

ment last Session granted a subsidy of \$48,000 per annum to a line of steamers between Antwerp and Canada and Germany and Canada. These steamers come to Montreal in summer and Halifax in winter loaded with low priced beet-root sugar at 14s. per ton freight and of course West India sugar is thus driven out of the market to that extent. For return cargo they go to the United States and on the homeward voyage call at Halifax again for a mail, which I am told is a bag with one or two letters in it. Then again, with a view, I presume, of discriminating still farther against the West India sugars, the Government, early the present year, passed an Order in Council permitting the importation of beet-root sugar from Germany on payment of duty on the cost, less the draw brack, which the Minister of Customs stated in answer to my question on the Notice Paper, was a little over 2 cents per lb., a further discrimination against the West India sugar of 55 cents per 100 lbs.

Mr. BOWELL. Does that hon. gentleman object to that Order in Council.

Mr. VAIL. I most certainly do, because the effect of it is to allow the low-priced sugars from Germany and elsewhere to be brought in to compete with our West India sugars, and the West Indies trade with us, while those foreign countries do not. Consequently the West India sugar must be sold at as low a rate as the beet-root sugar or find a market somewhere else. Now, the Minister of Customs may say it is very easy to point out defects in the present mode of testing and grading sugar, but what is the remedy for all this? My answer is that he should adopt the polariscopic test, which must necessarily be a fairer and more correct way of getting at the relative value and strength of sugar, more particularly for refining purposes, and charge duty on the actual strength, as they do in the United States. They adopted this test many years ago, and have seen no reason to change. It is the only correct mode of testing sugar. I am told the Belgian Government, some time ago, applied to the leading scientific men of Europe for their opinion as to the best method of levying the duty on sugar, and the reply was, that the use of the polariscope was the best, most correct and fairest mode that could be adopted, whereas the color test was the worst that could be conceived. I have referred to this matter at some length, and, I think, shown the House pretty clearly that there is not only a serious defect in the mode of classifying and grading sugar, which requires the attention of the Customs authorities, but I have also shown that a great injustice has been done the Halifax importers of sugar, which calls for some explanation and redress from the Government. I, therefore, hope the Minister of Customs will look into this matter and see if something cannot be done to place it on a more satisfactory basis.

Mr. GUNN. I think the change will shut out yellow sugars altogether; they were almost prohibited before. The Minister of Customs should have shown us what was the quantity imported, so that we could tell exactly where we were. I do not believe the quantity imported last year exceeded 5 to 7½ per cent., and the loss of duty on this would be from \$50,000 to \$75,000. The refiners are now paying on sugar testing 90 degrees, about \$1.25 per 100 lbs., while the American refiners pay \$2, or 75 cents more than ours. Granulated sugar sells in New York at 6½ cents, and in Montreal at 7 cents, both duty paid; that is ¼ of a cent. more we have to pay for our sugar, and we have ¾ of a cent less duty on it, equal to 1 cent per lb. loss to the people, which, on an importation of 200,000,000, lbs. alone would make \$2,000,000. The refiner is already so highly protected, that I do not think the tax on yellow sugar should be further advanced.

Mr. PATERSON (Brant). It does seem to me this is really a grant to the sugar refiners for extra pro-  
Mr. VAIL.

tection, and taking into account the protection they already enjoy, they are the last class who should approach us again. I have no wish to see the sugar refineries closed; but I say that when it was conclusively shown, in March last, that the average *ad valorem* duty at that time which would have to be paid on granulated sugar imported from the United States, was 96½; when it was proved that it could then have been brought into the country, and the importer had just cleared himself, on paying on an *ad valorem* basis of 96½: when it was conclusively demonstrated by figures, taken from reliable Canadian and New York quotations, that sugar was selling in the United States for ½ ct. per lb. less than in Canada, while the refiner in the States had to pay fully ½ ct. per lb. more duty than the Canadian refiner, I considered that a case was made out showing that the protection given to Canadian refiners was excessive. Instead now of proposing to decrease the excessive amount of protection, the Government propose to leave these highly refined sugars at the same rate, and give an amount of protection on yellow sugars to the Canadian refiners which, in my judgment, will be absolute prohibition of all foreign refined sugar. The Minister is simply delivering the whole trade of the country, bound hand and foot, to the refiners. I fear, at present, that the refiners have a combination among themselves to keep up prices. When an industry has been stimulated to such an extent that production overreaches consumption, and there is freedom of action and competition among those engaged in the trade, the price of the article may not in some cases be enhanced, but where you have the trade in a few hands and an understanding arrived at, as I believe there is among the refiners, not to lower prices, the people have to suffer. The refinery business is in the hands of four or five men, and the probability is there will not be more than four or five men engaged in that business, because there is not room for more, and that being the case the consumer will have to pay whatever price they decide on. The effect of the Tariff changes now proposed will be to give greater protection to the refiner on yellow sugars, at the risk of absolute loss to the revenue and the certainty of increased prices to the consumer.

Mr. STAIRS. I think the hon. gentleman is quite mistaken in assuming that the measure proposed will give too great an amount of protection to the refiners. He makes the mistake he always does in assuming there is no other sugar used in the Dominion than granulated. I think he will acknowledge that not more than one-fifth of the sugar is granulated, and the other four-fifths is yellow sugar.

Mr. PATERSON (Brant). This is yellow sugar.

Mr. STAIRS. Yes; but this yellow is under No. 14. and forms but a small portion of the yellow sugar of the Dominion. The member for Kingston (Mr. Gunn) fell into the same error as the hon. member for South Brant, and talked upon the increased duty which would be produced by these resolutions, and, as I understood him, he assumed that these resolutions applied to granulated sugars and to the higher classes, whereas they only touch those below No. 14.

Mr. PATERSON (Brant). He only referred to yellow.

Mr. STAIRS. I understood him to say something about granulated sugar, but I could not hear very well. If he referred only to yellow sugars, the amount affected by these resolutions could not be anything like the amount I understood him to state. This change which is being made in the sugar duties is only carrying out the policy always advocated by the party in power, and which they put into force in 1879. It is no doubt the intention of the present Government to afford sufficient protection to the manufacturers of the Dominion. In reply to the statement of the hon. member for South Brant (Mr. Paterson), as to a combination of the sugar refineries, I may say that I have had