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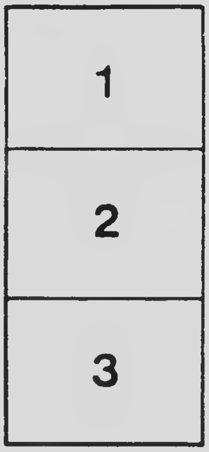
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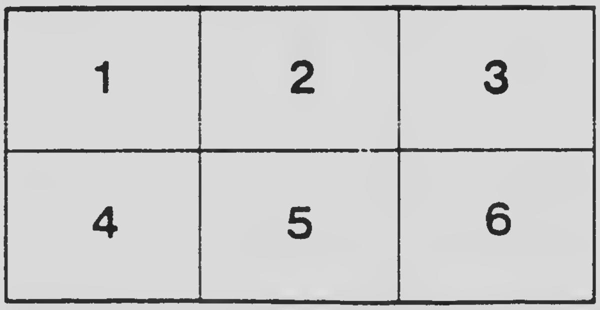
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Sugar in Canada

UNDER
THE CUSTOMS TARIFF ACT

A Plea For Fair Treatment To All Interests

BY

ROBERT ANDERSON
MANAGER, ROBERT CROOKS & CO., IMPORTERS
MONTREAL

AS PRESENTED BEFORE THE TARIFF COMMISSION AT OTTAWA,
FEBRUARY 8TH, 1906

WITH EXTRACTS FROM THE DISCUSSION WITH
THE COMMISSIONERS
AND
ADDENDA

The memorial I presented to the Tariff Commission on the Sugar Question has created such widespread interest and I have had so many applications for a copy of my statement, that I have been induced to publish the address in full, as the newspaper reports have necessarily been abbreviated, though I am indebted to the Press generally for the prominence they have given to the subject.

I leave the readers of this pamphlet to decide for themselves the justification for bringing this important matter before the Government and people of Canada.

ROBERT ANDERSON.

Montreal, March, 1906.

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Montreal, December, 1905—January, 1906.

TO THE MEMBERS OF THE TARIFF COMMISSION, 1905-06.

Sirs,—

I venture to think there is no more important item in the Customs Tariff than

SUGAR,

and in view of the contemplated revision by the Government, avail of the opportunity of your inquiry to lay before you a few facts, which I hope will assist you in reaching your conclusions of what is best for the people and revenue of the country.

Though I appear before you individually as manager of the firm of Robert Crooks & Co., Montreal, importers of sugars, I could have brought a large and influential deputation, and am not assuming when I say that I voice the opinion of consumers as a whole, and represent the interests of importers generally.

It is a large subject, so I must ask you to bear with me, as I shall have to take up a good deal of your time, but trust I shall not weary you, and that my efforts will not prove to have been in vain.

Sugar is one of the articles that yield, and will always be capable of yielding, the greatest revenue to the Government, but you are not getting as much from it as you might, or could do without increasing the cost to the consumer one fraction.

In a tariff country such as Canada, where the revenue is principally obtained from the duties collected on imported articles, the existing rate on sugar is not excessive, as a direct tax, though at the present time while the world's price of sugar is low, the Canadian duty on refined in the general tariff is approximately 50 per cent. of its value, and when the special duty under the Anti-Dumping Clause is added, the duty is over 75 per cent. of the in bond value f.o.b at the shipping point. But the Government is only getting a small part of its revenue from refined, owing to the enormous protection given to the Canadian refiners, and if the difference between the duties on raw and refined was narrowed, the revenue would be increased, with the possibility of a little healthy competition to the Canadian refiner for the benefit of the consumer.

At present the Canadian refiner has no competition. He has absolute control of the market, as the tariff gives him a monopoly, but to enable him to make fabulous profits and have some argument to present to you gentlemen of the Cabinet, as an excuse why you should maintain his present protection, he chooses to open the door and allow a small quantity of refined sugar to come into Canada.

QUANTITY OF REFINED SUGAR IMPORTED.

For the fiscal year ended June 30th, 1904, the imports of sugars above 16 Dutch standard in color, including all refined, were only 4 per cent of the total imports of sugars of all kinds.

In 1905, for the twelve months ended June 30th, the returns show that the importation of sugars above 16 Dutch standard, including all refined, amounted to 5½ per cent. of the total imports of all kinds, but the importations of raws not above 16 Dutch standard were 61,856,711 lbs. less than in 1904. The reason for this was not that consumption was reduced, but, that the refiners allowed their stocks of raws to run down owing to the market declining, while they maintained a high market for their refined product, thereby inviting importations of refined, but when they came in the refiners would reduce their prices, to keep up their cry of "Wolf."

Mark you, while the market was falling rapidly and the refiners were holding high costing raws, they were only losing a portion of their profits, as you are such good friends to them, that at no time has it been necessary for the refiners to make an actual loss on their cost, whereas the importer has such a small commission to his credit under the most favorable market conditions, that he had to suffer heavy and serious financial losses. The Government is responsible for such a condition, being as it is the result of over protection to the refiners of Canada.

The only reason why even as much as the trifling quantity of imported refined so far imported has come in at all, is, as already explained, that the refiners have been "saving their own necks," by maintaining an artificially high market in Canada until recently, when they reduced their prices to make as unprofitable a return as possible for the domestic beet factories in Ontario on the small production of their short campaign, and to prohibit the fractional importations of refined that might come in while the trade is dull at this season, which the newspapers refer to as "Foreign" Scotch Sugar. The refiners' present actions also savour strongly of the nature of a demonstration for effect, while your inquiry is before the country, to impress the trade and consumers of the "competition" they have to contend against. In the Montreal Gazette of the morning you opened your hearing in Montreal (7th November, 1905,) the following announcement appeared:—

"There continues to be a weak feeling in the local market for refined sugar, and prices late this afternoon (6th) declined 10c per 100 lbs. for all grades. This to some extent is due to the keen competition with which refiners are meeting from sellers of foreign refined sugar."

The facts are that at that time there were no supplies of preferential refined available for import, and certainly no refined could be imported under the general tariff. It is in the summer season, when business is active, that the refiners raise their prices, and attract the small quantity of imported refined to come in.

APPARENT PROTECTION TO REFINERS IN THE TARIFF.

In the general tariff excluding the special duty under the Anti-Dumping Clause the apparent protection to the Canadian refi[ner] shows by comparison of:—

Duty on imported refined granulated taken by Customs at 99 deg. polarization...	$1.24½ per 100 lbs.
Duty on packages, valued at 10c per 100 lbs. bag, 20 per cent.	.02
	$1.26½ per 100 lbs.

With

Duty on raw sugar not above 16 D.S. polarizing 96 deg., standard basis, packages free	0.71½ per 100 lbs.
An apparent protection to the Canadian refiner in the general tariff of	$0.55 per 100 lbs.

In the United States, one of the great high tariff countries, a similar comparison shows:—

Duty on imported refined granulated, packages free	$1.95	per 100 lbs.
Duty on raw sugar not above 16 D.S., polarizing 96 deg., packages free	1.68½	per 100 lbs.
Giving an apparent protection to the U.S. refiners of	$0.26½	per 100 lbs.

Therefore, in Canada, where the Government says to the public that it shall have "the benefit of reasonable competition," the sugar refiners are granted over 50 per cent. more protection than is given to the American refiners.

NOTE.—[A comparison of the calculations just quoted would make the apparent protection to the Canadian refiners appear to be over 100 per cent. greater than is given to the American refiners in the United States tariff, but in practice on the average of the two tariffs "over 50 per cent." is a fair deduction, as in the United States while the duty on refined sugar of any kind, granulated or yellow, is $1.95, the duty on raw is on a sliding scale, rising from 75 deg., paying 95c. to 100 deg., paying $1.8250, the premium for each degree above 75 deg. being 3½c per 100 lbs. Packages containing both refined and raw are free of duty entering the United States.

In the Canadian tariff the rates of duty are:—

On Refined, testing not more than 88 deg., $1.08; and for each additional degree, 1½c., 100 deg. paying $1.26, plus duty on packages.

On Raw, testing not more than 75 deg., 40c. and for each additional degree, 1½c., 100 deg. paying 77½c., packages free.

Therefore, comparing the duties in the United States and Canadian tariffs on refined yellow and raw, both testing, say, 80 deg., the apparent protection to the refiners in both countries would be practically the same. Say, for instance

U. S. Tariff:

Duty on refined yellow testing 80 deg.	$1.95
Duty on raw testing 80 deg	1.44
Apparent protection on yellows to U.S. refiners	$0.51

Canadian General Tariff:

Duty on refined yellow testing 80 deg., including packages....	$1.1150
Duty on raw testing 80 deg., packages free	0.6100
Apparent protection on yellows to Canadian refiners.....	$0.5050

But, as the quantity of granulated made by a refiner is 80 per cent. of his production, and it has been shown that the existing tariff gives the Canadian refiner over 100 per cent. more protection on granulated than the U. S. refiner enjoys, it will be evident that the estimate of "over 50 cent." is giving the benefit of the doubt to the Canadian refiner, which I have consistently kept in view throughout my estimates.

It, however, should be noted that the American refiners do not take into consideration the apparent protection in the U.S. tariff against imported refined yellows, but make their calculations entirely on the basis of granulated, so it would really be equally equitable to confine our comparison strictly to the difference in the apparent protection between the duties on 96 degrees raw and imported granulated in the Canadian and U. S. tariffs, which at the rates quoted shows that the Canadian refiners have over 100 per cent. more protection than the United States refiners.—R.A.]

The protection to the Canadian refiners can be shown to be enormously greater even than the comparison just made, for if we contrast the extremes of our tariff, and except the surtax on German sugar, it will be seen that the refiners are really protected to the extent of $1.41 per 100 lbs., by comparing: —

Duty on imported refined granulated from other countries than Great Britain at 99 deg. polarization ..	$1.2450	
Special duty under the Anti-Dumping Clause	.6225	
Duty on packages	.02	$1.8875 per 100 lbs.

With

Duty on raw sugar not above 16 D.S. polarizing 96 deg., packages free.	$0.7150	
Less 33 1-3 per cent rebate, under the preferential tariff	0.2383	.4767 per 100 lbs.
Making the total apparent protection in the tariff to Canadian refiners		$1.4108 per 100 lbs.

Or, omitting the special duty under the Anti-Dumping Clause entirely, the difference is:—

Duty on imported refined granulated at 99 deg. polarization	$1.2450	
Duty on packages	.0200	$1.2650 per 100 lbs.

With

Duty on raw sugar not above 16 D.S. polarizing 96 deg., packages free.	$0.7150	
Less 33 1-3 per cent. preferential rebate	0.2383	0.4767 per 100 lbs.
Giving an apparent protection to the Canadian refiners of		$0.7883 per 100 lbs.

This is really a fair comparison with the protection to the American refiners in their tariff of 26½c, as while the United States Government admits Cuban sugar at a rebate of 20 per cent. of the duty, making the duty on 96 deg. Cuban sugar $1.35, and increasing the extreme difference between 96 deg. raw and refined duties in the States to 60c per 100 lbs., the United States refiner has to pay the extra 33½c in bond to the Cuban planter as an enhanced price for the sugar itself, the duty paid price of Cuban sugar in New York being the same as for any non-privileged sugar such as British West Indian, entering the United States, on which the duty is $1.68½ per 100 lbs. on 96 deg. test, whereas the Canadian refiner buys only in bond and does not pay, on the average, any premium to the British West Indian planter for his sugar, over what the New York refiner would give for it in bond, in lieu of the 33 1-3 per cent., 23.83c, saving in duty to the Canadian refiner in the British preferential tariff, which is pocketed by the Canadian refiner as extra profit, and he draws at least 75 per cent. of his supply from the British West Indies.

To illustrate how the Canadian refiner takes the saving of the preferential rebate of duty on British West Indian sugar to himself, look at the duty paid price of granulated in New York and in Montreal. The net prices were recently on the same day:—

In New York for granulated produced from raws paying duty at $1.68½ per 100 lbs.	$4.4500
Against	
In Montreal for granulated produced from raws paying duty at 47 2-3c per 100 lbs..	$4.0850
A difference of	$0.3650 per 100 lbs.

Therefore, while the New York refiner paid $1.2083 more duty on his raw than the Canadian refiner did, the return to the Canadian refiner was apparently 84 1-3c per 100 lbs. more than the New York refiner got, but making allowance to the Canadian refiner for freight on his raw material from New York to Montreal, say 10c per 100 lbs., and admitting that he may have paid 1-16c per lb. more for his raw in bond at New York than the New York refiner's cost him, though it is only occasionally that the Canadian refiner does so, when stringency of supplies forces his hand, also allowing for the possible economy to the New York refiner in working expenses, say 1-32c per lb., through his increased capacity and outlet, and deducting these three (3) amounts, in all, say 19⅜c per 100 lbs., from the 84 1-3 c greater return to the Montreal refiner in the comparison I have given at New York, the Montreal refiner was actually making, say 64 15-16c per 100 lbs. more profit out of the people of Canada than the American millionaire trust dare demand from the consumer in the United States, and the American refiner was making money at his selling price.

I do not lose sight of the fact that the preference in our tariff is also granted on refined made exclusively from British grown raws, but, as I will explain further on, this does not curtail the refiners' protection as you may suppose.

ACTUAL PROTECTION TO CANADIAN REFINERS.

I have shown what the apparent protection is to the Canadian refiner by comparison of the duties in the general tariff, but to demonstrate the actual protection, we must contrast the cost of the refined produced by the Canadian refiner from the raw material with the cost of imported refined.

Though present market values of sugar only apply to importations during the current winter months via the Atlantic seaboard and rail to Montreal, and I only intend at present to deal with comparisons at Montreal, though I shall refer to the other refining centres in Canada later, I make my calculations on present prices based on freight rates direct to Montreal during open navigation, as the bulk of the business is done in the summer months when the St. Lawrence river and inland water navigation are open. I make this explanation as I do not wish any holes to be picked in my statements, which I do not believe can be contradicted.

