

sitting for some time on the subject, and a new description of test, the polariscope, has been suggested. The latest information on the subject is that the commission has unanimously agreed to a report recommending that the polariscope be discarded as a test for sugars, and that specific duties be levied. The rates suggested are to be based on the Dutch standard, the number being fourteen instead of thirteen, which is our number for the full in duty, and are to be uniform, instead of graduated as with us, and are to be double on all sugar exceeding No. 14 Dutch standard. This will be a new policy. Before the Imperial Government abandoned all duties on sugar there were graduated rates on five classes, the highest rate being 50 per cent. over the lowest. In the United States there have been six classes, and the highest rate has been rather more than double that of the lowest. The new proposition would be to leave the highest rate at what it is at present, and to increase by fully 50 per cent. or more the duties on sugar ranging from fourteen Dutch standard to twenty and upwards. On the other hand, the duties on the grades above seven and up to fourteen would be considerably reduced. Our Canadian policy as established in 1868, when Sir John Rose was Minister of Finance, and Mr. Tilley, Minister of Customs, was based chiefly on *ad valorem* rates; and Mr. Dustan has admitted in his last letter that he is favorable to this system. The reason for placing an additional specific duty was that it was held, and we think correctly, that the temptation to fraud when *ad valorem* rates exceed 25 per cent. is too great to render it expedient to adopt them. On this ground a rate was fixed of 1 cent. per lb. on the quantities equal to or above No. 9 Dutch standard, $\frac{3}{4}$ of a cent. on all below No. 9, and $\frac{1}{2}$ on melado. The lowest rate of the combined *ad valorem* and specific duties has been estimated to be about $1\frac{1}{2}$ cent per lb., while the highest cannot be much if at all, short of 3 cents. The variation in the duties between the lowest and highest grades would therefore appear to be about double, or equal to what is proposed according to the recommendation of the United States commission, and 50 per cent. greater than the variation between the highest and lowest grades for a number of years previous to the abolition of the English sugar duties. The question of the sugar duties must be discussed without reference to frauds or to exceptional circumstances, which we are, nevertheless, ready to admit, may require special legislation. The tariff however, must be framed in accordance with prin-

ciple, and we are gratified to find that Mr. McGibbon admits that the amount of encouragement or protection which is really a tax on the consumers should receive the serious attention of all parties. We were for some time urging Mr. Dustan, who has of late been the special advocate of the refining interest, to state precisely what would satisfy him, and in his letter of the 11th, published in the JOURNAL OF COMMERCE of 19th April, he has specified what the refiners would be contented with. Now Mr. Dustan claims that the specific duty on sugar under 9 Dutch standard, which is at present one half cent per lb. or 50 cents per 100 lbs., should be reduced to $37\frac{1}{2}$ cents per 100 lbs. Now this is a demand immeasurably beyond any protection that has been claimed by the refining interest in the United States. It is to be borne in mind that these sugars have the protection of the *ad valorem* duty of 25 per cent., which is equal to about 50 cents per 100 lbs. between very high and low grades, so that high-priced refined sugars would pay in round figures \$3 per 100 lbs., while low-priced would pay, under Mr. Dustan's scheme, $37\frac{1}{2}$ cents per 100 lbs., specific, and 25 per cent. *ad valorem*, equal to $87\frac{1}{2}$, or in all \$1.25, or a protection of \$1.75 per 100 lbs. If our calculations are erroneous we feel assured that Mr. Dustan and Mr. McGibbon will believe that they are unintentionally so, and that we shall be only too ready to acknowledge and correct any error that may be found in them. Mr. McGibbon expresses the opinion that "it makes no difference to the treasury whether the duty is collected on the raw article or the refined." Now, in round figures the consumption of imported sugars may be estimated at 100,000,000 lbs., which at \$3 per 100 lbs., according to our own estimate above, would yield \$3,000,000. If the same quantity were to go into consumption at \$1.25, which is Mr. Dustan's proposition, it would yield \$1,250,000, entailing a loss to the revenue of \$1,750,000. It must be understood that we are dealing with extreme prices on both sides. If we take the averages, under the present tariff the loss to the revenue would be about \$1,000,000 if the sugars imported were to pay the rates in the lowest instead of in the highest scale. If a tariff were adopted more favorable to the refiners the loss to the revenue would, of course, be materially increased. In considering the sugar duties it must be constantly borne in mind that they constitute a most important branch of our revenue, and that they cannot be trifled with even to secure the establishment of what we admit would be

a most beneficial industry. Had Mr. McGibbon confined himself to a censure on the Government for having permitted the introduction of foreign sugars under a bounty we should not have interfered in the discussion, for we maintain that it is not sound policy to permit foreigners to force goods upon our consumers in violation of the natural laws of trade. Concurring entirely as we do with Mr. Dustan and Mr. McGibbon in the propriety of imposing a countervailing duty on foreign sugars equal to any bounty granted to them, we are well aware that England has not acted on that principle. Mr. Dustan referred to the Convention between England, France, Belgium, and the Netherlands as enacting a surtax. This is an error. We believe that the Convention authorizes the contracting parties to impose a surtax, but England has not imposed it, and in a very late English paper we observed that a deputation of West Indian planters had been remonstrating as vigorously as Mr. Dustan has been doing here, against the importation of beet-root sugar in its crude state on which bounty is granted in France, and which, of course, has material advantages in the English market over the sugar of our own colonies. It is the produce of this very specially favored sugar that we receive in the form of "Scotch yellows," and which Mr. McGibbon has the candor to admit is a "difficult subject" to grapple with. He is of opinion that the Scotch "have a secret in adulteration" not known to the Americans. We should imagine that a chemical analysis of the Scotch yellow would at all events disclose the nature of the adulteration. We confess that after a full consideration of Mr. McGibbon's letter we do not discover that he has suggested any other remedy than a countervailing duty on American sugars equal to the bounty, a proposal to which we see no objection, but which, we are much inclined to think, would not lead to the re-opening of our refineries, nor to the abandonment of the trade in Scotch yellows. The subject, although not free from difficulties, has undergone so much discussion that it cannot be very difficult to arrive at an equitable solution, and more especially if it should not be further complicated by attempts to establish beet sugar manufactories, which we should hail with delight were it not that their sole hope of success would be based on an enormous protection under which consumers would have to pay high prices, while the sugar revenue would be completely destroyed.

— The Nith Valley creamery, Haysville, receives over 10,000 lbs. of milk daily.