

committee for its consideration, which will have the effect of increasing taxation upon certain articles, and the changing of the Tariff in one particular, as it affects sugar, without, I think, affecting the revenue in any way. We have found of late that the importation of what are termed the lower grades of sugar, or yellows, manufactured principally from beet-root, which is obtained in Germany and upon which the manufacturers in the old countries receive a drawback of 2 cents a pound, enable them to send the lower grades or qualities into this country, and to prevent altogether its manufacture here. What we propose is to change the sugar duties, so as to create a separate class, and impose the rate of duty now imposed upon the sugars over No. 14 upon all classes of refined sugars. The article in the Tariff will read: "All refined sugars to pay 1 cent per pound and 35 per cent. *ad valorem*." It is also proposed to increase the duties upon spirits and tobacco, both Excise and Customs. The resolutions which I desire to lay before the committee will have the effect of increasing the Excise duty on whiskey manufactured from corn from \$1 to \$1.30; whiskey manufactured from malt from \$1.02 to \$1.32; whiskey manufactured from molasses and other articles of a similar kind, from \$1.03 to \$1.33. The House is aware that the present duties are \$1 per gallon on spirits manufactured from corn, \$1.02 on spirits manufactured from malt, and \$1.03 on spirits manufactured from molasses and other articles of the kind. This extra duty of 2 cts. and 3 cts. was put upon the manufacture of spirits in this country from malt and molasses in consequence of the duty imposed upon corn.

Mr. PATERSON (Brant.) You add 30 cents all round ?

Mr. BOWELL. Yes. The Customs duty, which is now upon gin, rum, whiskey, and other spirits of like character \$1.32½, it is proposed to increase to \$1.75; and that upon brandies, which is now \$1.45, we propose to ask the committee to increase to \$2 per gallon. The Excise duty upon tobacco manufactured from foreign leaf is now 12 cents per pound. The old duty was 20 cents, and we propose to place the Excise duty upon tobacco in precisely the same position it was before 1873, when it was reduced to 12 cents, and to increase it to 20 cents per pound, and the domestic leaf in proportion. I may inform the committee that, up to 1883, 8 cents was imposed upon the domestic leaf. We propose to increase that from 2 cents, the sum now imposed by the Excise law, to 5 cents per pound. The Customs duty upon tobacco and snuff is now 20 cents per pound. We propose to increase it to 30 cents per pound, which will be 5 cents higher for the imported tobacco than was imposed when the Excise was 20 cents per pound under the old tariff. Under the old tariff the Customs duty upon tobacco imported was 25 cents; it is now 20 cents; we propose to increase it to 30 cents, which will give a better protection to the Canadian manufacturers than the old tariff did, and the protection also to the manufacturers from the Canadian leaf will be 3 cents per pound better than it was under the tariff as it existed previous to the reduction of duty. I have explained as succinctly as I could, without entering elaborately into the figures, what changes we propose to make in these particular articles of Excise and Customs duties. I may state that we do not anticipate any additional revenue of any consequence from the change in the sugar duty.

Mr. VAIL. Will the hon. gentleman state again what the change is ?

Mr. BOWELL. We propose to make all refined sugar pay 1 cent a pound and 35 per cent. without any reference whatever to its grade by the Dutch standard. I was about saying that we did not anticipate any appreciable increase from this change, from the fact that, if the importation of what are termed the lower grades or common kinds of sugar

falls off, it will be made up by the importation of the raw article which will enter into the manufacture of that particular class of sugar in this country.

Sir RICHARD CARTWRIGHT. Are you going to admit this without reference to color and without any reference to saccharine strength ?

Mr. BOWELL. Yes, without reference to color or saccharine strength. The hon. gentleman knows that the saccharine strength is not taken into consideration at all under the present Tariff, only when the refiners purchase their sugars upon a guarantee of a certain strength, when if it exceeds that strength they pay a proportionate advance on the value *ad valorem*. When the test is made by the polariscope, if it is found that the sugar does not come up to the standard, then of course the value of the invoice would have to be decreased in order to obtain the correct *ad valorem* value of the sugar. In the same way, if the purchase be at 85, and the sugar should, upon test, be found to contain 90 of saccharine matter, then, whatever the importer would have to pay, in addition to the face of the invoice would have to be added to its value for duty. That is the only case in which the question of strength can be considered under the present Tariff.

Sir RICHARD CARTWRIGHT. Practically, you exclude all the refined sugars, I suppose, below a certain standard, or certain number. What is your calculation upon that point ? Do you propose to exclude all below 14 or 15, or what number ? I am speaking of the practical result.

Mr. BOWELL. We do not propose to exclude any kind of sugar, but we propose to place all refined sugar under one resolution imposing the duty. The effect we anticipate is this : That that particular class of sugar to which I have referred, will be excluded to a certain extent, but we anticipate that the revenue will be fully made up by the increased importation of the raw material.

Sir RICHARD CARTWRIGHT. That is just the point on which I would have doubts myself. Of course it is exceedingly difficult to anticipate what may be the course of trade in this matter; but the hon. gentleman is now proposing to impose on all refined sugars a new rate—and by that word "refined" I suppose he means sugars that have undergone any process of manufacture of any sort. How is any one going to define what are refined sugars ?

Mr. BOWELL. Any sugars that may be imported from any country which have gone through any process of refining. It is almost impossible to answer the hon. gentleman until a test has been made.

Sir RICHARD CARTWRIGHT. At present on these low grades of sugar, I think you are collecting a cent a pound, I mean on the sugar imported for manufacturing purposes. Just at present raw sugar is brought in on which a duty is collected of half a cent or a quarter of a cent per pound. I suppose this tax of one cent, 35 per cent. would be likely to amount to, roughly at least, 2 cents per pound.

Mr. BOWELL. In many cases it would amount to 2 cents per pound, particularly at the present value of sugar.

Sir RICHARD CARTWRIGHT. Sugar is low as compared with former years. I should imagine, looking at the amount, there would be a certain amount of revenue lost.

Mr. PATERSON (Brant). As I understand the Minister the duty is not raised on sugars below No. 9; on all above that, raw sugars are not touched at all; that is, only the raw refined yellow. Well, we have no means of ascertaining, from any information in our hands, what proportion of sugars below No. 9, for instance, are refined sugars. I do not know whether the Minister can tell himself; if he cannot, we are working in the dark, to a great extent. I should judge, however, that the effect of the Minister's proposal