If the refiner's raw material is beet, he would pay for it on the day I made my calculations, 8s 3¾d per cwt. f.o.b. Hamburg, at which the:—

Cost to the Canadian refiner of granulated produced from beet, if imported direct from Europe during open St. Lawrence navigation, would be at 8s 3¾d per cwt. (112 lbs.) f.o.b. Hamburg=8s 9d per cwt. c.i.f. Montreal, basis 88 per cent., analysis	$1.91	per 100 lbs.
Loss on shipping weight, landing charges, weighing and cartage, say 2 per cent...	.04	
Duty on 92 deg. polarization, packages free..	.65½	
Cost of refining, interest on capital, packing, management, office and selling expenses, etc., (a liberal allowance)	.62½	
Allowance to equalize 100 lbs. 96 deg. cane sugar..............................	.17	
Total cost to Canadian refiner of granulated made from beet	$3.40	per 100 lbs.

Now look at the cost of imported granulated on the same day. My comparison is with good quality Austrian granulated, the cheapest source of supply, packed in 100 lbs., lined bags, to compete with Canadian for sale to grocers:—

Cost of Austrian granulated, f.o.b. Hamburg, 11s 4½d per cwt. (112 lbs.) = 12s 1½d per cwt., c.i.f., Montreal. (The freight on refined sugar is much higher than on raw)................................	$2.65	per 100 lbs
Duty on 90 deg. polarization	1.24½	
Duty on packages, 20 per cent. of 10c per bag.................................	.02	
Loss in weight, cost of weighing, wharfage, etc.	.03½	
First cost of imported granulated ex dock, Montreal, including specific duty only...	$3.95	per 100 lbs.
Plus importer's working expenses, say	.03	
Add allowance for natural preference given Canadian granulated by buyer	.10	
Total cost of imported granulated	$4.08	per 100 lbs.

In the case of sugar the local manufactured a ticle has the preference owing to convenience to buyers in getting delivery whenever wanted. The business is too precarious for the importer always to have stock on hand.

You will therefore see that whereas the apparent protection to the Canadian refiner in the general tariff is 55c, it becomes in practice, comparing:—

Cost of imported granulated, at............	$4.08	
with		
Cost of Canadian granulated, at	3.40	
An actual protection to Canadian refiner in general tariff of	$0.68	per 100 lbs.

This is taking no recognition of the special duty imposed on Austrian and other Continental, as well as American granulateds under the Anti-Dumping Clause, whereby the duty on refined is increased 50 per cent., which, of course, under any circumstances, would prohibit importations, but is not applicable to raw sugar as it is not produced in Canada.

But, the Canadian refiners are not buying or importing raw beet except an occasional lot at an odd time when price may be attractive and other supplies not available and there is no refined being imported under the general tariff for the good reason shown by the figures I have quoted.

The preferential tariff gives the refiners a cheaper source of supply and more protection. Let us see how it works out:—

To make an exact comparison of the cost to the Canadian refiner of granulated made from British grown raws, with granulated refined in Great Britain, also from British grown raws, and imported to Canada under the preferential tariff, we must suppose that the Canadian and Old Country refiners buy the same raw sugar, on the same day, in the same place, and at the same price. Therefore, if the purchase is made in Demerara at £8 10s od per ton, f.o.b., for centrifugals basis 96 deg., market value at time of making my calculations, we get the following:—

Cost of granulated refined in Greenock, Scotland, (the only place where any British refiners have been induced to make sugars specially for Canada), from **British grown raws**, centrifugals at £8 10s od per ton, basis 96 deg., f.o.b. Demerara		$1.8551	per 100 lbs.
Freight, Demerara to Greenock, at 15s per ton		.1638	
Insurance, finance, loss in shipping weight, cost of weighing, landing charges, etc., as per Clyde floating landing terms, 4½d per cwt.		.0818	
Cost of refining, including loss in weight in refining, packing in 100 lbs., lined bags, delivering f.o.b., **and refiner's profit**, say 3s 1½d per cwt. (a very moderate estimate)		.6820	
Cost of granulated f.o.b. Greenock		$2.7827	per 100 lbs.
Charges from f.o.b. Greenock to c.i.f. Montreal, direct via the St. Lawrence, 1s per cwt., on shipping weight................		.2182	
Loss in weight, cost of weighing, wharfage, etc., at Montreal.		.0350	
Duty on 96 deg polarization........	$1.2450		
Duty on packages, 20 per cent. of 10c per bag.	.0200		
	$1,2650		
Less 33 1-3 per cent. preferential rebate	.4217	.8433	
First cost of British granulated ex dock, Montreal		$3.8792	
Plus importer's working expenses, say		.0308	
Add allowance for natural preference given Canadian granulated by buyer		.1000	
Total cost of British granulated to importer on dock, Montreal		$4.0100	per 100 lbs.

Cost of granulated refined in Montreal from British grown raws, centrifugals, at £8 10s 0d per ton, basis 96 deg., f.o.b. Demerara		$1.8551 per 100 lbs.
Freight from Demerara direct to Montreal, payable on net landed weight		.1400
Marine insurance and cost of finance, say 1 per cent.		.0200
Loss on shipping weight, landing charges, cost of weighing and cartage, say 2 per cent.		.0400
Duty on 96 deg. polarization, packages free	$0.7150	
Less 33 1-3 per cent. preferential rebate	.2383	.4767
Cost of refining, including loss in weight in refining, packing, management, interest on capital, office, and selling expenses (a liberal allowance)		.6250
Total cost of Canadian granulated made from British grown raws		$3.1568 per 100 lbs.

What does this show? That the Canadian refiner has a protection of 85 1-3c per 100 lbs. under the preferential tariff over British refined, compared with 68c per 100 lbs. in the general tariff.

So that, while the difference in duty collected between raw and refined under the preferential tariff has been narrowed to 36 2-3c per 100 lbs. compared with 55c per 100 lbs. in the general tariff a reduction of 18 1-3c, the refiners' protection under the preferential tariff has actually been increased 17 1-3c per 100 lbs.

As it has been said that the reason given by the refiners why they do not pay any of the preference to the West Indian planter, is that the Canadian Government allows the preference on refined from Great Britain made from British grown raws, I do not think any argument other than the figures themselves need be given, to show that such a claim on the part of the refiners is only another instance of their greed.

The refiner's protection is further increased against imported refined during the winter season when shipments come via the Atlantic seaboard, and rail to Montreal, as the railways discriminate in favour of the raw material to the extent of 5c per 100 lbs. against the refined article. This gives the refiners 73c, instead of 68c per 100 lbs. protection in the general tariff on beet against Austrian granulated while navigation is closed, and in the preferential tariff their protection is still further increased during the winter months, as the ocean freight from the West Indies to say, St. John, N.B., or Halifax, is 2c per 100 lbs. less than direct to Montreal via the St. Lawrence, so that the refiners get 7c more protection in winter on British grown cane against preferential granulated than in summer, making 92 1-3c, instead of 85 1-3c. All these conditions operate to add to the refiner's profit, and restrict competition as effectually as the tariff itself.

EXCESSIVE PROFITS TO REFINERS.

To realize what these figures mean, for remember the refiner takes full advantage of the protection you give him, we should calculate what the profit to the Canadian refiners amounts to on the total quantity of raw sugar entered for consumption. Of course, all the refined sugar sold by a refiner is not granulated, but the protection is proportionately the same on the other grades the refiners make, and the profit probably greater on the yellows than on granulated, and, in any case, granulated amounts to about 80 per cent. of the refiner's production. However, it would perhaps be misleading to show the total profit to the refiners, as they are, of course, entitled to a good margin over cost, though you must not lose sight of the fact that I have allowed in my estimate of the refiner's cost for the salaries drawn by the officials, so, if we allow the refiners out of the gross protection, say 7 1-2 per cent. over total cost, say 25 1-2c per 100 lbs. on granulated at $3.40 made from beet, and say 23.67c per 100 lbs. on granulated at $3.1568 made from British grown cane, for clear net profit on their daily and weekly output, with which to pay their yearly dividends to shareholders and allow for reserve, **the people of Canada are, at the prices quoted, paying annually as toll to the sugar refiners, in straight protection, nearly $2,000,000, over and above legitimate profits,** taking the net protection over profit in the general tariff at 45c, and in the preferential tariff at 65c per 100 lbs., which by rights should be increased revenue to the Government for the good of the people at large.

The total amount of duty collected on all sugar not above 16 D.S. for the twelve months ended June 30th last, was $1,671,-177.87, so that you are giving away in protection to the refiners about $300,000 more than you are collecting from them in revenue. That surely is not the teaching of good political economy. It is like a man stinting his family to give his substance to charity, but you do not even get any popularity.

I would point out further that, as my comparisons are only with Montreal, they may be understating the amount of money the people of Canada are paying into the pockets of the sugar refiners generally, over and above what they are entitled to for profit, as the refinery at Vancouver, B.C., has an enormously greater protection even than the refiners in the East enjoy, with the freight rates from the East to British Columbia markets, which the Vancouver refinery takes full advantage of, in addition to the duty on refined in the tariff, making a veritable gold mine for that company. The refineries in Halifax have an even better protected market than the Montreal refiners, as they get their raw material cheaper than any other of the Canadian refineries, and it is only the comparatively limited local market they have available in the Lower Provinces which makes their position perhaps a little less favorable for scooping the millions, as, to keep the Halifax houses working full, the refiners have to sell a proportion of their output at Ontario points, in competition with the Montreal refiners, and lose the freight from Halifax to those markets, but they are compensated largely for this by upholding a higher market in their home territory than the Montreal refiners maintain at home in Montreal. The refiners in both places mutually agree to keep out of each other's ground, so that the Halifax refiners do not have any competition in the Lower Provinces, except the trifling quantity of imported refined they admit of their own accord, for which they open the door, by making their own customers pay them an extra profit.

We can, of course, only deal with a basis of protection and profit to the refiners, and my figures are within the average, as I have given the refiners the benefit in all my calculations. If the refiners should attempt to demonstrate to you that within a particular period they have not made profits in proportion to my claims, you would need to enquire what the market conditions were at the time, and I am sure you would find that the refiners had taken a wrong view of the market in buying their raw material, while at another time they may have hit it right and reaped the benefit of an advance. However, as my comparisons are with equal market conditions for the refiner and importer, they establish a true basis, and fix the measure of the refiner's protection beyond possibility of dispute.

Let me demonstrate to you in another way the profit the Canadian refiners are making at the expense of the consumer through being over-protected, which is the reason,

WHY THE CANADIAN REFINERS CANNOT COMPETE WITH OTHER SUGAR REFINERS.

We have a drawback law in Canada, by which, if put into operation, the refiners can recover from the Government 99 per cent. of the duty paid on the raw material on exporting their refined product, but the Canadian refiners are not interested in this feature of the business, as they make too much profit at home to make it possible for them to sell in outside markets. To make a clear comparison of the price the Canadian refiners are getting for their granulated with the standard market value of the world, I take the quoted price of Messrs. Henry Tate & Sons, Ltd., Liverpool, England, standard granulated in 100 lbs. lined bags f.o.b. Liverpool in bond at 12s. per cwt. equal $2.62 per 100 lbs., against the Acadia Sugar Refining Co.'s selling price on the same day on the basis of $4.0850 net per 100 lbs. in 100 lbs. lined bags duty paid in Halifax, for their second quality granulated, which is inferior to Messrs. Tate's standard, from which, deducting 99 per cent. of the duty paid on 100° raw sugar equal to 51½c per 100 lbs. under the preferential tariff, as the Canadian refiners are using no other raw material at present, we get a price of $3.57 per 100 lbs. (16s. 4½d. per cwt.) f.o.b. Halifax in bond, or 95c per 100 lbs (4s. 4½d. per cwt.) more to the Canadian refiner f.o.b. Halifax than Messrs. Tate could afford to sell their superior quality of granulated f.o.b. Liverpool, the cost of the raw material to both the Acadia and Tates being approximately the same in Halifax and in Liverpool. This is how the Canadian consumer is made to pay ransom to the Canadian refiners to get what is now a necessity of life. However, as Messrs. Tate are at present only melting raw beet, to make the comparison perfectly fair for the Canadian refiner, though the British grown raws the Halifax refiners were using cost them no more, probably less, than Messrs. Tate paid for their beet, we will suppose that the Canadian refiners' granulated is also made from beet, which would cost the same price at Halifax as at Liverpool, the freight from the Continent being the same to both ports, and deduct 99 per cent. of the duty on 100° raw beet under the general tariff, at 76¾c per 100 lbs., from the duty paid selling price of Acadia granulated in Halifax, and make the in bond value of Acadia granulated $3.3175 per 100 lbs. (15s. 3d per cwt) f.o.b. Halifax, which still leaves the Canadian refiner 69¾c per 100 lbs. (3s. 3d. per cwt.) more for his sugar than the world's market value at Messrs. Tates' price of $2.62 (12s. per cwt.) f.o.b. Liverpool. A difference of 1-32c. per lb., or 1½d. per cwt. in cost is sufficient to divert sugar business from one source of supply to another. There is no drawback law applying to sugar in Great Britain; the refiner imports his raw material and produces his refined under bond, and the duty is only payable as an excise tax when the refined goes into home consumption, the consumer paying the duty on the refined, so that **the British refiner has absolutely no protection,** but is still able to keep his refinery working, and Messrs. Tates are paying dividends to their shareholders.

South Africa offers a preference, by a rebate of duty, to British goods, including sugar, and Canada is entitled to the privileges of the preference in South African markets, but does not send any sugar there, for the very good reason shown by my figures. By the direct line of steamers from Canada to South African ports, subsidized by the Canadian Government, we have equal facilities for entering the South African market at competing freight rates with other countries.

