There was one incident during the past year which calls for mention in the Budget speech. In the Tariff Act of 1897 there was the following clause :

Section 18. Whenever the Governor in Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association or agreement of any kind among manufacturers of such article or dealers therein, to unduly enhance the price of such article, or in any way to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers, the Governor in Council may commission or empower any judge of the Supreme Court or Exchequer Court of Canada, or of any superior court in any province of Canada, to inquire in a summary way into and report to the Governor in Council whether such trust, combination, association or agreement exists.

2. The judge may compel the attendance of witnesses and examine them under oath, and require the production of books and papers, and shall have such other necessary powers as are conferred upon him by the Governor in Council for the purpose of any such inquiry.

3. If the judge reports that such trust, combination, association or agreement exists, and if it appears to the Governor in Council that such disadvantage to the consumers is facilitated by the duties of customs imposed on a like article, when imported, then the Governor in Council should place such article on the free list, or so reduce the duty on it as to give to the public the benefit of reasonable competition in such article.

When the section was first submitted to the House, it provided that the Governor in Council should be the body to determine when the combine existed. On further consideration, however, it was deemed unwise for the government to take to itself so large a power. It was thought that in a matter of so much importance it would be better, even at the cost of some delay, to make use of the judicial machinery for the purpose of inquiry and to limit the authority of the government to action after the report of a judge. In several instances complaints were made to the government under this clause, but upon examination they did not appear to come within the provisions of the section. A few months ago, however, complaint was made by the Canadian Press Association in terms which were found to come within the intention of the section. It was alleged that the manufacturers of news printing paper had formed a combine for the purpose of unfairly enhancing the price of the article. The matter was referred under the provisions of the section to Mr. Justice Taschereau, who held a protracted inquiry, heard all parties concerned, and finally reported that the complaint of the Press Association was well founded. Thereupon, the government, exercising the power given it by the section, determined by Order in Council to reduce the duty on printing paper such as is commonly used for newspaper purposes, from 25 per cent to 15 per cent. To distinguish between news print and other papers, it was decided that the reduction should apply to all printing paper of the value of 2¼ cents per pound or less. That, of course, means not the value in Canada, but the value for customs purposes—the value at the place of production abroad. It has been represented to us that while the purpose of the government will be effected as respects the daily journals, the proprietors of which buy in large quantities, it may not cover the case of the weekly papers, which do not buy in such large quantities. The Press Association is to furnish us with further information on that point, and if it be found that the words used in our Order in Council do not properly effect the object in view, an amendment will have to be made. I have no doubt that the results of this inquiry will be of material advantage to the publishers of the Dominion in the making of their arrangements with the Canadian paper manufacturers. Beyond this immediate result, however, the proceedings are interesting and important, and they will serve to remind other manufacturers that if they make an unfair use of any advantage which is given to them by the tariff, a remedy is open to those who will take proceedings under this section of the Tariff Act.

We have again been approached by a large and influential delegation representing the Ontario Beet Root Sugar Association to ask that a bounty be granted on the production of beet root sugar and a similar application came from Prince Edward Island. A new suggestion is offered by some of the parties connected with the movement, that the industry be encouraged by a considerable increase in the customs duty on sugar. I regret that we are obliged to take an unfavourable view of both these proposals. Sugar is an article of prime necessity, universally used in Canada, and already we have a considerable customs duty. Such an increase of the taxation on sugar as was asked would hardly prove acceptable to the sugar consumers of the Dominion, and should not be adopted without urgent reasons. Nor are we satisfied that even the best interests of the beet sugar industry would be promoted by the granting of the aid that is asked. We have to remember that some years ago Canada undertook to encourage the beet sugar industry by the granting of bounties, and that the results were not satisfactory. The capitalists who invested their money lost it, and everybody concerned in the movement suffered a severe disappointment. Naturally, in the presence of that fact, we should be more than usually careful in entering again upon a policy of granting bounties for this industry.

It is represented that the advantages of the province of Ontario, and I suppose the same will be claimed for other provinces which are raising the question, are much greater than were possessed by the eastern townships for raising beet sugar, and it is also claimed that such an