

barley for seed, and the frightfully exorbitant price which he paid for the inferior barley which he purchased, might have warned Government as to the impropriety of relying upon his judgment in this important beet sugar business.

With respect of the alleged experience in Europe of the difficulty of inducing farmers to raise sufficient beets for the factories at moderate prices, and the consequent necessity imposed upon the companies for raising their own beets, this opinion of Mr. Saunders is in direct conflict with the reports of United States Consuls, who advise their Government that the growing of beets is so profitable that, rather than accept the prices paid at the factories, in many places, beet-growing farmers formed themselves into co-operative companies for manufacturing sugar, and in this way realized for themselves the profits which would otherwise have gone to the manufacturers. The consuls say that this is the reason why so many factories raise their own beets. Apart, however, from this fact, the consideration of the constantly increasing production of beets and outturn of sugar is incontrovertible evidence that beet cultivation does pay. If the manufacturers can afford to raise beets for their factories, it must surely pay farmers to raise them at the price which it costs the manufacturers to do so.

Prof. Saunders says that owing to the "probabilities of further improvements in the quality of the cane and in the process of manufacture, it is not likely that the bounty could ever be reduced without crippling the industry." Anyone who could employ such an argument must have studied the relative improvements in cane and beet cultivation, and in the scientific extraction and manufacture of both kinds of sugar to very little purpose, if he has not discovered that the improvements in beet sugar production have largely excelled the improvements in cane, and that the improvements are being more and more perfected every year.

Prof. Saunders, in treating of the bounties on beet sugar, says: "It is not yet practicable to make beet sugar at such a price as will enable the operator, without a bounty, to compete with cane sugar;" and again: "There seems to be no prospect of the beet sugar industry ever becoming self-sustaining;" and finally he says, in speaking of the prospects for Canada: "It would require, when fully developed, an annual subsidy of \$4,000,000."

It would be difficult to combine a greater mass of misrepresentation and absurdity than is contained in these extracts. By referring to the annual report of the Secretary of Agriculture of the United States for 1891, pages 156 and 157, a clear and full report of the law in Germany as to sugar bounties or rebates is found. It shows that on August 1, 1888, the present law came into force with certain rebates, to continue in operation until August 1, 1892. The amount of the bounty varies somewhat, according to the quality of the beets worked and the percentage of sugar obtained: a tax being imposed on every 100 kilos of beet roots worked, and a rebate granted on every 100 kilos of sugar exported, the difference between these two forming the bounty. The report says: "It is thought that the present bounty or profit accruing to the manufacturers amounts to 2.12 marks per 100 kilograms." This is the equivalent of 23 cents per 100 lbs on all sugar polarizing at least 90 per cent.

After August 1, 1892, the amount of drawback to be allowed up to July 31, 1895, was fixed as follows: On raw

sugar, not under 90 per cent. equal to 13½ cents per 100 lbs; on sugar polarizing at least 99.5 per cent., 21½ cents; 98 per cent., 18 cents per 100 lbs. From August 1, 1895, to July 31, 1899, another reduction takes place, the drawbacks being lowered to 11.19 and 15 cents respectively. After 1897 it is supposed that no rebate in the form of a premium will be paid.

In the face of these facts, Prof. Saunders, whether in ignorance of the position or ignoring it, sees no prospect of a less subsidy than \$4,000,000 per annum being sufficient to sustain the beet sugar industry in Canada.

The history of the beet sugar industry in Germany affords conclusive evidence of the very great difficulties which its promoters had to encounter during the early years of its operation, and of the failure which must have resulted but for the very liberal manner in which it was aided by Government bonus, and the heavy duties imposed upon foreign sugars. Every decade showed a marked improvement in the quality of the beets grown and in the scientific process of their manufacture into sugar. From time to time the amount of bonus was reduced, but these reductions stimulated the manufacturers into improved methods, so that production has kept on increasing with marvellous rapidity, and the sugar industry of that country is not only one of its most extensive manufacturing industries, but it is now, as has been shown, practically self-sustaining. The *Sugar Beet*, of March, 1893, published in Philadelphia, reports the quantity of raw sugar produced in Germany during the season 1891-92, at 1,144,750 tons, being an increase of 200,000 tons over the production of five years previously, and this notwithstanding the great reduction in bounty which commenced in 1888.

The attitude of what may be called the free trade Government of Ontario towards this industry has been in marked contrast with that of the National Policy Government of the Dominion. For two or three years the promoters of this new undertaking applied to Hon. Mr. Drury and Hon. Mr. Dryden, then and present Ministers of Agriculture for this Province, for grants of moderate sums of money to assist in distributing seed and collecting the roots and in procuring information. Every application was generously and cheerfully acceded to, and the results of the small expenditure of time and money were so favorable that, but for the change in the sugar policy of the Dominion, there was a good prospect of forming a strong company for the purpose of erecting a large beet sugar factory. The promoters had an interview with some members of the Ontario Government, at which their reception was everything that could be hoped for, and they were led to anticipate future assistance on certain conditions which were fair and reasonable. On the other hand the attitude of the Dominion Government has been one of cold indifference, if not of actual hostility. In 1891 over 400 experiments were made on a larger scale than formerly, in the cultivation of sugar beets in all parts of this Province. The Ontario Government had paid for the seeds and the expenses incurred in their distribution. In the fall of that year application was made to the Agricultural Department at Ottawa to send some of their staff to collect the roots for analysis. The application was refused; "no funds" at their disposal for such a purpose being the excuse. Correspondence was opened with Ministers at Ottawa asking for the admission free of duty of the machinery required for the proposed factory, for