The question now to be considered is,

HOW CAN THE TARIFF BE REVISED

to establish a fair basis by which the refiners will still have adequate protection and the country secure its just revenue from sugar, so that the consumer will know what he is paying for and that his money is being spent for the good of the country, not simply to enrich a few individuals, who are already millionaires; and, at the same time allow a reasonable prospect of fair competition for the benefit of the consumer, and give the importer a chance to earn his hardfought living, without so much risk as he has to incur at present? Of course, no matter what you do with the tariff, so long as the refiner is protected, the importer will be at his mercy, but, as the refiner is out to make money, it is reasonable to suppose he will prefer to get a good profit on say 90 per cent. of the trade and allow the importer to have 10 per cent. rather than keep his prices down and reduce his profit to control the entire 100 per cent., so, by increasing the duty on raw and leaving the present duty on refined as it is, you will be taking the safest course to get an increased revenue and benefit the consumer, and, at the same time, give the importer a helping hand.

SIR RICHARD CARTWRIGHT.—Would you not obtain exactly the same result by reducing the duty on refined?

MR. ANDERSON.—You would not get the increased revenue.

SIR RICHARD CARTWRIGHT.—You see, almost all our revenue is obtained by a duty on raw. We would not lose in revenue; suppose you brought in three times as much refined as you do to-day, we would make more on the whole transaction.

MR. ANDERSON.—If the Wholesale Grocers' Guild is maintained and operated in conjunction with the refiners, the quantity of refined we bring in cannot exceed 10 per cent. because the wholesale grocers control 90 per cent. of the retail trade and that, of course, is an added protection to the refiners and we are debarred from selling to the wholesale grocers and would continue to be so if the Guild continues as it is.

If it is any benefit to the Government to get the duty which is assessed on packages containing refined sugar, I have no objection to paying it on a favorable readjustment of the raw duty, but the duty charged on packages is an added tax on the importer, and simply increases the refiner's protection, as you allow them to import their bags containing raw sugar free of duty.

RAISE THE DUTY ON RAW SUGAR.

I would propose that the duty on raw sugar should be advanced 25c per 100 lbs., raising the minimum rate on 75° from 40c, as at present, to 65c per 100 lbs., and advancing 1½c per degree, to make the duty on 100° not above the established Dutch standard colour limit $1.0250 against present rate of 77½c per 100 lbs. This would make the difference between:—

Duty on imported granulated on 99°, including packages, under the general tariff, as at present $1.2650

Compared with

Duty on raw sugar not above the established Dutch standard in colour at 96° standard basis, packages free, under the proposed revision 0.9650

Making the apparent protection to the refiners in the general tariff .... $0.3000 per 100 lbs.

REFINERS WOULD STILL BE HEAVILY PROTECTED.

As we have seen that the refiners' protection in the general tariff, under the present rate, is actually on the average of the year say 70c per 100 lbs. against imported granulated, it would be after the revision, if my proposition is acted upon, 45c per 100 lbs., surely more than ample, (do not forget the British refiner does not get a red cent of protection), and, although I have already suggested that 7½ per cent. would be a liberal allowance for profit to the refiners, the proposition I now make would give them over 12½ per cent. on the cost of granulated, at present price of beet.

Under the preferential tariff, the apparent protection to the refiners, at the new specific rate I propose on raw sugar, would be compared with

Duty on imported granulated refined from British grown raws, including duty on packages, as at present		$0.8433	per 100 lbs.
Duty on raws, not above the established Dutch standard in colour at 96°, standard basis, packages free, under the proposed revision	$0.9650		
Less 33 1-3 per cent. preferential rebate.	.3217	.6433	
Giving an apparent protection to the Canadian refiners in the preferential tariff of.......		$0.2000	per 100 lbs.

A reduction of 16 2-3c per 100 lbs. on the apparent protection to the refiners in the preferential tariff at the existing rate on raw sugar, but, as we have seen that the present apparent protection of 36 2-3c really gives the refiners, on the average for the year, say 88 2-3c per 100 lbs. actual protection against imported British granulated, their protection under the preferential tariff, at the advanced duty proposed on raw, would really be 72c, not, as it appears by simple comparison of the duty, 20c per 100 lbs., so that, on the cost of granulated to the refiner made from British grown raws at to-day's price, he would still have about 23 per cent. profit.

GOVERNMENT WOULD SECURE INCREASED REVENUE.

The increase in duty I propose on raw sugar would yield the Government, if applied to the quantity of raw sugar not above 16 Dutch standard entered during the fiscal year ended June 30th, 1905, under the general and preferential tariffs combined, in round figures, not less than $600,000 additional duty, but as, for reasons already stated, 30,575,500 lbs. less sugar not above 16 Dutch standard were entered for consumption during the fiscal year ended June last than in the previous twelve months, the Government would gain an increase in revenue amounting to not less than $665,000 on the normal quantity of sugar now required for the estimated annual consumption in Canada, allowing that the whole of this deficiency was made up with imports under the preferential tariff, with every prospect of this amount being increased by not only a greater weight of sugar of all kinds being imported to meet the increase of consumption which must come naturally with the growth of our population, but, if, by altering the duty as I propose, a little more refined sugar should be imported, the Government would gain in revenue still further, by the higher rate of duty paid on refined over raw.

The consumer may not think my proposal is a sufficiently radical change, as I have shown that at the present rate of protection, the people of Canada are paying into the refiners' pockets about two millions of dollars in protection, over and above an estimate of 7½ per cent. clear profit to the refining companies, at present prices, but a complete upheaval cannot come all at once, and a saving to the country of $665,000 is at least a step in the right direction, and will still be leaving the refiners in the chosen class with more gold than they can know how to spend.

There is another change I would suggest making in the Act, namely to

REVISE THE DUTCH STANDARD BASIS OF COLOR,

by which the dividing line is fixed between the duty on raw sugar not above such standard, and the duty which all sugar above that standard and all refined sugar of whatever kinds, grades or standards, shall pay. I do not favor the suggestion made to you at the hearings before your Commission in Montreal, that the colour line should be raised from No. 16 to No. 19 Dutch standard, for I think this would be extravagant, as it would admit from the British West Indies under the preferential tariff large quantities of practically white sugars, which, although produced by the same machinery that makes refining raw sugars, are in a way semi-refined and would displace large quantities of the refiners' product in Canada, with probably a demoralizing effect on the local markets.

SIR RICHARD CARTWRIGHT.—You are referring more particularly to Demerara sugars?

MR. ANDERSON.—Not more particularly because Demerara sugars are known as yellow sugars. I am referring more particularly to sugars that are washed.

MR. FIELDING.—They are used largely in the Old Country?

MR. ANDERSON.—That is the Demerara crystals.

SIR RICHARD CARTWRIGHT.—Very good sugar.

MR. FIELDING.—Our people are so much accustomed to using white sugar that it would take a good deal of educating to get them to use it.

MR. ANDERSON.—They would have to be educated to use it, but if it were imported I do not think it would take much trouble to educate them.

The present limit of No. 16 Dutch standard in color is, however, a dangerous one both for the refiners and the importers of higher grades of raw sugars which are suitable for grocery purposes, and for manufacturers other than refiners, such as confectioners, who can use these raw sugars to advantage and with benefit to the consumer. A great many raw sugars, including centrifugals used by refiners, are so close to No. 16 Dutch standard in color that it is difficult for the Customs' appraisers to determine whether they are under or above that standard, and it is not always possible for the sugar maker, in, say the West Indies, to keep the color safely under No. 16 Dutch standard. My idea is that you would be doing justice to all, if you raised the standard one degree, and fixed the dividing line between raw and refined duties at No. 17 Dutch standard in color. The Customs' Department can demonstrate to you, by the Dutch standards, the extent of this increase in the color limit. I trust you will see your way to act on this amendment.

WHAT IS "PROTECTION?"

The principle, and fundamental meaning, of "Protection," is to foster and build up an infant industry, by giving it reasonable assistance, but the protection given to the Canadian sugar refiners to day, is an abuse of that principle. They have grown to a ripe old age, nursed and reared in the lap of protective luxury, and are to-day coddled with a greater wealth of protection than they ever enjoyed. You would really be justified in withdrawing all protection from the refiners, for if any industry in Canada is able to do without assistance, sugar should be the first, but I do not propose such an arbitrary course, and, by making the moderate demand I have suggested, I think even the refiners should be satisfied with my proposals.

Sugar refining is an established industry in Canada, which I have no desire to upset, and there is no possible danger of the refiners requiring to restrict their production, but I would like to know that they had to work just a little bit for their living and that the importer's existence was not quite so precarious.

I have given every consideration to the vested interest the refiners hold in their refinery properties, which, however, have been paid for many times over out of protection taken out of the consumers of Canada, and I have more than safeguarded the interests of the laborers and others employed by the refiners. Should a revision of the raw duties on the lines suggested admit a greater quantity of imported refined, more labor would be employed in handling and increased clerical assistance needed by importers, which would not interfere with a single employee of any of the refineries.

SUGAR REFINERS ARE SMALL EMPLOYERS OF LABOR.

Compared with the extent of the industry, the refiners are the smallest employers of labor in Canada. The labor employed in sugar refining is only 25 per cent. of the cost of production, not of the cost of the sugar, mind you, but only of the cost of converting the raw material into refined ready to market, which is 50c per 100 lbs., composed of:—

	Per 100 lbs.
Labor, all kinds	12c
Loss in weight	8
Coal	10
Packages	10
Charcoal	3
Repairs and renewals	5
Taxes and water	2
	50c per 100 lbs.

In a recent litigation before Mr. Justice Dunlop in the Superior Court of Montreal, No. 1991, an official of the Canada Sugar Refining Co. admitted in evidence that the cost of refining raw beet sugar is "about 55c per 100 lbs., including the package," and without the package "a little under ½c per lb." You may be sure the figures were not understated. I have seen details of the practical working of a refinery proving that the actual cost of refining, including packages and expense of management, did not exceed ⅜c per lb., so my allowance of ½c per lb. to cover cost of production only is giving the refiners more than the benefit of the doubt.

In my calculations of the cost of granulated to the Canadian refiners I allowed 12½c per 100 lbs. extra to cover cost of management, office and selling expenses, etc, and, if you consider that on the reduced quantity of raw sugar entered for consumption during the last fiscal year, this amounts to over $400,000 or, in a normal year, say, $450,000, to be divided between four refining companies, you will see it is on a pretty liberal basis, particularly where there are so few officials in these close corporations, and in the case of one of the companies, the salaries paid are on a moderate scale.

The money the people are paying to the sugar refiners in protectior is not developing a natural product of Canadian soil. It is simply amassing fortunes for a few individuals at the expense of the country. Money that cannot be spent in Canada by those who are reaping it. It is an injustice to the taxpayer and to the country's revenue.

GOVERNMENT TO BLAME.

The grievance is with the Government, not with the refiner personally. He is not to be blamed for making all he can and taking full advantage of what is given to him, but when the eyes of the people are opened to how it has been at their expense that the sugar barons have been created, I think there will be such a cry of "halt," that you may be forced to make a more radical change in the adjustment of the duty on raw sugar than I have ventured to propose.

REFINERS CAN RUIN COMPETITORS.

It will now be clear to you that the protection you have given the sugar refiners places them in the position of being able to ruin any competitor who dares venture to sell against them, which they could do without losing a dollar. It is too great a power for a government to grant to private corporations, and I call upon you to give to the people that "reasonable competition" you have promised them they shall have the benefit of.

IMPORTED REFINED SUGAR HELPS CANADIAN TRADE.

There is another reason why the importations of refined sugar, especially from Great Britain, should be encouraged, and that is that, as these sugars are brought to our shores by regular lines of steamers trading to and from Canada and European ports, they benefit Canadian trade, as the freight earned on the sugar is very welcome to the steamship companies and helps to keep them interested in sending their steamers to Canada, aiding the steamship companies to reduce their freight rates on our Canadian exports to assist our producers to compete with other countries in the world's markets, whilst, in the case of raw sugar imported by the refiners, it mostly comes, when imported direct, by outside steamers, at low freight rates, which do not build up reciprocal trade for Canada, as such steamers invariably do not return to the ports they brought the sugar from, but get a scratch cargo for a European port and may never be seen in Canadian waters again.

On the question of

"THE DUMPING CLAUSE,"

as it is called popularly or unpopularly, I feel it is not my province to dictate. It is a matter of policy on which the Government must decide if it is to be continued in its present general application or revised to apply only in specific cases, but, if it is to be maintained as a principle, it should only be made applicable against countries which, in the case of sugar, admittedly sell for export at a sacrifice of the home consumption value. This you would have to investigate through the proper diplomatic channels, but, with the possible exceptions of Austria and Belgium, I think it will be proved that in the majority of Continental European countries sugar is sold for home consumption at a higher value than for export, apart from the excise tax, and certainly, in the case of Russia, the home market is highly protected, if a bounty for export is not actually still paid, as you are aware that Russia is not a party to the Brussels Convention, by which the other European countries agreed to abolish the payment of bounties.

The United States do not sell their sugar for export at a sacrifice of the home consumption value. They operate their drawback law just as ours can be operated and the amount of duty deducted leaves the in bond price which is just the duty paid price with the draw back off.

The special duty under the Anti-Dumping Clause, has, of course, no bearing against British refined sugar, which is sold at the same price for export as for home consumption, and, in the case of refined specially made in Great Britain from British grown raws, entitled to enter Canada under the preferential tariff, the Canadian buyer has to pay a premium on the home consumption value in the United Kingdom. However, by existing order-in-council refined sugar is not subject to special duty when refined in a British country granted tariff preference by Canada.

It is not for me to discuss the surtax duty on German imports, and I would merely note that it, of course, precludes all importations of sugar from that country.

REFERENCES TO SUGAR BEFORE TARIFF COMMISSION.

You have heard various references to sugar at the hearings before your Commission in different places during your travels through the country, but the refiners have been silent, which will not surprise you, now that you know how they are treated by the present tariff, from the facts I have given you.

Relative to the

DOMESTIC BEET INDUSTRY.

You were told in Alberta by The Knight Sugar Co. of Raymond, at your hearing in Lethbridge, that they did not know much about the tariff, but they wanted more protection, because the British Columbia Refinery was making war against them, by sacrificing freight rates from Vancouver to the territory The Knight Sugar Co. supplies. As I know that wholesale dealers in Alberta were able to pay over 5c per lb. for granulated sugar, while this freight war was at its height, it strikes me that The Knight Sugar Co. wanted to "get rich quick," if they were not satisfied with the tremendous profit they ought to have been making at such prices, and the fact of The British Columbia Refinery being prepared to make a sacrifice on the freight rates to interior points and be anxious to so jealously guard their distributing outlet, while still reaping a high price for their sugar, proves how enormously they are protected in the existing tariff. The Knight Sugar Co. ought to have kept aloof from your hearing, but they don't seem to know when they have a good thing.

