural iron for the purposes of beet root sugar factories, I am inclined to think that there are sufficient inducements to enable the promoters to give the industry a fair trial if it is adapted to the soil of the country. I think it would be a mistake if we were to give further aid which might result in encouraging the erection of a large number of factories which might come to grief. I think it is better to encourage the industry in this moderate way, to have three or four factories in the province of Ontario and one in the North-west Territories established so as to give the industry a fair trial than that we should encourage the starting of factories all over the country which might end in disaster.

Mr. SPROULE. The right to import machinery free of duty will soon end.

THE MINISTER OF FINANCE. It will end on the first day of April, but we propose to extend that for another year. Perhaps I ought to say that there has been some objection on the part of Canadian

manufacturers to the granting of this privilege of free admission. They say that this machinery is now largely made in Canada and they do not see why we should go abroad for it. I think, however, that the reason on which our previous action was based a year ago still holds good. The argument then used was that where the promoters of an enterprise of that character wish to make a contract for machinery it is an advantage to them to be able to make a contract with one manufacturer, so that he can take the contract for the whole of the machinery, make it where he pleases, be held responsible and guarantee that the machinery will be sufficient for the successful operation of the factory. We have concluded not to propose any changes in the sugar duties, or any bounty on beet root sugar, but to extend for another year the term in which certain machinery and materials for the erection of beet root factories may be admitted free. This privilege will therefore be extended to the first day of April, 1903.

We do not propose to make any changes in the tariff this session. I do not for a moment claim that the tariff is perfect. I think, that, on the whole, it has proved a very good tariff. Indeed, when we recall the circumstances under which our tariff revision took place, when we remember the very complicated and difficult problem with which we had to deal, we may well congratulate ourselves upon our success in devising a tariff so well adapted to the requirements of the country, a tariff under which Canada has prospered in a greater degree than in any previous period in her history. I have occasionally pointed out the desirability of a reasonable measure of tariff stability. Nothing would be more likely to unsettle business than a practice of introducing frequent tariff changes. Hence, we have resisted applications for many small changes and we think it well to do so to-day. But I would not have it understood that this view can always be held. As time passes, conditions change in our own country and it will be well for us to take note of this, so that we may adjust the tariff accordingly. Nor is that the only reason that might require some change. Conditions arise in other countries of which we are obliged to take account. We do not propose that we shall stand still and that this tariff shall remain unchanged, but we think the time is not opportune for making changes at present.

There are several reasons which operate in our minds against entering upon a policy of tariff changes to-day. We have just completed the taking of a census, and while some of the results are available others of much importance have yet to be prepared. Among these are the returns of the operations of our industries. In considering the tariff in relation to the industries of the country, it is desirable that we should have