brought to this policy, and that was, that when we imposed an additional duty upon sugar refined in any country that granted a bounty—that is when we provided that on the importation of sugar from any country that granted a bounty, the *ad valorem* duty should be levied on the duty-paid value of such sugar, and when we increased the duty on raw sugar 5 per cent., and the duty on refined sugar 10 per cent. hon. gentlemen opposite said this was an outrageous proceeding, that the loss to the Dominion of Canada might be counted at least by a million of dollars—$900,000 to $1,000,000—and it would be better, said our friends of the Opposition, to take all the men that would be employed in these refineries, proposed to be put into operation, and board them at a hotel and pay their bill, than to introduce this policy. Now, what are the facts that have developed during these last few years? Last year, I think, certainly the year before, the ex-Finance Minister intimated that we would lose $900,000 of revenue; and the leader of the Opposition stated, here and at a public dinner in Toronto that, under the operation of this policy, we lost during the years 1879-80 $600,000 of revenue, and that the people of Canada paid $600,000 in increased price for the sugar which they consumed, so that the sugar monopoly, as he termed it, cost the people of the Dominion of Canada $1,200,000 a year. I stated in my place in the House last Session in answer to that hon. gentleman, when he said a loss of $600,000 revenue had taken place, that the returns laid on the Table perhaps justified the hon. gentleman in making the statement, because they showed that, in the year 1880, there had been $600,000 less of revenue collected from sugar than in 1879; but I pointed out that the revenue collected in 1879 was $300,000 more than it would have been, if they had not imported in January, February and March, before the Tariff was changed, $1,000,000 worth of sugar more than they usually imported in these three months; so that there would not have been an apparent loss of $600,000 if the $300,000 had been credited to that year; and, further, that from the returns laid on the Table of the revenue collected for the first six months of that fiscal year, it was clear that the revenue to be received during that year would be equal to, if not above, that collected in any previous year. What has been the result? The figures that I am now quoting can be found in the Trade and Navigation Returns, and they show this: that during the last year we paid into the Treasury for duties on sugar, $154,910 more than the average for the five years previous, and under the Tariff of the hon. gentlemen opposite, justifying the statement I made, and showing that, as far as the present Tariff is concerned, there is no loss, or comparatively no loss, of revenue, because if we add $800,000 to the value of the sugar imported, and that $800,000 is represented by freight from the West Indies, the labor in the refineries, coal consumed, interest on capital and other expenditures, and you add 43 per cent. duty collected in the year 1876-77 on the sugar imported, with the sums named added, then it would only give $40,000 more than we collected last year. There is the fact that $154,000 more were received during the last year than the average of the five years previous; so much with regard to the anticipated loss of revenue. A few words with respect to the cost of sugar to the consumer. When I made the financial statement last year I had obtained, from reliable sources, a return showing the comparative prices in New York and Montreal, when we had two refineries in operation. I stated that, as far as the prices of granulated sugar were concerned, it appeared that those paid by the consumers in the Dominion were 25 cents per 100 lbs. more than they would have been if the sugars had been imported under the Tariff of 1877-78; but I might have added, as I propose to add now, that that calculation did not take into account the profits of importers, the middlemen, between the New York refiners and the men who bought and sold the sugar here. Still I admit that as regards granulated sugar, omitting the profits of the middlemen, there was the difference of 25 cents per 100 lbs. The yellow refined sugars being much less than it could have been imported for under the Tariff of 1877. I have now a carefully prepared return showing the values during two periods in each month in New York and Montreal, deducting the drawback and adding 30 cents per cwt. as the expense of importation; this calculation does not include 50 cents per cwt. profit on transactions between the New York refiner and the Canadian consumers; giving the consumers the benefit of that also, there was still 7 cents loss charged to the people of Canada on that line of sugars than if it had been imported from New York, under the old Tariff; adding the profits of the middlemen, the saving was 57 cents per 100 lbs.; and, with respect to other refined sugars the difference was much greater. As far as the revenue is concerned, there has been no loss, and $800,000 were probably expended in Canada in refining sugars, in freights, and in cost of coal. What have we in return? I explained this very fully last year, and showed what the effect of establishing refineries had been. There are now employed 1,000 hands in the cane sugar refineries, or 1,100, including those directly connected with the beet-root sugar industry. Those men, most of whom have families, require food, clothing, tenements, and everything that the merchants, manufacturers, and farmers supply; those men are employed in this country at remunerative wages, whereas they would have removed to another country if it had not been for the policy that rebuilt those industries and placed them in motion. Then we have 400,000 tons of coal raised from the mines of Nova Scotia, giving employment to, perhaps, 1,000 men—60,000 tons of the 400,000 tons increase in the production of the Nova Scotia mines being used in the refining of sugar. Thus employment was given to the miners, a market was afforded to the coal owners, business was provided for vessels and railways, 60,000 tons of vessels being employed in conveying raw sugar from the West Indies to different ports of the Dominion, something like 90 per cent. of the whole coming direct to Canada, instead of 6 per cent. as in 1878. Employment was also given to coopers, and, in one section of the country I visited, the timber on the land had increased in value because of the demand for the particular wood used for sugar casks. Everywhere, in the extension of trade, increased machinery was required and in operation, and additional employment was given to the people. Hon. gentlemen opposite are aware that one of the refineries has not, so far, been a financial success; if it had not been for that the Moncton refinery would have been quoted as paying enormous profits. It will, however, give the ex-Finance Minister the opportunity of repeating that all those establishments will become failures when, by their increase, competition becomes keen, and loss would accrue to those engaged in them. If our policy stood alone on this question of sugar refining, which is announced as a huge monopoly, I hold that the facts I have given afford an answer to the statement and the fears expressed with respect to this matter. Now, Sir, it was alleged that this Tariff would fail either as a revenue-producing Tariff, or as a protective Tariff. What evidence have we that hon. gentlemen opposite were mistaken on that point? There are various ways of ascertaining the increase of industries as the effect of the Tariff. The one which I will now present is to show how the quantity of raw material consumed by manufacturers has increased since the adoption of this Tariff.

It being Six o'clock, the Speaker left the Chair.