You saw a domestic beet factory flourishing at Wallaceburg, and, no doubt, were impressed with the importance of the industry. So far as reported, you did not hold a hearing in Wallaceburg, but were told by the farmers that beet growing was profitable to them. I did not hear that Mr. Gordon, President of The Wallaceburg Sugar Co., had any complaint to make against the tariff.

When you got to Berlin Mr. Blain, the President of The Ontario Sugar Co., represented to you that the existing tariff on raw sugar only gives a protection of 17 8-10ths per cent. ad valorem to the domestic beet industry, and complained that, by the Government having granted a preferential rebate to British grown sugar, no encouragement had been given to the beet industry by the Dominion Government. While the figures Mr. Blain quoted are correct in themselves, they are misleading, as the duty the established refiners pay on raw sugar is only a fraction of the protection to the Ontario beet factories. It is the duty charged on imported refined sugar and the abuse by the established refiners of the protection it gives over the duty on raw sugar that fixes the selling price of refined sugar in Canada, by which the beet industry gets full benefit of the enormous protection given to the Canadian refiners, and if the beet industry does not flourish, it ought to, otherwise, it has no right to exist.

PROPOSED INCREASE IN RAW DUTY WOULD HELP BEET INDUSTRY.

The proposal I have made to increase the duty on raw sugar 25c per 100 lbs. in the general tariff, equal to 16 2-3c under the preferential tariff, would give the domestic beet factories the added protection against the Eastern refiners, which Mr. Blain of the Ontario Co. asked for.

In addition to the protection to the beet industry of the whole of the duty on refined sugar entering Canada, the Ontario factories have up to the present been receiving a bonus from the Provincial Government of Ontario, and are further protected by the freight rates that have to be added to the Eastern refiners' selling prices at their refineries to stations in Ontario in the neighborhood of the beet factories. The beet industry does not require further assistance, and certainly should not be bolstered up by bounties which come out of the people's pockets and the assisted companies are the only ones to benefit and they only for a time.

At the same time it is a legitimate industry in Canada, being an entirely Canadian product, and as it has been demonstrated that beets can be satisfactorily grown, the industry has a justification for its existence, and if protection is to be accorded to sugar at all, the domestic article should have first consideration. But while beets can be grown successfully in Canada, the question is can sugar be produced from them at a price to enable the business to stand by itself if necessary? This should be the test for every industry, and if it can only be kept alive by perpetual protection, it ought not to be encouraged to make a beginning, to become a constant burden on the country.

CHEAP LABOR ESSENTIAL TO SUCCESS OF BEET INDUSTRY.

Cheap labor is essential to the successful cultivation of sugar beets. In European countries the field work is largely done by women and children, at small wages, while in Ontario there is practically no female labor; men have to be employed at high wages, which they must earn to enable them to live and pay the high prices for the necessities of life, which are created by protection for the benefit of the manufacturers, at the expense of the consumer.

It is computed that in Continental European countries raw beet sugar can be produced without the assistance of bounties, with a profit at 9s per cwt. ($1.96 per 100 lbs.), and granulated at 10s 6d per cwt. ($2.29 per 100 lbs.), including freight to the seaboard, ready for shipment, f.o.b. to export countries. However, for equal quality granulated to what is made by the Berlin and Wallaceburg factories, the cost f.o.b at a Continental port would be 11s 9d per cwt. ($2.56 per 100 lbs.), At the prices now ruling in Canada, the Berlin and Wallaceburg factories should be getting an average net return of not less than than $3 75 per 100 lbs. for their granulated, while the market for sugar generally is on a low level, and, as the bonus they are getting from the Ontario Government is, I think, still equal to ½c per lb., if they cannot make money with the tariff protecting them as it does, it can only be because they are running under too great expense and are paying too high a price to the farmer for his roots.

If it did not cost the farmer so much to live, he could afford to sell his beets to the Berlin and Wallaceburg factories at a lower price and make just as much profit for himself, as he would not then have to pay so dearly for his labor, and the cost to the Berlin and Wallaceburg factories to produce their granulated would not be so great, while they would still get as good a price for their sugar, if the present rate of duty on refined sugar was maintained as a tax, but the protection to the regular refiners was reduced, by increasing the duty on raw to gain additional revenue, which the farmers and everybody else would get the benefit of.

The question of the existence of a

"COMBINE" BETWEEN THE SUGAR REFINERS AND THE WHOLESALE GROCERS' GUILD

came before you at Hamilton, and the proving or otherwise of its existence is a matter for the Courts to decide under the provisions of the Customs' Act. There, of course, can be no argument but that an agreement exists between the refiners and Wholesale Grocers' Guild, in restraint of trade, by which the refiners will only sell at their lowest net prices to legitimate wholesale grocers who agree not to resell the sugar under a fixed price, and to confine their purchases of refined sugar to the Canadian refiners exclusively, preventing the wholesale grocers from buying imported refined, or importers selling to them. The refiners bill the sugar to the wholesale grocers at the selling price to the retail buyer, then at the end of sixty days, when the wholesaler certifies that he has maintained the Guild selling prices, he gets a rebate from the refiner of 5 per cent., 1 per cent. of which the wholesaler has given to the retailer as discount for cash settlement, the wholesaler retaining 4 per cent. as his gross profit. Whether the selling agreement is lived up to by the wholesale grocers or not is another question, but they get their discount from the refiners just the same. The refiners will also sell at their lowest net prices to wholesale manufacturers, who do not offer the sugar for resale, but these buyers are not debarred from buying other sugars outside of the refiners. Large retail dealers have considered it an injustice that the refiners refuse to sell to them at their lowest net prices, and it is to such buyers that we, the importers, must look for our market, except in places where there are wholesale grocers who have sufficient independence to decline to submit to the dictation of the Wholesale Grocers' Guild, but such buyers are only a small percentage of the trade, and the importers' means of distribution is very limited. The wholesale grocers control about 90 per cent. of the retail trade of Canada, which the refiners get the whole of, and this organization gives an added protection to the refiners.

When there was an open market and any one to whom the refiners cared to sell was free to buy on equal terms, the wholesale grocers cut their selling prices to such an extent against each other, making a leader of sugar, and more often than not, selling at an actual loss on cost, that there was no satisfaction for any one, except possibly the refiners, in the business, though the importer then had the opportunity to sell to the wholesale grocers. Since the establishing of the Guild and selling prices being fixed, the wholesale grocers have made a profit on sugar. If the Guild agreement was broken and an open market again in force, the same cutting and demoralization would take place that formerly existed. The Guild agreement is the wholesale grocers' salvation, and, although it is against my own interests, as an importer, to uphold the Guild, [illegible] cuts me off from selling sugar to the wholesale grocers. I [illegible] rather struggle along as I am doing at present, than have no stability to the market, provided the tariff is revised as I have suggested, to curtail the protection to the refiners.

There is, however, one feature of the Guild agreement which, from an importer's point of view, is an unfair one, and, in many instances, is an imposition on retail buyers, viz.:

"THE EQUALIZED RATES SYSTEM,"

by which the Canadian refiners' sugar is sold in competing points at only a nominal addition to the refiner's price at his refinery, while the freight rate from the refinery to that point is a great deal higher. While, in such cases, the refiner loses the difference, taking for granted that he pays the full tariff rate of freight, it is made up to him by selling price being fixed to a non-competing point at a higher rate than the freight from the refinery to such a place. As an example of how this operates against the importer of refined sugar, the Montreal refiners sell, in carload lots, delivered in Toronto at 3c per 100 lbs. over the selling price in Montreal, while the importer has to pay 16c per 100 lbs. by rail or 13c per 100 lbs. by water for freight over the cost to him of imported sugar at Montreal, so that the importer is at a further disadvantage of a minimum of 10c per 100 lbs. in competing with the Canadian refiners in Toronto. Among other similar instances are:—

	Guild Equalized Rate.	Import Rail Rate.
Ottawa	2c	10c
Belleville	3c	14c
Brockville	2c	12c
Hamilton	4c	17c
Kingston	2c	13c
London	7c	18c
Napanee	5c	14c
Owen Sound	11c	20c
Sarnia	9c	20c
St. Catharines	8c	17c

The Montreal refiners sell their sugar delivered in Quebec city, in carload lots, for the same price as they sell at in Montreal, while the importer has to pay 2s. 6d. per ton (1-32c per lb.) additional freight over Montreal to get steamship companies to discharge his sugar at Quebec, owing to port charges there being higher than at Montreal.

MR. PATERSON—The Guild get 4 per cent.

MR. ANDERSON—Four per cent. gross profit. They get 5 per cent. and give 1 per cent. to the retailer for cash.

MR. PATERSON—What is your idea of that?

MR. ANDERSON—I think that is very fair; I think it is moderate.

SIR RICHARD CARTWRIGHT—Who fixes this business? The refiner has not absolute control over the freight rates?

MR. ANDERSON—He has no control over the freight rates. The Wholesale Grocers' Guild fix that, but in agreement with the refiners.

MR. FIELDING—The refiner bears the equalized rate on one side and makes it up on the other?

MR. ANDERSON—Exactly.

MR. FIELDING—And when he charges only 3c on the goods from Montreal to Toronto and he actually has to pay 16c that means that he pays it?

MR. ANDERSON—He pays it.

MR. FIELDING—He suffers that much diminution of his profit and makes it up somewhere else if he can?

MR. ANDERSON—Yes.

MR. PATERSON—The grocer gets 4 per cent. wherever he sells his sugar?

MR. ANDERSON—Yes.

MR. PATERSON—He does not participate in the advantage of the equalized rate?

MR. ANDERSON—No, except in less than carload lots.

I need not trouble you with instances of where the equalized rate is higher to non-competing points than the regular rates, as these are mostly to small places where there is not much chance of importers selling carload lots, as such trade is largely controlled by wholesale grocers who are parties to the Guild agreement, and I do not suppose it is within your province to order the equalized rates system abolished, unless it should be proved that a combine does exist between the refiners and wholesale grocers, then the equalized rates system, being a part of that agreement, would have to be cancelled.

MR. FIELDING—Do you say that the refiner stipulates that the wholesale grocer shall not sell below a certain price?

MR. ANDERSON—Yes, that is so.

MR. FIELDING—When you say "if a combine should be shown to exist," what do you mean? If it is not a combine, what do you mean by a combine,—if the refiner and the wholesale grocer come to an agreement that they will not sell below a certain price?

MR. ANDERSON—I am not arguing that it is not a combine.

MR. FIELDING.—You go on to say "if a combine is shown to exist."

MR. ANDERSON—That is before the Courts to prove. It is all very well for me to say that it is a combine when the proof may come out before the Courts to show that it is not a combine. I do not know and none of us know, apparently, until the judge's decision is given.

MR. PATERSON—I do not know what may be defined as an illegal combination under the Criminal Code, but what we have to do with is an enactment which Parliament passed in which it is provided that if it is established that there is a combination that unduly enhances the prices or restricts production we may lower or abolish the duty. That is the authority that we have and no more.

MR. ANDERSON—I know, and I do not suppose that any of us here can say that we have the right to say that it is a combine, because the Courts must decide.

MR. PATERSON—We would have to have it established that they unduly enhanced the price. As I understand you do not consider that they unduly enhance the price?

MR. ANDERSON—By giving 4 per cent. to the wholesale grocer?

MR. PATERSON—Yes.

MR. ANDERSON—No.

MR. FIELDING—Or by the whole arrangement?

MR. ANDERSON—Of course, if they did otherwise than unduly enhance the price we would not be in business at all. It is only by the abuse of their protection that any competition comes in against them.

MR. PATERSON—Do you think the arrangement is such that a reduction of the difference between the rates on raw and refined ought to take place?

MR. ANDERSON—A reduction of the protection.

MR. PATERSON—You would propose to enhance the duty on raw?

MR. ANDERSON—Most assuredly. If we have a broader market to sell in you will get your revenue from your refined; otherwise you will not. But, on this question of a combine I cannot say that it is a combine. I might think so and I do think so, but we can only form our own opinions until the evidence is taken on the subject.

MR. PATERSON—Is it a combine, in your judgment, within the meaning of the Statute—what we have to be governed by?

MR. ANDERSON—In so far as it is in restraint of trade, yes.

MR. PATERSON—The provision of the law is as follows:—

"Whenever the Governor-in-Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association or agreement of any kind, among manufacturers of such article or dealers therein, to unduly enhance the price of such article or in any other way to unduly promote the advantage of the manufacturers or dealers at the expense of the consumers, the Governor-in-Council may commission or empower any judge of the Supreme Court or Exchequer Court of Canada, or of any Superior Court in any Province of Canada, to enquire in a summary way into and report to the Governor-in-Council whether such trust, combination, association or agreement exists.

"The judge may compel the attendance of witnesses and examine them under oath and require the production of books, and papers, and shall have such other necessary powers as are conferred upon him by the Governor-in-Council for the purposes of such enquiry.

"If the judge reports that such trust, combination, association or agreement exists, and if it appears to the Governor-in-Council that such disadvantage to the consumers is facilitated by the duties of customs imposed on a like article, when imported, then the Governor-in-Council shall place such article on the free list, or so reduce the duty on it as to give to the public the benefit of reasonable competition in such article."

These are the powers the Government have.

MR. FIELDING—Then, there is in the Criminal Code a clause which contains the words "combination in restraint of trade," and any individual has the right to go and make a complaint in the Courts that there is such a combination just as he has the right to make a complaint respecting any other crime. What Mr. Paterson has read is entirely a Customs' provision, but the proceedings which have taken place in Toronto have been under the Criminal Code and not under the Customs' Act at all.

MR. PATERSON—We would have to take action under that.

MR. ANDERSON—You would have to be petitioned by some one to do it.

MR. FIELDING—Yes, and there would have to be a judicial enquiry.

