

than under the present tariff ; but for whatever may come in from other countries we will receive an increase to the extent of 15½ cents per 100 pounds. We think it will give us a moderate amount of revenue. One can only guess at how much revenue it will give, because we have no means of knowing as to what proportion of West India sugar will be drawn into our markets by this arrangement. Our hope and desire is that we shall largely increase the consumption of West Indies sugar. As I mentioned a moment ago, our consumption of sugar is 330,000,000 pounds out of which we receive at present only 25,500,000 pounds from the British West Indies and British Guiana, but we trust that the effect of this arrangement may be to largely increase that. If our anticipations in that respect are realized, we will of course get no increase of duty from that source but will actually get a little less. However, upon so much of the sugar as may not come from the West Indies, we will get an increase to the extent of 15½ cents per 100 pounds.

With respect to the duty on refined sugar, we propose to apply the polariscope to that also. In the case of raw sugar we take as our starting point 75 degrees, but in the case of refined sugar we take as a matter of course a higher starting point.

We propose that the duty on refined sugar shall be \$1.08 cents per 100 pounds on sugar testing 88 degrees, or anything below that ; and for every additional degree there will be 1½ cents per 100 pounds added, just as in the case of the duty on raw sugar. On what is called yellow sugar testing 88 degrees, the increase of duty under this arrangement will be 8 cents per 100 pounds ; although the increased duty on the raw material, or so much of it as may come from other countries than the West Indies, will be considerably in excess. If you start at \$1.08 for 88 degrees, and if you add 1½ cents for each degree, you will find that the granulated at 99½ will bear a duty of \$1.24½ per 100 pounds as against the \$1 duty of the present day. That is to say, the increase of the duty on the refined sugar will vary from one-twelfth of a cent per pound on the yellow or soft sugars, running up on granulated as high as 24½ cents per 100 pounds, or practically on the higher and more valuable sugar an increase of a quarter of a cent per pound ; while in the case of the cheaper refined sugars the increase will be about 8 cents per 100 pounds and upwards.

I have now explained all the tariff changes which we propose to make. I want now to read, with your permission, Sir, the new preferential section and schedule :

That it is expedient to provide that section seventeen of "The Customs Tariff, 1897" shall be repealed on and after the first day of August in the present year, one thousand eight hundred and ninety-eight, and that the following section shall be substituted therefor :—

17. Articles which are the growth, produce or manufacture of any of the following countries may, when imported direct into Canada from any of such countries, be entered for duty or taken out of warehouse for consumption in Canada at the reduced rate of duty provided in the British preferential tariff, set forth in Schedule "D" to this Act :—

- (a). The United Kingdom of Great Britain and Ireland.
- (b). The British Colony of Bermuda.
- (c). The British Colonies commonly called the British West Indies, including the following :—
  - The Bahamas.
  - Jamaica.
  - Turks Island and the Caicos Islands.
  - The Leeward Islands (Antigua, St. Christopher-Nevis, Dominica, Montserrat, and the Virgin Islands).
  - The Windward Islands (Grenada, St. Vincent and St. Lucia).
  - Barbadoes.
  - Trinidad and Tobago.
  - British Guiana.

These colonies are admitted specifically without regard to any reciprocal conditions.

- (d). Any other British colony or possession the customs tariff of which, on the whole, is as favourable to Canada as the British preferential tariff herein referred to is to such colony or possession.

Provided, however, that manufactured articles to be admitted under such preferential tariff shall be bona fide the manufactures of a country or countries entitled to the benefits of such tariff, and that such benefits shall not extend to the importation of articles into the production of which there has not entered a substantial portion of the labour of such countries. Any question that may arise as to any article being entitled to such benefits shall be decided by the Minister of Customs, whose decision shall be final.

2. The Minister of Customs, with the approval of the Governor in Council, shall determine what British colonies or possessions shall be entitled to the benefits of the preferential tariff under clause (d) of this section.

3. The Minister of Customs may, with the approval of the Governor in Council, make such regulations as may be deemed necessary for carrying out the intention of this section.

You will see, Sir, that under the arrangement proposed we admit by name the products of Great Britain and the products of the British colonies in the West Indies ; and then we have a general clause whereby we may admit the products of any other British colony the tariff conditions of which are deemed to be favourable to Canada. Under that clause we will admit at once the products of New South Wales and the products of British India ; and if the tariffs of any other colonies are or shall be made favourable and satisfactory to Canada, the same benefit may be extended to them. I shall move :

That it is expedient to provide that Schedule "D" to "The Customs Tariff, 1897," shall be repealed on and after the first day of August in the present year, one thousand eight hundred and ninety-eight, and that the following schedule shall be substituted therefor :—