

Mr. WALLACE. If the hon. gentleman will permit, I will point out the mistake. He has taken the lowest price and the highest price of granulated, when every one knows that there are three pounds of the lowest price sold to one of the highest.

Mr. PATERSON (Brant). Every one does not know that. I do not know it, nor, I think, does the hon. gentleman know it. Is there any higher priced sugar in Canada than the granulated?

Mr. WALLACE. Yes.

Mr. PATERSON (Brant). And yet you said I took the highest price when I took the granulated. The hon. gentleman knows that there is the Paris lump, and he knows there is the ground that is higher than the granulated; but he knows that I took the lowest quotation of granulated sugar, and he knows that it quotes from say, $6\frac{1}{2}$ to $6\frac{3}{4}$, and I took the $6\frac{1}{2}$. He knows that yellows vary a cent and a-half in price, and I did not take the highest price yellow, but I took the lowest. Even if there is a larger proportion of the yellow. I have arrived at a fair basis. But let him say what is a fair basis, for at \$2.24 per hundred pounds he will find it amounts to over four millions of money in one year that has to be accounted for. Grant that he is right, let him take the proportion he likes, and see whether it would wipe out over four millions. The Finance Minister might perhaps reply that the cost of raw sugar in his table here was the original cost in the islands, and that he has not added the duty. The duty would be very small. The Finance Minister might say that a part of that was loss and cost in refining. Granting that the proportion would still be very small, there is still a vast sum of money to be accounted for in his table, as to the cost of sugar paid to these refiners and the price they had sold it at. That would be a very useful item for the Finance Minister to include when he prepares another table of this kind. My hon. friend in answering stated that the Finance Minister had reserved some protection to the refiners, but that he had reduced it. Well, if my hon. friend will examine the point I think he will find that the relative protection is greater than it was. What is the protection the refiner has under the duty of my hon. friend?

Mr. WELDON. The hon. gentleman did not contest my position when I was on my feet. I will now show him I was right. Under the old tariff, the polariscope tariff on granulated sugar, the duty was $1\frac{1}{2}$ cents per pound specific and 35 per cent. *ad valorem*. Now, last night the prices of granulated sugar in New York were $4\frac{3}{16}$ cents. Reckoned on that basis the *ad valorem* duty would be \$1.46 $\frac{2}{16}$, which would leave the total duty on granulated sugar imported to-day under the old tariff at \$2.96 $\frac{2}{16}$ per 100 lbs. I am making my calculation on my feet and I need a little time to make it accurately. The duty under the old tariff on as much raw sugar as would make a hundred pounds of granulated sugar is \$2. It is 1 cent a pound where it tests 70 degrees by the polariscope, and then $\frac{1}{30}$ of a cent for every additional degree; 30 degrees more are needed to make pure sugar. So that the duties on so much raw sugar as will make a hundred pounds of granulated is 2 cents, and taking that basis the net protection to the refiner is 96 $\frac{2}{16}$ cents per 100 lbs.

Mr. PATERSON (Brant). I observe that the hon. member for Haldimand (Mr. Montague) ap-

plauds that statement, and if he understands it, it is more than I do; and yet I think I understand the sugar question as well as he does. I do not want to put any discredit on the figures of the hon. member for Albert (Mr. Weldon), but his calculations are very involved.

Mr. WELDON (Albert). I wish the hon. gentleman had challenged me before, and I could have answered him in the course of my speech.

Mr. PATERSON (Brant). I do not object to the interruption, because in a question of this kind, which is a business calculation, I am willing to admit a man might be wrong; but it is easier to take the question on the basis on which the Minister of Finance put it in his speech. The average protection the refiner had under protection was the difference in the duty he paid on the raw material necessary to make a pound of refined sugar and the duty placed on refined sugar. The protection given to a refiner or to any manufacturer is the difference between the duty on the raw material he uses and that on the finished article he produces. The Minister of Finance says the protection to the refiner was under the old tariff 1 cent per pound. Now, he says: I have reduced it to $\frac{1}{16}$ of a cent per pound. I should like him under this calculation to explain how it is he claims that he has reduced the protection to the refiner, when he says that all the protection the refiner had under the old tariff was \$1 per 100 lbs. and now it is 80 cents. I contend that the refiners are in a better position than they were before. It is true the Minister of Finance may say that this is 20 cents per 100 lbs. less than before. But there are other circumstances to be taken into account in determining the amount of protection given to a manufacturer. The prices of sugars in the United States have fallen from 6 cents for refined to 4 cents. The refiner in Canada had a protection under the old tariff of 1 cent against 6 cents. The refiner now has a protection of $\frac{1}{16}$ of a cent against 4 cents; so that now the Canadian refiner has a protection of 20 per cent. against 16 $\frac{2}{3}$ per cent. he had previously. Accordingly, the refiners in this country are absolutely in a better position and are enjoying more protection than they were before. If the Minister of Finance gives a protection of 80 cents on an article costing \$4 he will have to give a protection of \$1.20 if the article costs \$6 to make the protection equal; but the Minister of Finance admits that it was only \$1. I, therefore, say that in the present arrangement of the tariff still greater protection is given to the sugar refiner than before.

Mr. WOOD (Westmoreland). Do we understand the hon. gentleman to say that under the old tariff the duty would be charged on the price of refined sugar in New York, or on the price of that sugar in bond in New York? The hon. gentleman is calculating the duty on the price of refined sugar in New York with the American duty paid. If that sugar was exported to Canada it would be exported at the price in bond, and duty would be calculated on the same footing as now.

Mr. PATERSON (Brant). Will the Minister of Customs say that? The hon. member for Westmoreland (Mr. Wood), although he comes from a county which has a sugar refinery, is not posted in the working of this mysterious tariff. I have shown that under an average price of 4 cents in the