My reason for referring to the equalized rates, is to give further emphasis to the disadvantage the importer of refined sugar has to contend with, and, I hope, convince you that the revision I propose of the duties on raw sugar is the only equitable basis on which you can do your part to create a little competition, without disturbing existing conditions or doing any one an injury.

However, should it be proved that a combine does exist between the refiners and wholesale grocers, then, by the terms of the Act, the Government would have to place sugar on the free list, but as this would be an impracticable policy, depriving the country of all revenue from sugar, the only course open would be by special enactment to make a uniform rate of duty on all sugars of whatever kinds or grades, both raw and refined, at say 1c per lb.

We now come to the important question of the

PREFERENTIAL TARIFF AND HOW IT OPERATES TOWARDS THE BRITISH WEST INDIES.

It is a vexed question, and there are several sides to it. You have had repeated enquiries and comments on the subject through your commercial agents in the West Indies, and will have inferred from such that the West Indian does not feel he is being well treated by the Canadian refiner. Unquestionably, the granting of a rebate of 33 1-3 per cent. of the duty in favor of British grown sugar has resulted, since the abolition of European bounties, in Canada drawing 75 per cent. of her sugar supply from the British West Indies.

ABOLITION OF EUROPEAN BOUNTIES MADE PAYMENT OF PREFERENCE PRACTICABLE.

Subsequent to the Canadian preference in favor of British grown sugar being increased from 25 per cent. to 33 1-3 per cent., and while European countries were still paying bounties on exports, the Canadian preference was non-effective, owing to United States' tariff legislation enabling the American refiners to pay a higher price to the British West Indian planter then he could obtain for his sugar in any other market, as the United States Government imposed a countervailing duty on European bounty fed sugar equal to the amount of the bounty paid on export. The lowest bounty on raw beet was paid by Germany, amounting to 27c per 100 lbs., and, as the 33 1-3 per cent. preferential rebate of duty on British grown sugar entering Canada does not exceed 24c per 100 lbs. on 96 test sugar, the American refiners could afford to pay a greater premium for British West Indian sugar than the Canadian refiners could then do, even had they been willing to give the benefit of the preference to the West Indian seller. At that time the Canadian refiners drew practically the whole of their supply from Europe, buying beet at 27c per 100 lbs. less than it would have cost the American refiners.

CANADIAN REFINERS WHO REAP THE BENEFIT.

Therefore, it is the stoppage of payment of European bounties, thereby canceling the countervailing duties in the States and raising the price of beet in Europe to the level of other sugars, that has diverted the Canadian refiners to purchase British West Indian sugars and attract them away from American refiners, but the West Indian planter has not been the one to gain by the altered conditions.

I do not say the Canadian refiners are altogether to blame for this. They, naturally, buy as cheaply as they can, and do not pay any more for the sugar than the seller asks for it, but a means ought to be adopted by which the Canadian refiners will not get the whole of the benefit of the preference, as they do at present, for it is the refiner, personally, who reaps the advantage, not the consumer.

MR. FIELDING—What can we do except stipulate as to the rates of duty. What can we do as respects any country except say that the duty shall be so much?

MR. ANDERSON—I really do not know what you can do. I have suggested myself to the West Indians that it rests with them.

SIR RICHARD CARTWRIGHT—To devise some remedy?

MR. ANDERSON—They know what they can get for their sugar in New York and London and if they follow the markets they know what the Canadian refiner can buy non-preferential sugar at, and, therefore, it rests with them to see that they get a premium if they want to sell their sugar.

SIR RICHARD CARTWRIGHT—Or not sell it.

MR. ANDERSON—That would probably be the best way, to send a few cargoes to the United Kingdom, and then the Canadian would pay the preference because he wants the sugar.

MR. FIELDING—In any event I do not see what we can do beyond offering an advantage to the West India market; for the rest he must work it out for himself.

CANADA CANNOT CONSUME WEST INDIAN PRODUCTION.

If Canada could absorb all the sugar produced in the British West Indies, it would be a simple matter for the sellers to dictate terms, but as the West Indians have to look to other markets to relieve them of a portion of their crops, they are forced to take what they can get for their sugar and the Canadian refiner gets the benefit of buying at practically the same price as buyers in other countries will pay for British West Indian sugars, though, if the Canadian refiner bought other sugar at the same price as he pays for British West Indian, it would cost him about 24c per 100 lbs. more than he is able to lay down British West Indian sugar duty paid in Canada.

REFINERS ATTRACT CONSIGNMENTS FROM WEST INDIES WITH OFFER OF HALF THE PREFERENCE.

Subsequent to the abolition of European bounties and the cancellation of the United States countervailing duty, the Halifax and Montreal refiners agreed to accept, and each to take a third without competition, the Halifax refiners doing the buying, of all British West Indian sugars shipped to Halifax on consignment for shippers' account, from the smaller islands such as Jamaica, Antigua and St. Kitts, on arrival at current New York in bond value, plus half the preference, which, on Muscovado sugar basis 89 deg., and the bulk of the consignments were of this class, gave a gross return to the West Indian shipper of about 10c per 100 lbs. more than he would have got for the same sugar in bond at New York.

REFINERS WITHDRAW PREFERENCE.

As the Halifax and Montreal refiners found they were getting a greater quantity of Muscovadoes than they wanted, owing to the market in the first six months of 1905 going against them, they notified West Indian shippers that they could not continue to pay them any of the preference over New York value, and ceased doing so on 30th June last, consequently consignments were not forthcoming, and West Indian shippers looked to other markets for an outlet.

NEW YORK IS NOT FAIR MARKET VALUE.

As a matter of fact, the New York value of raw cane sugar is not now a fair one on which to base the value of British West Indian sugar, as the American refiners, with their enormous buying power, control the price of cane sugar and keep it sufficiently under the parity of beet to force sellers of cane to accept their prices, under threat of importing beet from Europe. At the same time beet being in greater supply, rules the world's value, and it is beet that should govern the value in Canada, but the Canadian refiners, taking advantage of the American situation, will only pay the smallest fraction possible over New York value to get British West Indian sugar away from the New York refiners.

The Canadian refiners will only do their buying of British West Indian sugar, that is the greater bulk of the supply from the larger sources such as Demerara and Trinidad, through New York brokers, as they thereby can invariably purchase at the same price or within 1-32c to 1-16c per lb. of what the New York refiners will pay, and consequently reap the saving in duty as additional profit.

GIVING PREFERENCE TO IMPORTED BRITISH REFINED MAKES IT OF VALUE TO WEST INDIES.

While the Canadian refiners claim to you that your allowing the preferential rebate on British refined is the reason they do not pay the preference to the West Indies, I wish to state emphatically that it is the giving of the preference to British refined that makes it of value to the West Indian planter, for it is the competition of the British refiner for West Indian sugar that enables the planter to get a better price for his sugar than he could get, if the preference did not exist, and the comparison I gave you earlier of the cost of imported British granulated, duty paid in Canada, with granulated refined in Canada from the same raws proves that giving the preferential on refined actually increases the refiners' protection.

WEST INDIAN PLANTER NEEDS ASSISTANCE.

The West Indian planter has had such a hard row to hoe for many years past, that he is deserving of some assistance, particularly from Canada, in sugar, as, while he suffered during the existence of European bounties, the Canadian refiners benefitted by them, and now, when there is a chance for the West Indian planter to get a benefit from Canada, it is again only the refiner who takes it to himself.

Various interests in the West Indies have asked me to help them in finding a means for their getting a share of the preference, and, while I have already done my part, by assuming the raws in the West Indies and having them refined in Scotland to bring to Canada, placing myself at the mercy of the Canadian refiner, I would like, if it was possible, to get a better price for the West Indian grower from the Canadian refiner, which would, at the same time, increase the cost to me of British refined, as the British refiner would have to pay at least the same price in the West Indies for the raw as the Canadian refiner was paying, so the West Indian grower getting a premium from the Canadian refiner would not affect the refiners' protection against imported refined, but merely transfer part of the excess of profit the refiner is at present making out of the preference, from him who does not require it, to the hard up West Indian who is badly in need of assistance.

Though I do not approve of restrictions to trade, if the preference on sugar was made applicable only when imported from Great

Britain or her colonies through a Canadian port you would develop Canadian shipping, and the West Indian planter might be assisted in obtaining a premium from the buyer in Canada.

RECIPROCAL TRADE WITH THE WEST INDIES.

You may argue and, perhaps on the face of it, apparently rightly that as none of the West Indian colonies have reciprocated our preference there is no reason why the Canadian refiners should pay more for British West India sugar than the grower can get for it in other markets, but you must remember that the West Indian colonies are poor financially and need all the revenue they can get from imports, and further that the United States have been good friends to these British colonies, both as suppliers and consumers, and are naturally in a stronger position to control the trade to and from the West Indies than Canada can ever hope to be

In fact, what is there we can send to the West Indies on which they could give us a preference? Our principal exports to the West Indies are fish and lumber from the Lower Provinces, the trade in which would not be increased by a preference. Trinidad admits fish free, and in lumber, outside of the Lower Provinces, New York or New Yorkers, and the Southern States will continue to supply the West Indies, although the most of the lumber shipped from New York may have been grown and milled in Canada.

The same is true of oats, hay, peas and other Canadian products. New York dealers buy these largely in Canada and carry them in stock at New York available for immediate shipment to the West Indies when they receive orders. Possibly a great deal of Candian produce goes to the West Indies as American, but if the Canadians cannot do the trade direct themselves it cannot be helped, and Canada gets the business indirectly.

We do not seem to be able to compete with Pennsylvania and West Virginia coal, and from my experience of the wide difference in cost of Cape Breton coal with shipments from Southern United States ports to the West Indies, even if the colonies which impose a duty on coal imports gave Canada a preference to the full amount of the impost, and admitted Canadian coal free we would not get the business. Coal is free entering Jamaica, Trinidad, and Grenada, and practically so in St. Lucia.

CANADIAN FLOUR DOES NOT FIND FAVOR.

Efforts have been made to develop a trade in the West Indies for Canadian flour, but results have proved that we cannot compete with United States' millers, and for some reason, which the millers themselves cannot explain, Canadian flour will not keep sound, often even until arrival in the West Indies, while there is no such complaint made against American flour. My own firm has incurred a great deal of personal risk shipping flour and other Canadian produce to the West Indies in the hope of advancing reciprocal trade, but results have proved what I have said, that Canada cannot do the trade direct against the United States.

CANADA IS HANDICAPPED IN EXPORTING.

Canada is badly handicapped in exporting to the West Indies, against New York and other American ports, as we have not got a large consuming market at the seaboard, or facilities to supply other tropical markets, to justify Canadian exporters carrying stocks at the seaboard ready to ship when orders are forthcoming. If a West Indian buyer places an order in Canada he has to wait six (6) weeks to two (2) months before he gets delivery, as the goods have to be shipped from the interior, and perhaps made after the order is received, whereas he shops in New York and can get his order for all the various goods he requires executed by one commission house and shipped by the first steamer sailing after his order is received. He takes practically no market risk buying in New York, while before he could get delivery from Canada he might be a heavy loser.

We must admit the geographical advantage, if nothing else, that New York holds against Canada with the West Indies.

UNITED STATES ARE BEST FRIENDS TO BRITISH WEST INDIES.

Sugar is not the only product of the British West Indies, and Canada can only take a very small proportion of the fruits, cocoa and other produce of the tropics, while the United States are large buyers of these articles in the British West Indies, and the relations between West Indian and United States firms are of such long standing, that the one is practically inseparable from the other, and these ties are not likely to be broken. There is also a bond between West Indian and United States' traders by the interchange of merchandise on open accounts, simplifying finance, which could not be developed under existing conditions with Canada. The United States have been better friends to the British West Indies than their Mother Country or any of their sister colonies, and a feeling towards closer union of the British West Indian Islands with the United States is never very far in the back ground.

CANADA SHOULD FOSTER RELATIONS WITH WEST INDIES.

Canada should, therefore, do all in her power to maintain the closest relations with the British West Indies, which have the friendliest feeling towards the Dominion, and, although their commercial interests suggest an alliance with the United States, they have no desire to be severed from the Empire

SUBSEQUENT DEVELOPMENTS REGARDING THE REFINERS AND THE PREFERENCE.

Since the foregoing was written the refiners have renewed their "sop" to West Indian shippers, and to the Government, by again agreeing to accept consigned sugars arriving at Halifax unsold, from Jamaica and the Leeward Islands, at half the preference over in bond value at New York on date of arrival at Halifax, until June 30th next. Why not for the whole year?

Do not imagine this is done by the refiners from any spirit of generosity towards those unfortunate sugar producers, for it is simply to keep these small planters quiet, and create the impression that the refiners are granting the preference to the West Indies generally. Also because the market price is low at present and the sugar will make cheap stock for the refiners.

The total quantity of sugar shipped to Halifax on consignment from these small islands is only about 15,000 gross tons in a year, to be divided equally between the Halifax and Montreal refiners, each getting about 5,000 tons, while the quantity of sugar not above 16 Dutch standard entered for consumption annually under the preferential tariff is about 120,000 gross tons.

So the refiners are allowing half the preference over the lowest market value on 12½ per cent. of what they are drawing from the West Indies.

When the refiners renewed this concession the New York refiners were maintaining a difference between 96 deg. Centrifugals and 89 deg. Muscovadoes of ⅜c per lb. in bond, which they had established last year while the price of sugar was high, widening the margin from the regular and intrinsic difference of ¼c per lb., on the ground that Muscovadoes were not worth so much to them, in proportion to Centrifugals, when the market value advanced, as when Centrifugals were selling at a low price. The Canadian refiners under their agreement with West Indian shippers got the benefit of this action by the New York refiners, by only having to pay half the preference on Muscovadoes over ⅜c per lb. under the value of Centrifugals in New York, while at the time they made the bargain they were prepared to pay half the preference over ¼c per lb. below the value of Centrifugals.

