whilst the merchant imports refined sugar at 25 per cent. *ad valorem*, and one cent per pound. The only margin for profit, therefore, is on the refining of sugar which pays $\frac{3}{5}$ of a cent per pound in addition the 25 per cent. *ad valorem*. Now, if the American refiner really gains one cent per pound by the present system of American drawbacks, which is generally believed, it is easy to see that he can afford to sell his refined sugar at almost the same price as unrefined sugar. This explains the difficult position in which the Canadian refiner finds himself.

But not so the beet sugar manufacturer, who would have no duty whatever to pay, who can produce a merchantable article of excellent quality, and who would benefit to the extent of the whole amount of 25 per cent. *ad valorem* duty and the 3-5 of a cent on imported sugar, besides the cost of importation, which amounts to about 10 or 12 per cent. on the invoice price. A protection which, as before stated, is equal to about 55 per cent. on the invoice price of sugar in foreign countries.

I may say that this essay is almost the same as that which I published in the *Journal of Agriculture*, with the exception of some useful information which I thought proper to add.

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