

exceeding 3s. per cwt., or about 64 cents per 100 pounds. That this quality of refined sugar is equal to American granulated is evident from the fact that American sugar was quoted during all these weeks in the London market at 17s. per cwt. This shows that on the continent of Europe, 64 cents per 100 pounds covers the waste and cost of refining. During the above period the quotation for 88° raw beet sugar was 14s. per cwt. c. i. f. at New York, equal to \$3.00 per 100 pounds. As has been already shown, American granulated sugar was being sold during these weeks at 17s. per cwt. in London, equal to \$3.70 per 100 pounds, after paying ocean freight and insurance, landing charges, commissions, etc. During this time, this grade of sugar was being sold in New York at \$4.25 per 100 pounds, or, according to the *Spectator* at \$4.50. With the raw sugar costing \$3.00 per 100 pounds in New York and American granulated selling in London at a price equal to \$3.70 per 100 pounds, it is a fair inference that the waste and cost incurred in manufacturing granulated sugar in American refineries does not exceed 60 cents per 100 pounds. The United States customs duty on refined sugar is 50 cents per 100 pounds, equal to 83½ per cent. on the waste and cost of refining; and properly speaking, the proportion of waste should not be included, as the same waste is incurred in foreign refineries. If the American refiners are able to compete in free trade England with British and European refiners, it is clear that this industry does not require any protection in the United States. The refineries in the Atlantic cities of the United States are of immense capacity, and are equipped with the finest machinery; they are advantageously situated for receiving the raw sugars of the West Indies and South America at low rates of freight, and their only disadvantage is in high wages for operatives, an item which bears a very small proportion of the cost of refining. The wrong done to the American consumer by the high rate of duty on refined sugar consists in this, that while no revenue is derived by the government the refiners are enabled to demand and obtain from their own countrymen over 50 cents per 100 pounds more than they are willing to sell at to the consumers in England. Assuming that a fair profit is being realized from the shipments of American sugar to London, thus, taking the expenses of shipping to that market into account, say 25 cents per 100 pounds, American consumers are being charged 75 cents per 100 pounds more for their granulated sugar than a fair profit to the refiners warrants. The *Economist* of July 4th, showed that the imports of refined sugar into the United Kingdom, from the United States during the six months ending June 30, were:

1890.....	56,240 cwt;	value £47,919	(about 17s. per cwt.).
1891.....	525,250 cwt;	value £441,342	(about 16s. 9½d. per cwt.).

The Canadian refiners are equally well situated for receiving raw sugar, and have some little advantage in the cost of wages and fuel. If a protection of 50 cents per 100 pounds on refined sugar is unnecessary for American refineries; if it involves the loss of a large revenue from raw sugar, without any corresponding advantages to the consumer, and along with this, affords to the refiners a means of exacting exorbitant profits from the public, what can be said in favor of the higher rate of 80 cents per 100 pounds, under the Canadian tariff? The Canadian consumer is not only placed in a worse position than his neighbors across the border by the higher

rate of duty, but he is further debarred from obtaining that relief which is afforded in the United States, where fair qualities of domestic brown sugars can be imported free of duty, sugars from No. 14 to No. 16 D. S. being subject to prohibitory duties in Canada. If 60 cents per 100 pounds covers the cost of the labor, cooperage, management, interest on capital, insurance and repairs of buildings and machinery, and all the money expended in Canada in refining, and this is the only part of the cost which should be protected, then about 40 per cent. on this amount, or say 25 cents per 100 pounds, should be ample protection. Under this rate, refiners would have a fair margin for profit, and the consumers of Canada would save 50 cents per 100 pounds, or about \$1,250,000 per annum on the 125,000 tons of sugar consumed annually. From a careful consideration of the surrounding facts we have been forced to the conclusion that the present sugar policy of the government is not in accordance with the principles of the National Policy, and that it has not been framed in the best interests of the people.

THE SUGAR REFINING INDUSTRY.

THE placing of raw sugars upon the free list was an eminently wise thing for Finance Minister Foster to do. Tea and coffee were already upon the free list, and now these most important articles are supposed to be quite as cheap in Canada as the circumstances of trade will admit of. No doubt tea and coffee are, but is sugar? In making the necessary change in the duty upon refined sugar incident to the removal of the duty upon raw sugar, Mr. Foster places the duty upon refined sugar at eight-tenths of one cent per pound. In other words the Canadian sugar refiners have it in their power to obtain eight-tenths of a cent per pound more for their product than they could if refined sugar had also been placed upon the free list. The policy of protection is, where a duty is to be imposed upon an article, to place it at a mark just where the protected industry can thrive and no higher. If the duty is below that mark there is no protection, and it becomes a duty for revenue only; and if it is materially above that mark it tends to unduly enrich the manufacturer at the expense of the consumer. Mr. Foster was induced to place raw sugar upon the free list chiefly because the United States had done so; for without such a change there would have been such a wide difference in the prices of sugar in the two countries as would have induced much smuggling of the article into Canada. We are accustomed to regard the McKinley tariff as the acme of protection, and when the American Congress placed the duty upon refined sugar at one-half cent per pound it may be safely inferred that that amount of protection to the American sugar-refining industry was quite sufficient to secure the manufacture of refined sugars to American refiners. That this matter was well considered and digested is evident from the fact that in debating the question in Congress it was contended that even a lower duty—four-tenths of a cent per pound—was sufficient for the purpose; but the McKinley spirit prevailed and the rate was fixed at one-half cent per pound. If, then, ten dollars per ton duty is high enough to protect American refiners, why would not that duty be high enough to protect Canadian refiners? Canadian refineries are no new institution. They have been, generally, in successful and profitable