Since this season's agreement was made, the New York refiners have re-established the former difference of ¼c per lb., as the price of sugar is so low, but although the New York value is below the world's parity and the Halifax and Montreal refiners' bargain with West Indian shippers is to pay half the preference over New York value, no matter what it may be, there are already grumblings and threats coming from the refiners, that they will have to tell West Indian shippers to stop shipments as they cannot take any more of their sugars, though crops are just commencing.

The refiners make the cry that they don't want these Muscovadoes, and have no use for them, but while, last year, they professed to be overloaded with them and said they would have them in their warehouses a year hence, at least one of the Montreal refiners was scouring the market last fall for anything they could get of that class, and cleared the market of molasses to give them raw material to make yellow sugars which were in demand, and the refiners had exhausted their stock of Muscovadoes.

At values now ruling Centrifugals are selling in New York at 15c per 100 lbs. under the parity of Beet, so as Muscovadoes are worth 25c less than Centrifugals, the world's market value of Muscovadoes is only 10c per 100 lbs. below what Centrifugals are quoted at in New York. Therefore, while the Canadian refiners are giving West Indian shippers half the preference over New York value, which on Muscovadoes is 10c per 100 lbs., they are getting these sugars at 5c less in bond than if there was no preference, so in addition to pocketing the whole of the 33 1-3 per cent. rebate of duty, equal to 20c per 100 lbs. on 89° Muscovadoes, they are saving 5c per 100 lbs. by taking the New York value as basis on which they buy from West Indian shippers.

A good illustration of how the refiners reap the whole of the preference to themselves was shown a few weeks ago, when 2,750 tons Demerara Centrifugals were sold in New York at 2 1-32c per lb. in bond, a New York refiner taking 2,000 tons and a Montreal refiner 750 tons at the same price. The New York refiner had to pay full United States duty, while the Montreal refiner got a rebate of 33 1-3 per cent. of the Canadian duty, and in practical working his 750 tons cost him 24c per 100 lbs. less in New York than the New York refiner's 2,000 tons. The duty paid cost of these Demeraras to the New York refiner was the same as he was paying for Cuban sugar, the planter in Cuba getting the whole of the 20 per cent. preferential rebate of the duty, 33 1-2c per 100 lbs., as an enhanced price for his sugar in bond, whereas if the Montreal refiner had bought non-preferential sugar, at the same price as he paid in bond for the Demeraras, and he could not get any for less, it would have cost him 24c per 100 lbs. more duty paid than he laid down the Demeraras; so, where is the value of the preference to the people of Canada or to the planter in Demerara, when the Canadian refiners are the only ones who are getting the benefit of it?

I do not advocate the withdrawal of the preference, but have uncovered the problem, and must leave the solution to you of how the Dominion of Canada, and the West Indian colonies are to participate in its benefits, not as it is being worked to-day only for the further enrichment of a mere handful of men in this broad land.

COMPARATIVE STATEMENT OF REFINED IMPORTS DURING THE LAST FIVE YEARS.

I regret having to burden you with further details, but it would seem to be necessary, as it was claimed to me the other day, that the quantity of imported refined now coming in, though only the trifling percentage of sugars of all kinds already demonstrated, would have been equal to 15 per cent. a few years ago. As the refiners appear to be agitated on the subject, and in case such a plea is made to you, we had better see what the facts are.

The total quantities entered for consumption during the last five years extracted from the Blue Books were:—

	Above 16 D.S. & all refined. Pounds.	Not above 16 D.S. Pounds.	Total. Pounds.
1900	37,030,841	267,623,607	304,660,448
1901	37,514,922	299,170,911	336,604,833
1902	51,370,428	318,696,010	370,075,447
1903	26,672,033	361,698,799	388,370,832
1904	23,734,365	366,810,295	390,544,660
1905	19,517,812	327,234,786	346,752,598

From which you will see that the quantity of sugar above 16 Dutch Standard, including all refined, entered for consumption in 1905, was 6⅜ per cent. of the total of all kinds entered in 1900, and compared with 1901,—

The quantity of sugar above 16 D.S., including all refined entered for consumption in 1905, was about	6	per cent.
Compared with 1902, ditto	5¼	per cent.
Compared with 1903, ditto	5	per cent.
Compared with 1904, ditto	5	per cent.

There were 17½ million pounds less imported refined entered for consumption in 1905 than in 1900, while nearly 60,000,000 lbs. more raw were entered in 1905 than in 1900.

A fairer comparison would be between 1900, and 1904, as, for reasons already given, the quantity of raw not above 16 Dutch Standard entered for consumption was considerably less in 1905 than in 1904. In 1904 the refiners' consumption of raws was nearly one hundred million pounds greater than in 1900, whereas the importers' business was cut down over 13,000,000 lbs.

Consequently, while the refiners benefitted by the growth of consumption to the extent of 37 per cent. increase in their production, at the expense of the consumer, importers suffered by their trade being curtailed 36 per cent. of what they were permitted to do four (4) years previously, though the total consumption of sugars of all kinds was 28 per cent. greater in 1904 than in 1900. If the tariff had not put the sugar trade of Canada so completely into the hands of the refiners, but had allowed importers to maintain their small business, and participate in the development of the country, the Government would have reaped the benefit in increased revenue from the higher rate of duty collected on refined over raw.

The important fact to be deduced from these figures is that since the preferential tariff became operative, and subsequent to the abolition of European bounties, the importations of refined have steadily declined, while the refiners' production has increased.

Are the refiners to continue to be the only ones to enjoy the fruits of the natural progress of this country?

While we have only to consider the trade of the Dominion as a whole, we can make interesting comparisons in sugar at the refiners' home ports:—

At Halifax, for the fiscal year ended June 30th, 1905, the quantities entered for consumption were:—

Imported refined above 16 D.S.	717 gross tons
Raw not above 16 D.S.	38,142 gross tons

So the quantity of refined entered at Halifax in 1905 was less than 2 per cent. of the qua[illegible]y of raw, or about 1⅞ per cent. of the total of all kinds.

In 1904 at Halifax:—

Imported refined above 16 D.S.	819 gross tons
Raw not above 16 D.S.	53,803 gross tons

Refined in 1904 was, th[illegible]efore, only about 1½ per cent. of the [illegible]antity of raw or of the two combined.

A portion of the quantity of raw entered at Halifax is forwarded to Montreal for the refiners there.

At Montreal, in 1905, the quantities entered for consumption were:—

Imported refined above 16 D.S.	5,141 gross tons
Raw not above 16 D.S.	82,752 gross tons

These make refined 6¼ per cent. of raw, and 5⅞ per cent. of the two combined.

In 1904 at Montreal:—

Imported refined above 16 D.S.	6,815 gross tons
Raw not above 16 D.S.	91,216 gross tons

Refined under 7½ per cent. of raw, and less than 7 per cent. of the two combined.

At Vancouver in 1905:—

Imported refined above 16 D.S.	62 gross tons
Raw not above 16 D.S.	20,326 gross tons

Refined compared with raw or with the two combined, one-third of 1 per cent.

There is no need to go further.

Just one more item and I have done. The tariff imposes a duty on

SUGAR CANE SYRUP

of ¾c per lb., equal to 10½c per gallon of 14 lbs.

The Canadian refiners do not make syrup, having a more lucrative outlet for their by-products, making whiskey and selling their molasses to distillers, so who are you protecting? Apparently only the glucose and corn starch manufacturers, who already have a protection of ¾c per lb. on glucose or grape sugar, glucose syrups and corn syrup, or any syrups containing any admixture thereof, and 1½c per lb. on starch of any kind, which makes the duty on some kinds 100 per cent. of their value.

Cane sugar syrup, is one of the most strengthening foods the people could eat, but the Canadian consumer is debarred from its advantages by the duty making the price prohibitive in competition with corn syrup, which is insipid and weak stuff in comparison.

You would help the masses if you put cane sugar syrup, guaranteed free from glucose, on the free list, when imported direct from Great Britain or her colonies, the same as molasses.

I have the honour to be,

Sirs,

Your obedient servant,

ROBERT ANDERSON.

DISCUSSION.

Following the reading of the foregoing there was a general discussion between the Commissioners and Mr. Anderson on the main points of the subject, from which it is only necessary to quote:—

SIR RICHARD CARTWRIGHT—Looking at the matter in a broader view, the people of Canada by your calculation are taxed $4,000,000 on sugar, and of that $1,750,000 goes into the Treasury, and, roughly, $2,000,000 into the refiners' pockets.

MR. ANDERSON—That is my calculation.

SIR RICHARD CARTWRIGHT—And that as a practical man you are prepared to stand by?

MR. ANDERSON—I am.

SIR RICHARD CARTWRIGHT—It does not differ materially from my own estimate, I may tell you, and I wanted to know if that is your evidence as appearing before us. We will take it as on oath, your statement.

MR. ANDERSON—All right, Sir.

SIR RICHARD CARTWRIGHT—I am aware there are great difficulties in carrying it out, but supposing we had sugar, which is an article that enters into the consumption of every household more and more every day, supposing we had that absolutely free in Canada, at what rate, as far as you know, could it be laid down at per lb. here, supposing the duties were abolished altogether? Take the present market, if the duties were removed, how many pounds of sugar could you, as an importer sell to-day for a dollar?

MR. ANDERSON—Of course the market is abnormally low just now. It would be more like 40 lbs. for a dollar—two and a half cents (2½c) per lb.

SIR RICHARD CARTWRIGHT—Forty pounds for a dollar is the quantity which you think you could sell if you had no duty to pay, and, at present, I think, about 25 lbs. is what they sell.

MR. ANDERSON—That is only, I think, for advertising; that is cutting the price.

SIR RICHARD CARTWRIGHT—What would they be able to give?

MR. ANDERSON—The ordinary retail grocer would give 20 pounds in his regular trade.

SIR RICHARD CARTWRIGHT—But you adhere to the main statement that the tax on the people is $4,000,000, and the return to the revenue about a million and three-quarters.

MR. ANDERSON—That is my statement. I stand by it.

SIR RICHARD CARTWRIGHT—I am not quarrelling with you.

ADDENDA

Notes on cost of refining sugar. By Mr. Anderson.

Statement by the Canada Sugar Refining Company, Ltd., Montreal, presented to the Tariff Commission as a reply to Mr. Anderson's memorial.

Mr. Anderson's answer in rebuttal to the Canada Sugar Refining Co.'s memorandum.

COST OF REFINING SUGAR.

Though to the layman there is probably no feature of the sugar business veiled in so much uncertainty as the cost of converting the raw material into refined ready to market, to those familiar with the trade it is well known that the actual expense is very much less than those whose object it is to create a different impression would like outsiders to understand.

It has been the subject of government investigation in various countries, particularly in the United States, but never in Canada, when determining the amount of protection necessary to the home industry to prevent undue foreign competition.

In 1899, under the Customs Tariff Act, which is still in force in the United States, the Washington Government by means of a special commission, which inquired into the operations of all trusts, took evidence from leading American sugar refiners and others. At that time, owing to keen domestic competition created by the starting of two new independent refineries (Arbuckle Bros. and the Doscher Refinery) against the Trust, granulated sugar was selling in New York at between 32 and 51 cents per 100 lbs. margin over the market value of raw sugar. It was generally admitted that there was no profit in the business to the refiners at such prices, probably a loss when the margin fell below 50 cents, but at 50 cents "it can be done without loss" (Doscher). To quote from the digest of evidence prepared by the Commissioners:

"The general concensus of evidence goes to show that the margin necessary between raw and refined to secure any profit is from 50 to 60 cents, and the presumption is that when it falls below 50 cents refineries are not doing a profitable business. This margin includes the cost of refining proper and also the loss of weight in refining."

In all the calculations submitted to the Tariff Commission at Ottawa, I allowed the Canadian refiners 62½ cents for the cost of refining and working expenses only, **exclusive of additional allowance for profit** (1) and before estimating that the existing tariff gives the refiners a protection of $2,000,000 (2) credited them with

1. Address to Tariff Commission, pp. 10, 13.
2. Address to Tariff Commission, p. 14.

7½ per cent. clear profit, equal . say, 25c per 100 lbs. over and above the excessive allowance of 62½ cents for cost of refining. On the basis of the estimate that the protection in the tariff enables the Canadian refiners to make $2,000,000 over and above legitimate profits before they have to consider competition of imported refined, the margin between raw and refined in Canada would be $1.50 per 100 lbs., composed of:—

Cost of refining, including all expenses of management and selling	$0.6250 (3)
Legitimate profit 7½ per cent., say at present value	.2500 (4)
Excess protection basis current prices	.6250 (5)
Estimated margin between raw and refined in Canada	$1.5000 per 100 lbs.

In the United States, though it is admitted that it takes "50 to 60 points (cents) of a margin between raw and refined to make a profit on sugar" (Jarvie of Arbuckle Bros.), it is agreed that to make a "nice profit" (Doscher) a fair margin would be 75 cents: "then it is beneficial" (Havemeyer). It must be borne in mind that at the time of the United States Government inquiry the price of sugar was high, 96 degrees raw was selling at over 4½ cents per lb., and granulated at over 5 cents per lb. in New York, and all calculations of the cost of refining and running expenses were on that basis which made them proportionately higher than if sugar had been selling on a lower level, for as one of the refiners said "on a lower basis of prices the margin would have to be less" (Post, Commercial Agent of the Mollenhauer and National Refineries). The price of sugar is at the present time fully 1 cent per lb. lower in bond than it was in 1890, but although the value of 96 degrees raw duty paid in Canada was only about 2½ cents per lb. when I made my calculations submitted to the Tariff Commission, of the cost to the Canadian refiners of granulated produced from West Indian raws, (6) I allowed them 12½ cents per 100 lbs. more for the cost of refining than the New York refiners had admitted to be the cost from raws costing 2 cents per lb. higher. It must also be remembered that the evidence taken by the United States' special commission was given seven years ago and that modern science is

3. Address to Tariff Commission, pp. 10, 13.
4. Address to Tariff Commission, p. 14.
5. Address to Tariff Commission, p. 14.
6. Address to Tariff Commission, p. 13.

constantly inventing more economical methods of manufacturing, so the cost of refining sugar may be considerably less to-day than it was then. At that time one of the New York refiners (National) admitted the loss in refining 96 test sugar was 1 per cent.; in my calculations seven years later I allow the Canadian refiners two per cent., not because I am not aware that it may be less, but, as throughout my statements I give the benefit to the refiners. I am told that by the latest methods actually in practice there need not be any loss in weight in refining, the refiner getting 100 lbs. of refined material from the 100 lbs. of raw melted.

