

Mr. FOSTER. When molasses gets below 40 degrees, it is not very good stuff. Below 35, it is positively vile.

Sir RICHARD CARTWRIGHT. That refers to your item B, but I am referring to the item which comes here, "after all sugars above No. 16."

Mr. FOSTER. That would make the taxation upon syrup considerably higher than on molasses.

Sir RICHARD CARTWRIGHT. Is there any sufficient reason for such an enormous difference?

Mr. McMULLEN. Is this class of syrup manufactured in this country?

Mr. FOSTER. Yes.

Sir RICHARD CARTWRIGHT. What is the reason of the enormous difference?

Mr. FOSTER. Because of the difficulties that occurred in St. John and Halifax, owing to syrups coming in which were really doctored, mixed up in New York, and which, according to the contention of the Halifax and St. John Boards of Trade, possessed very little sugar qualities at all. They are made largely of glucose, and it is impossible, on looking at them, to say they are not good molasses. We are all interested in keeping that kind out, and the high duty tends to keeping them out.

Sir RICHARD CARTWRIGHT. That would apply to your inferior molasses, but would hardly apply, in the same way, to the syrups of high grade.

Mr. FOSTER. A medium grade, from 26 to 40 cents.

Mr. McMULLEN. It is clearly on that medium grade, which enters the largest into consumption, that the heaviest duty is put, and it is upon the higher grade, used only by people who can afford to pay a higher price for their syrups, that the lower duty is put.

Mr. FOSTER. An ad valorem duty on doctored syrups would be of very little use. It would allow all that class I have spoken of to come in practically unhindered.

Sir RICHARD CARTWRIGHT. You are establishing three distinct taxes. On the 40 to 60 degrees, you charge $1\frac{1}{2}$ cents per gallon. On those which come below 35 degrees, you have a tax which may amount to 5, 6, 7, or 8 cents per gallon. And then you have a third tax on syrups and molasses of all kinds, n.e.s., the product of the sugar cane, beet root, and all imitations thereof, a duty equal to 7 cents per gallon. I was not present when these matters were discussed, and I do not think they were discussed at any great length, judging from the report in 'Hansard'; and there does not appear to have been any very clear explanation given of the reason. I do not suppose that syrups

and molasses of all kinds are a deleterious article.

Mr. FOSTER. Really the lightest taxation is placed upon molasses 40 and over, which is the best article. Then when it gets below 40, and as it goes down to 35, the tax increases, and the article becomes one of less utility.

Sir RICHARD CARTWRIGHT. So far I follow the argument, though not quite clear as to its soundness.

Mr. FOSTER. Then when you get below 35, what you call a high tax, five-tenths of a cent per pound about bars that cheap stuff out. It also has the effect of keeping out doctored and made-up syrups and the like, and is a protection to the refiners in the production of syrups in our country.

Sir RICHARD CARTWRIGHT. There I suspect the real reason of the change comes in. It is a protection for the refiner, and it is not for the benefit of the consumer in any degree that the tax of 7 cents per gallon on syrups and molasses of all kinds, n.e.s., is put on. If you carry these two items A and B, syrups and molasses ought to be struck out.

Mr. FOSTER. Where would syrups come then?

Sir RICHARD CARTWRIGHT. This rate should be modified so as to include syrups if you like.

Mr. FOSTER. What would you do with what went below 35?

Sir RICHARD CARTWRIGHT. You propose to tax that 1 cent per gallon for each degree, or fraction of a degree less.

Mr. FOSTER. That is between 40 and 35.

Sir RICHARD CARTWRIGHT. You can easily extend that. I must say I do not like having these three distinct classes.

Mr. McMULLEN. I cannot understand the justice of charging a duty of 7 cents a gallon on the class of syrup which enters most largely into general consumption, and then, when you come to the class used by those who can better afford to pay for a higher grade of syrup—golden syrups—you admit them at a cent and a half. The duty on molasses is equal to 7 cents per gallon, while on these syrups it is $1\frac{1}{2}$ cents. I cannot understand on what principle the hon. gentleman asks the committee to agree to such a low duty upon the higher grades that are used only by the well-to-do, and such a high duty when you come down to the class most largely used in the country. Mr. Chairman, to use a common phrase, there must be a nigger in the fence somewhere. There must be some parties whose interest is to be protected or such an arrangement would not be proposed.

Sir RICHARD CARTWRIGHT. What is the difference between syrups and molasses according to the customs definition?

Sir RICHARD CARTWRIGHT.