

the importations which would take place would allow the same leverage to be brought to bear on our refiners as that which is now brought in the United States. But our Government have fixed the grade at No. 14, and no one knows better than the Minister of Customs that it is very risky for an importer to bring in a sugar at the grade of No. 14, because it may sail very close to the wind when it is tested, and it may not stand the test, and if it does not, if it is half over the No. 14, his calculations are altogether upset, and he will find that his whole cargo has to be paid for at an increase of $\frac{1}{10}$ of a cent a lb.

Mr. BOWELL. Is not the sample of No. 16 bleached the same as No. 14?

Mr. PATERSON (Brant). Yes, that is true, and the comparison is fair. The middle grade that I have here is No. 15, but any member can see for himself the difference in colour between No. 14 and No. 16, and can see what chance the wholesale importer will have to bring in good raw sugar. If the hon. gentleman would follow the example of the United States, by which he said he was guided, if he would make it No. 16 instead of No. 14, it would not be a matter of such difficulty. No doubt, some of this will come in and will be used for certain purposes, but I think the hon. Minister cannot claim much credit for free sugar if he is going to force the people of this country to use No. 14 Dutch standard and under.

Mr. WALLACE. What is the price of granulated sugar?

Mr. PATERSON (Brant). I see it is now 4½ cents to the wholesale trade.

Mr. WALLACE. That is 2 cents less than it was a week ago.

Mr. PATERSON (Brant). My hon. friend is nearly correct. It is 1½ cents less than it was a week ago. I am glad the hon. gentleman is following the market quotations, because then he will be able to follow a business argument when it is presented to the House, as no doubt he will. The Minister of Finance was kind enough to give to the House a table showing the course of the sugar trade in this country. He went back to 1878, he skipped 1879—I do not know why—he gave us 1880 and the years following. He skipped the first year of the National Policy, perhaps, because it was a mixed year, but he gives us the value, the quantity, and the duty during the years named, and he works out the duty per pound and the percentage on the importation from the West Indies and the percentage on the refined sugar imported. That is a very useful table. It was, however, prepared, I think, not for the purpose I am using it for, but in order to show that there was less sugar refined in the country before the introduction of the National Policy, and that sugar was higher. He does not refer at all to the state of the market at that time, or to the fact that refined sugars were being imported at that time of a high grade, and that, though the rate of duty on sugar was less than afterwards, the burden of taxation on the people was much less at that time than it is to-day. He knows that the duty on refined sugar at that time was 1 cent a lb. and 25 per cent. *ad valorem*, while later on it has been 1½ cents a lb. specific and 35 per cent. *ad valorem*, or 7½ per cent. on the combined specific

Mr. PATERSON (Brant).

and *ad valorem* duties. He knows perfectly well that the burden on the people is the *ad valorem* duty or the combined specific and *ad valorem* duties reduced to an *ad valorem* duty. Is it not a pity that, when he was preparing this table for 1889 and 1890, he did not prepare a table showing the price for which refined sugars were sold in Canada at that time? I felt it necessary to do that myself in order to supplement the table of the hon. gentleman, and I propose to give it to the House. I looked through the *Montreal Journal of Commerce*; I had two bound volumes, the first one started on 4th July, 1889, and I took the quotation each month till June, 1890, taking six months in 1889, and the six months succeeding in 1890, making the whole year between July and July. I took in each case the first issue of each month, and I took the lowest quotation for yellow sugar and the lowest quotation for granulated sugars, that were given there. I added them together and I divided the amount by two, showing how much it was per pound on the average. No one can tell exactly—at least I was unable to do it, perhaps the Finance Minister can tell—what is the exact proportion of consumption for yellows and of whites refined, which come into the country. I think that was an absolutely fair test for purposes of explanation, as the Minister, in dealing with this question, dealt with the average protection, the average rate of duty, and so on in his speech. Now, I find that the net result, taking those months together, the average for the twelve months, that the people had to pay at the refinery for sugar, was \$6.64 per hundred pounds. The hon. Minister, in his table which he has given us for 1889, gives the cost per pound of the raw sugar the refinery used, and at \$2.60 per hundred pounds, on which he had to pay a duty of \$1.64. Therefore, the cost of the raw sugar to the refiner, plus the duty he paid, and which went into the revenue of the country, was \$4.24 per hundred pounds. In 1890 this sugar cost him \$2.92, the Minister says, on which he paid a duty per hundred pounds of \$1.63; so that the cost of his sugar in 1889, and the duty that he paid, and that went into the treasury, amounted to \$4.55. Adding these two together and dividing by two in order to find the average price of the cost per pound to the refiner, we find that his raw sugars, plus the duty he paid on them according to the table of the Finance Minister amounted to \$4.40 per hundred pounds. Sugar was selling, as I said, during these months, at the rate of \$6.64 per hundred pounds, or in other words, there was a difference between the price at which refined sugars were sold and the price which the sugars cost the refiners, plus the duty he paid, according to the Minister's showing, of \$2.24 per hundred pounds. The question I want the Finance Minister to answer is this: Where did that \$2.24 per hundred pounds, on the two hundred million pounds of sugar consumed, go to?

Mr. WALLACE. There was not any such average.

Mr. PATERSON (Brant). The hon. gentleman is inclined to doubt my correctness. I will explain to him that I started in July 4, 1889, and I closed at June 5, 1890, getting my figures from the *Montreal Journal of Commerce*. If he can find any mistake in what I have said, I can say that it has been made inadvertently, and no one will be more ready to apologize than myself.