Sugar refining is practically entirely a mechanical process, conducted from start to finish almost exclusively by machinery, and with the aid of nearly every known labor saving device. Mr Havemeyer, president of the American Sugar Refining Co., "The Trust," testified that "the labor employed in sugar making is almost exclusively the lowest grade of unskilled labor," wages in New York range from $1.35 to $1.50 per day, but "no one of the men could earn as much outside of the refinery" as the refiners pay the men 15 to 25 cents more than they could get elsewhere to make sure of a constant supply, and because a man who is worth what he could get in a refinery can get better wages at any other kind of work. The average duration of a day's work is ten hours. In Canadian refineries, so far as can be learned, the average wages paid to laborers are $1.25 per day, only the foremen and the few practical sugar makers getting higher pay.

It does not appear that there is any particular saving in the cost of refining in a refinery with a large capacity compared with a smaller one. One witness in the Washington inquiry (Post) said that such refineries as Havemeyer and Elder's making 12,000 barrels of sugar a day and the Spreckles house in Philadelphia with an output of 8,000 barrels a day when run at their full capacity are supposed to be able to refine at a smaller margin than others, but "I do not think it can amount to a great deal; I suppose three to five cents a hundred would perhaps represent the difference, although that is only my individual opinion; I have no way of telling." The capacity of the refineries Mr. Post represented were, Mollenhauer about 3,750 barrels, National about 2,800 barrels. Other witnesses (Doscher and Jarvie) believed that the cost of refining in their establishments (Doscher capacity 3,000 barrels) (Jarvie, Arbuckle, 4,000 barrels), was as low as in any other. It is, therefore, fair to assume that, allowing for the smaller output of the Canadian refineries, while perhaps it does not actually cost them any more to refine than it does the American refiners, and they are now working with the advantages of improvements gained in methods of refining since the United States inquiry was held seven years ago, if we concede the 1-32 cent per lb. to the Canadian refiners which I allowed them in my comparison of the selling prices of granulated in New York and Montreal before the Tariff Commission (7) we will be doing them full justice. But, as the cost of refining, including all expenses for marketing and management in New York seven years ago was $\frac{1}{2}$ cent per lb., and I allowed the Canadian refiners at the present time $\frac{5}{8}$ cent per lb., (8) it will be clear that I have done them more than justice in my statements. For work I allowed the Canadian refiners 42 cents per 100 lbs.; (9) evidence was produced at the Washington inquiry seven years ago that it did not cost the American refiners over 30 cents. I debited the Canadian refiners 32 cents for labor, coal, charcoal, repairs, renewals, etc., while New York refiners (National) only calculated these at 20 cents, so admitting that it may cost the Canadian refiners $3\frac{1}{8}$ cents more to refine, though it must not be forgotten that labor is less in Canada, we are actually allowing the Canadian refiners $8\frac{7}{8}$ cents too much for the items that constitute the cost of refining proper, and readers will appreciate how generous this is when they consider that on the average quantity of raw sugar imported it amounts to about $320,000 a year. A lot of work can be done with such a sum in the five sugar refineries at present in operation in Canada. The other 10 cents are equalized between the American and Canadian calculations for cost of packages being the same in both cases, and the balance of 8 cents for loss in weight to make up the 50 cents for total cost to the Canadian refiner of refining and packing has already been shown to be excessive when compared with the American estimate seven years previously that there was then only one per cent. loss in weight, say on the basis of our Canadian calculation 4c. and there may now be no loss in weight. If it is remembered further that I allowed the Canadian refiners $12\frac{1}{2}$ cents (10) extra for cost of management, office, selling expenses, etc., and that this amounts to about $450,000 a year, the reader should be convinced that there is at least nothing to be added to my calculations of the cost of granulated to the Canadian refiners. Correspondingly, in my cal-

7. Address to Tariff Commission, p. 9.
8. Address to Tariff Commission, pp. 10, 13.
9. Address to Tariff Commission, p. 22.
10. Address to Tariff Commission, p. 23.

culations of the cost of imported granulateds to the importer, [11] I was careful not to overestimate the expenses. I only allowed the Scotch refiner 68 1-5 cents per 100 lbs. for cost of refining, packing, delivering free on board at shipping point, and **including the refiner's profit,** [12] which he is satisfied to work for, whereas I allowed the Canadian refiner 62½ cents for cost of refining only, and showed that the Canadian refiner would have to add a profit of 85 1-3 cents to the cost to him of granulated made in Canada [13] from British grown raws at the same price as the Scotch refiner had paid, [14] before the selling price of Canadian granulated would equal the first cost to the importer of Scotch granulated duty paid in Montreal. It will, therefore, be self evident that for even the trifling quantity of imported refined the refiners have allowed to come in in competition with their product [15] to have been admitted at all, the refiners must have not only made full use of their protection, but abused it, as the importer's profit, small as it can only be under the most favorable circumstances, say 10 cents per 100 lbs., (it often has to be less), has to be added to the cost shown to him of imported granulated, so, as existing customs' regulations restrict the importer to one source of supply, under the preferential tariff from Great Britain, it will be clear that on equal market conditions the Canadian refiners must make even a greater profit than 85 1-3 cents before they can have any competition. Think of it, on an article like sugar, now a necessity to the people, which is daily entering more and more into consumption in every household. Seems like robbing the poor man's breakfast table, does it not! This is what the protection to the Canadian refiners in the existing tariff permits them to do. Is it to be continued?

11. Address to Tariff Commission, pp. 10, 12.
12. Address to Tariff Commission, p. 12.
13. Address to Tariff Commission, p. 13.
14. Address to Tariff Commission, p. 12.
15. Address to Tariff Commission, p. 4.

R. A.

Since the foregoing went to press, a reply to Mr. Anderson's memorial to the Tariff Commission has been given out by the Canada Sugar Refining Co., Montreal, which is reprinted here, followed by Mr. Anderson's answer in rebuttal; to bring this pamphlet up to date (31st March, 1906).

STATEMENT BY THE CANADA SUGAR REFINING CO., MONTREAL, PRESENTED TO THE TARIFF COMMISSION 2nd MARCH, 1906, AS A REPLY TO MR. ANDERSON'S MEMORIAL.

On the 8th February, Mr. Robert Anderson, acting on behalf of Messrs. Robert Crooks & Co., importers of refined sugar, presented to you an elaborate statement in regard to the sugar duties, covering 42 pages of typewritten matter, which may be summed up as an unreserved indictment of the Canadian duties on sugar, under which Mr. Anderson asserts the refiners have a complete monopoly of the Canadian market, and amass enormous profits at the expense of the Canadian consumer.

Mr. Anderson supports his case with an elaborate series of figures and calculations, and has spread his memorial broadcast.

Under these circumstances, the reply which we now make is an endeavour to show you that Mr. Anderson is not a reliable authority on this matter, and to give to his conclusions an emphatic denial and contradiction as inconsistent with facts.

Before, however, dealing with the main question, one or two points may be noted. On page 4 Mr. Anderson asserts, quoting his own words, referring to last season--"The refiners were maintaining an artificially high market in Canada until recently, when they reduced their prices to make as unprofitable a return as possible for the domestic beet factories in Ontario." This statement is absolutely devoid of any foundation, as the following facts will show:—

1905 was a disastrous year to every dealer in sugar, decline after decline in values took place, the refiners were obliged, as usual, to follow the markets wholly independent of the question of loss or profit, the following successive declines actually took place:

Reductions in price of Refined Sugar from January, 1905, to date:

	Declines. Number.	Amount.
1905.		
February	1	$0.10
April	1	.10
May	3	.30
June	3	.25
August	1	.10
September	2	.20
October	3	.30
November	1	.10
1906.		
January	2	.20
February	1	.10
Per 100 lbs.		$1.75

Total amount of declines before Commission met in Montreal, $1.35.

Total amount of declines after Commission met in Montreal, 40 cents.

The great majority of these declines it will be noted took place long before the Ontario beet sugar came into view (about the beginning of November) and it may be summed up that Mr. Anderson's accusation is wholly baseless.

Another of Mr. Anderson's statements runs as follows: "The refiners' actions savour of a demonstration, to impress the trade and the country, for on the morning the hearing was opened in Montreal (7th November) the facts were that at that time (says Mr. Anderson) there were no supplies of preferential sugar available for import." Now, the Tariff Commission opened on 7th November and we direct special attention to the last sentence of Mr. Anderson's, for we would draw attention to the fact that the manifests of this port show at this very time, that is, during the month of October, 1905, when, as as he says,—"No preferential sugar could be "had"—his firm alone imported at Montreal over 11,000 bags of sugar—what duty this sugar paid we do not know, but it must have been preferential, at a rebate of 33 1-3 per cent., because Mr. Anderson says elsewhere, that that kind only can come to Canada.

And, if further proof is required of the value of Mr. Anderson's "facts"—we would quote reports of one British port—Greenock—from which the following exports took place for Canada:

Week ending	Tons.
14th October, 1905	240
21st October, 1905	565
28th October, 1905	350
4th November, 1905	200

Mr. Anderson goes on to another point where he assumes to speak of things of which he knows nothing and can know nothing. In page 8 he says: "The Canadian refiner buys only in bond and does not pay on the average any premium to the British West India planter for his sugar, over what the New York refiner would give for it—which is pocketed by the Canadian refiner as extra profit." All this is false, the Canadian refiner has paid and does pay a large share of the preference to the West India planter."

In 1904 we paid to the West India sellers an average premium of 12 9-10 cents per 100 lbs., over and above the New York market price of the day on account of this preference.

In 1905, we paid an average premium of 13 7-10 cents per 100 lbs.

Now, the sugars on which we paid these extra prices, ranged in test from 75 degrees to 96 degrees, and the preference to which these sugars were entitled by law ranged accordingly from 13 cents to 24 cents per 100 lbs. A large share, therefore, of the reduction of duty on raws has gone to the West India planter. As it is a fact that Mr. Anderson is engaged in importing refined sugar, represented to be made from West India raws, and claims and collects a rebate of over 40 cents per 100 lbs., it becomes appropriate to ask if he himself, or his firm, contributes any portion of this large premium to the West India planter, to whom it is as righteously due as from that portion of their crops which the Canadian refiner uses.

Mr. Anderson proceeds to his main argument, viz.: That the Canadian refiners are over protected, his assertion being that, to quote his own words,—"The sugar refiners are granted over 50 per cent. more protection than is given to American refiners."

Mr. Anderson's statement in support of this assertion is as follows:—

Canadian duty on refined	$1.26½
Canadian duty on raw	.71½
Apparent protection	.55
U. S. duty on refined	$1.95
U. S. duty on raw	1.68½
Apparent protection	.26½

In these figures Mr. Anderson conveniently conceals the following facts:—

1st. He takes the highest rate of Canadian duty, viz., on granulated, omitting to mention that on all soft sugars the Canadian rate of duty runs down as low as $1.08 per 100 lbs., which reduces the Canadian duty on refined to $1.20—and by the preferential tariff to eighty cents. While the American duty on all qualities and grades of refined is at the uniform rate of $1.95 per 100 pounds.

He further assumes that the American refiners are paying a duty of $1.68½ on their raw material. Let us examine this.

The United States consumption of sugar of all kinds during the year 1905 was 2,032,216 tons, and the sources of supply from which this was drawn were as follows:—

U. S. CONSUMPTION, 1905.

Source.	Duty.	Tons.
Domestic cane and beet	free.	576,124
Hawaii and Porto Rico	free.	501,425
Philippines	$1.26⅜	14,673
Cuba	1.34 8-10	1,101,611
Other countries	1.68½	438,383

From these figures it is proved that the percentage of

Sugar imported paying full duty is only 21 1-3 per cent. of the whole.

Sugar consumed paying full duty is only 16 2-3 per cent. of the whole.

Consequently, the average duty paid on imported sugar, basis 96 degrees, is $1.09½ per 100 lbs., and on sugar consumed, basis 96 degrees, $0.8518 per 100 lbs.

The foregoing table shows that the American refiner, instead of paying $1.68½ on his raw sugar, really contributes that duty on only 21 per cent. of the total importations, and the actual contribution to the American revenue by the American refiner is $1.09½ per 100 lbs. at the most. Applying these corrections to Mr. Anderson's table above, we find the true situation to be:

	Per 100 lbs.
Applying preference the Canadian duty on refined of all grades is, estimate	$0.80
On raw	.48
Apparent protection	$0.32

	Per 100 lbs.
U. S. duty on refined	$1.95
U. S. duty on raw, as explained	1.09½
Apparent protection	$0.85½

So that by deducting 23 cents from the Canadian protection, and adding 59 cents to the American, we arrive at the truth, which, as above, is:

American protection, 85½ cents per 100 lbs.

Canadian protection, 32 cents per 100 lbs.

You will observe that the word "apparent" is used in both cases, because, as it takes more than 100 lbs. of raw to produce 100 lbs. of refined, the protection to refiners is reduced.

Mr. Anderson proceeds to calculate the advantage accruing to the Canadian refiners from the dumping clause. Now, it may be said in reference to the dumping clause that while it is a righteous provision against that process, applicable to other commodities besides sugar, it has never had the effect of adding one single cent to the price of Canadian refined sugar, and never can do so as long as British refined can be had, to which the clause does not apply.

He proceeds to contrast the price of granulated in New York with that in Montreal, to quote his own words:

"The net prices were recently on the same day."

	Per 100 lbs.	Per 100 lbs.
Granulated in New York		$4.45
Paying a duty of	$1.68½	
Granulated in Montreal		4.08½
Paying a duty of	.47 2-3	
	$1.20 5-6	.3650

Therefore, he says, while the New York refiner paid $1.20 5-6 per 100 lbs. more duty on his raw than the Canadian refiner did, the return to the Canadian refiner was apparently $84 1 3$ cents per 100 lbs. more than the New York refiner got.

