Hon. Mr. Tilley said he had not pretended to know why 2½ cents had been originally imposed.

Hon. Mr. Holton said the leader of the Government at all events ought to know. He challenged the honourable gentleman or the leader of the Government to dispute that the 2½ cents was put on because of the 10 cents on corn.

Hon. Mr. Rose argued that the reduction of ½ per cent was equivalent to taking off the duty on the raw material.

Mr. Jones (Leeds) protested against a starch factory being protected at the expense of farmers.

The item was agreed to.

On the next item—brandy, gin, rum, whiskey, 80 cents per gallon,

Mr. Jones (Halifax) said one of the articles —rum—was largely increased in Nova Scotia. The duty on rum not long since in that Province had been increased from 40 to 75 cents a gallon. In the early part of this session it was raised to 80 cents. Under the increase from 40 to 75 cents, the revenue, in consequence of the encouragement given to smuggling from the West Indies, had fallen off 80 per cent. He moved in amendment that the duty be removed to 63 cents, the same as the excise duty on whiskey. This would be an advantage to the revenue in New Brunswick and Nova Scotia, and would do no harm as regarded Ontario and Quebec.

He was seconded by Mr. Anglin.

Hon. Mr. Tilley said the case submitted by the member for Halifax had received the careful consideration of the Government, but they had been unable to accede to his wishes. The result would be that a large portion of the spirits consumed in the Dominion would be brought from the United States in the name of rum, and a large amount of revenue would be lost. Spirits could be coloured a little, entered as rum and being admitted at 63 cents, would come into competition with the products of all the distilleries of the Dominion.

Mr. Jones said if the Government had been anxious to deal properly with this question, they could have got over the difficulty suggested by imposing *ad valorem* duty. He did not think there was any ground for the apprehension of the Minister of Customs that with a lower duty there would be a large importation from the United States. On the contrary, the low duty encouraged direct trade with the West Indies. In 1865, when the duty was 40 cents, 297,000 gallons were imported into Nova Scotia, and of that quantity only 5,966 gallons came from the United States.

Hon. Mr. Rose recommended the Lower Province men to accustom themselves to Upper Canada rye. They would find it a superior article to the West Indies. (Laughter). He thought the true principle was to put the same duty on all classes of spirits.

Mr. Rymal commented humourously on the Minister of Finance's left-handed advocacy of temperance, and wished to know if the Minister of Justice concurred with his colleague in his opinion as to the superiority of Upper Canada rye. (Laughter). He understood it was incumbent on the members of a Government to be agreed on all questions.

The amendment was negatived, and the item agreed to.

The remaining items were agreed to down to the duties on sugar and molasses as follows: —Sugar equal to or above No. 9 Dutch standard, also sugar candy and confectionery 25 per cent, and 1 cent per pound. Below No. 9 Dutch standard 25 per cent ¾¢ per lb; cane juice syrup, melado, and concentrated molasses 25 per cent and ⅝¢ per lb; molasses 25 per cent; molasses used for refining purposes, or for manufacture of sugar, 73¢ per 100 lbs.

Hon. Mr. Tilley, in introducing the resolution relating to the sugar duties, said that the appointment of duties on the various grades had been made with the view of meeting the requirements of the revenue, bearing as light as possible on the consumer, and keeping up a healthy competition between the various interests and the various sources of supply.

Hon. Mr. Huntington wished to ask the Minister of Customs if the principle of levying duties according to grades of sugar was that on which the tariff was based. The wholesale men had demanded specific duties as a protection to their trade. He thought the interests of the consumer coincided with what was the fairest of all systems, viz., duty according to value. The one profit of refiners here, on both importing and refining, would surely be lighter on the consumer than the two profits—first, of the foreign refiner, and then of our own importer. In the article of molasses a large discrimination was made