Applying the necessary correction to this statement, we find that the correct figures for the day Mr. Anderson appeared before the Commission, were as follows:—

	Per 100 lbs.	Per 100 lbs.
Granulated in New York, net		$4.45
Paying a duty of	1.09\frac{1}{2}$	
Granulated in Montreal.....................		3.84$\frac{3}{4}$
Paying a duty of	.47 2-3	
	.61 5-6	.60$\frac{1}{4}$

Leaving Montreal 1 7-12 cents per 100 lbs. better than New York instead of 84 cents as Mr. Anderson has it.

But we attach little importance to the comparison for it is next to impossible to follow the ups and downs of the New York market. Substantially, however, the comparison has been just about the same as the corrected figures given above through the year past.

It seems unnecessary to pursue the analysis of Mr. Anderson's calculations further; what remains is affected with the same disease of erroneous data and conclusions as in the cases above dealt with.

We do not hesitate to affirm that the information he offers the Government is inaccurate and unreliable, and his conclusions absurd. His proposed tariff changes would certainly answer his purpose and transfer to the importers the entire business of the supply of refined sugar to this country, and deprive the West Indies of the traffic and preference they now enjoy.

Referring to the inaccurate statements with regard to the protection and profits of the sugar refiners, a glance at the subjoined table will be instructive.

Table showing the ad valorem equivalents of present duties at present market value:—

Raw material. p.c.	Imported goods. p.c.	Protection. p.c.
Cotton, no duty	20 to 35	20 to 35
Wool, no duty	30 to 35	30 to 35
Silk, no duty	25 to 35	25 to 35
Jute, no duty	25	25
Rubber, no duty	25 to 35	25 to 35

Sugar.	Raw pays.	Refined on the average.	
(Gen. Tariff)	45 2-5	*48 1-5	2 4-5
(Pref. tariff)	30 3-10	32 3-20	1-7-8

The above figures show that sugar refining instead of being as alleged a specially favored industry, has probably a lower rate of preference from the tariff than any other industry of importance in the Dominion. A difference of less than two and one-half per cent. ad valorem existing between the duty collected from the raw material, and that on competing importations of refined.

ANSWER IN REBUTTAL BY ROBERT ANDERSON TO CRITICISM BY THE CANADA SUGAR REFINING COMPANY OF HIS STATEMENTS BEFORE THE COMMISSION AT OTTAWA, FEBRUARY 8th, 190[illegible].

Mr. Robert Anderson Files Answer in Rebuttal with Tariff Commissioners. Pulling to Pieces the Defence of the Sugar Manufacturers. (Montreal Herald.)

Montreal, March [illegible] 190[illegible]

TO THE MEMBERS OF THE TARIFF COMMISSION, 1905-1906.

In answering the memorandum filed with you [illegible] by the Canada Sugar Refining Co., which I have only had [illegible] communication of from the reports in the public press given out on [illegible] inst., I would, in the first place, call your attention to the fact, [illegible] the newspaper reports are correct, which I am assured they are, that the crucial points of my argument are avoided, and [illegible] Canada Sugar Refining Co. do not attempt to challenge the [illegible] fact by the calculation [illegible] submitted, that in actual practice [illegible] protected under the existing tariff, on the average of the [illegible] the extent of say 88 [illegible] per 100 lbs. against imported British granulated under the preferential tariff (p. 10 of my original statement), and by existing regulations that is the [illegible] competition they have to consider.

As regards the publicity given to my statements before your Commission, I have not yet "spread" my [illegible] memorial broadcast [illegible] the Canada Sugar Refining Co. state in their memorandum to [illegible]. The reports of my appearance at Ottawa that have appeared in the papers were the voluntary expressions of the members of the [illegible] who were present at the hearing. I only distributed a few [illegible] written copies of my address to friends who are connected the trade and [illegible] who [illegible] it by the Canada Sugar Refining Co. ha[illegible] had them [illegible] published in extenso in every newspaper of in[illegible] in Canada.

Taking the Canada Su[illegible] memorial seriatim, my answers are :—

FLUCTUATIONS IN CANADIAN REFINERS' PRICES

[illegible]y orig[illegible] [illegible] [illegible]ted, during [illegible]ber, [illegible] to the refiners [illegible] Canada until recently was [illegible] to the prices ruling [illegible] the [illegible] and [illegible] refiners in October and November.

As the [illegible] for the calendar ye[illegible] the Canada Sug[illegible] price of refined sugar" for t[illegible] [illegible]ember, 1905, though we ma[illegible] note [illegible] th[illegible] February 1906, of 10c per 100 lbs. [illegible] that month, the day following [illegible] statements being made public, and ther[illegible] market at that time [illegible]

The [illegible] refiners [illegible] "long" prices on [illegible] to you by the Canada Sugar [illegible] Co., th[illegible] the Canada Sugar Refin[illegible] [illegible] making the net declines [illegible] [illegible] table). Between the [illegible] prices for Canadian refined [illegible] advances totalled 33¼c and the [illegible]). Between the highest and lowest [illegible] granulated there was a range of [illegible].25. (Willett & [illegible]'s Weekly St[illegible] Journal, New York, January 4th, 190[illegible] between the highest and lowest pri[illegible] New York was $1.81 and in raw beet f.o.b. Hamburg 8s. [illegible] cwt. ($1.79 per 100 lbs.) from the top [illegible] the bottom (Czarnek[illegible] Macdougall & Co.'s Annual Review, New York, December 29th, 1905, filed). The advances in raw cane [illegible] the opening prices on January 1st to the highest point of the [illegible] the 10th of that month, were 37½c. from that time on, with [illegible]onal rallies, there was a steady decline in values throughout the year, the net declines being $1.25. Beet advanced 1s. 6d. per cwt. (32¾c per 100 lbs.) from January 1st to 10th and then followed the downward course of the market to the lowest point. The average decline in beet, from the average price in January, was 7s. 4¼d. per cwt. ($1.60 per 100 lbs.).

The Canadian refiners' prices at the opening of the year had been advanced to the full extent of the upward movement in values, following the sensational advance that had been established in the latter part of 1904. On January 1st, 1905, the "net" price of granulated in Montreal was $5.13, on the same day the "net" price in New York was $5.00, a difference of 47c. At the lowest point of the market in 1905 the price of granulated in New York was $4.35, in Montreal it was $4.08 1/3, a difference of 26 2/3c. Compare the duties in both countries:

In the United States.	Per 100 lbs.
The duty on refined of any kind is	$1.05
In Canada.	
The duty on granulated under the preferential tariff is..	0.84 1-3
A difference against the United States refiners of.......	$1.40 2-3

This, of course, has nothing to do with the protection to the refiners between the duties on raw and refined in either country.

Now, let us see whether I was justified, or not, in saying, the refiners were "saving their own necks" by "maintaining an arti-"ficially high market in Canada until recently, when they reduced "their prices to make as unprofitable a return as possible for the "domestic beet factories in Ontario." The Canadian refiners did not alter their prices from June 27th to August 24th, between these dates raw cane sugar declined 25c for centrifugals in New York, and 1s. 9d. per cwt. (38c per 100 lbs.) for Java 96 degrees test in London, and beet 2s. 5¼d. per cwt. (54c per 100 lbs.). (Willett & Gray's Daily Sugar Trade Journal of June 27th and August 24th, 1905, filed.)

The Canada Sugar Refining Co. say the Ontario beet sugar came into view "about the beginning of November." I file a telegram from the Wallaceburg Sugar Co., Wallaceburg, Ontario, dated October 9th to my firm advising "New sugar down tomorrow." We have the Canada Sugar Refining Co.'s statement that their prices were reduced 30c in October and 10c in November. It is, at least, the impression of those in the trade that the refiners begin to adjust their prices in the latter part of September and the beginning of October in anticipation of the beet sugar coming on the market.

REFINED SUGAR IMPORTS DURING OCTOBER AND NOVEMBER, 1905.

I repeat my statement that at the time your Commission opened its hearing in Montreal (7th November, 1905), when the Montreal "Gazette" said that the decline of 10c made the prévious day was "due to the keen competition with which refiners are meeting from "sellers of foreign refined sugar," that "there were no supplies of "preferential refined available for import." The shipments from Greenock, quoted by the Canada Sugar Refining Co. for the weeks ending October 14th, 21st, 28th, and November 4th, 1905, were of sugars bought, so far as my firm was concerned, and I think I am correct in saying also as regards other importers, during August and September, and these included shipments to Newfoundland. My firm's importations were on orders placed with us by Canadian buyers for import on their own account, and the refiners waiting until these shipments arrived before reducing their prices is an illustration of what I said on p. 2 of my original statement, that "they maintained a high market for their refined product, thereby "inviting importations of refined, but when they came in the "refiners would reduce their prices, to keep up their cry of 'wolf.'"

PREFERENCE TO WEST INDIES.

Nobody, except the seller in the West Indies, should know better than the Canadian refiners whether they pay a premium for West Indian sugars or not, and the Canada Sugar Refining Co. say they do, but it is very strange that Sir Nevile Lubbock, chairman of the West India Committee, and probably the greatest authority on West Indian affairs, stated no later than the 6th of this month, that:

"It is true that the Canadian Parliament recently showed their "good will to the West Indies, by giving West Indian sugar fav-"oured treatment in regard to its admission to Canada, and no "doubt the reduction of 33 1-3 per cent. on the duty upon West "Indian sugar was intended to benefit the West Indies. As a "matter of fact, however, it has only done so to a very moderate "extent, the bulk of the apparent advantage having been inter-"cepted by the Canadian sugar refiners." ("The West India Committee Circular," March 9, 1906, with report of Sir Nevile Lubbock's address on Imperial Questions in the West Indies, filed). Sir Nevile Lubbock is directly interested, as an estate owner, in many thousands of tons of West Indian sugar, so should know whether, or not, he is getting a premium from the Canadian refiners for what he sells

It may be that in the Canada Sugar Refining Co.'s calculations of the average premiums they claim to have paid in 1904 and 1905 to West India sellers over and above the New York market price, they included their purchases for direct shipment to Montreal via the St. Lawrence, and took the price they paid cost and freight to Montreal, which for freight alone would show a premium of about 1-16c per lb., so, supposing they had bought cost and freight Montreal at 1-8c per lb. over the market price cost and freight to New York, the seller in the West Indies would only be getting 1-16c premium for the sugar f.o.b. over what he could have obtained for it if shipped to the New York market. Then, of course, there is the "Halifax Agreement," referred to on pp. 35, 36, 40, 41 of my original statement, by which the refiners agree to take sugars arriving on consignment from West Indian shippers at half the preference over New York value, but, as we have already seen, "New York is not fair market value," and the refiners "juggled" with their bargain to suit their own ends.

You are aware of the complaints you have repeatedly received from your commercial agents in the West Indies that the Canadian refiners were not paying the preference to shippers. We have also seen an instance, p. 42 of my original statement, where a Montreal and New York refiner bought Demerara Centrifugals at the same price on the same day.

However, what you have to consider is the protection to the refiners in the tariff, not whether they are paying the preference to West Indian planters or not, that is a matter between the seller and the buyer. You have done your part toward the West Indies by offering them the preference; it rests with them to see that they get it.

REFINERS' PROTECTION IS INCREASED BY PREFERENCE.

My reasons for referring to the preference were clearly explained in my original statement, that, instead of the refiners' protection being curtailed by the preference being granted on the higher refined duty, it has actually been increased, as shown in my original statement, p. 13. It is the giving of the preference to refined that makes the preference on raw of value to the West Indies, as it is the competition of the British refiner that enables the planter to get a premium from the Canadian refiners. Whatever price the Canadian refiners pay for West Indian sugar the British refiners have to pay as much or more, it is common sense that as the Canadian refiners have a highly protected market and can bring in West Indian sugar at 33 1-3 per cent. less duty than they would have to pay on any other kind of raw sugar, they are eager buyers of all the West Indian sugar they can use, and that any other buyer appearing in the West Indian market has to pay a premium for the sugar to get it away from the Canadian refiners. Consequently, my firm, on the small quantity the Canadian refiners permit us to secure, pays a larger share of the preference to West Indian sellers than the Canada Sugar Refining Co. does. The 40c per 100 lbs. preference on the average of all grades of refined made from British grown raws, was offered to the United Kingdom refiners, to whom, we, the importers, pay a premium, equal, not only to the extent of the extra price they have had to pay for the raw sugar in the West Indies, but to the higher cost of freight taking the raw sugar from the West Indies to United Kingdom ports, 15s. to 20s. per ton (16⅜c to 21.82c per 100 lbs), compared with the freight from the West Indies to Montreal direct (14c per 100 lbs.). (Demerara Fortnightly Market Report, 28th June, 1905, filed). We have to pay a profit (small as it is) to the British refiner for making the refined, then we have to pay freight and charges bringing the refined from Great Britain to Canada (20s. per ton, 21.82c per 100 lbs., from Greenock to Montreal during open St. Lawrence navigation); in winter we have to pay 15c additional for rail freight from the seaboard, while the Montreal refiners raw material coming via New York in winter only costs them 3c more for freight delivered Montreal than it does direct in summer. The freight on our refined from Greenock, alone more than neutralizes the difference in the 33 1-3 per cent. preferential rebate between the duties on refined and raw as follows:—

	Specific duty.	33 1-3 p.c. rebate.	Preferential duty.
On Granulated	$1.2650	0.4217	0.8433
On 96 deg. Raw.........	0.7150	0.2383	0.4767
Differences.	.5500	.1834	.3666

and, when the [illegible] refined has arrived at Montreal we have to pay 36 2-3c m[illegible]y on it than the Canadian refiners pay on their raw material.

The grievance is that in giving the refiners so much protection, that they have absolute control of the market, you are depriving the consumers of the benefits of the preference, which is pocketed by the refiners, no matter whether the West Indian planter gets it or not; you are also sacrificing the country's revenue for the benefit of the refiners. I have shown you how to remedy that, without increasing the cost to the consumer or doing an injury to the refiners, by raising the duty on raw sugar 25c per 100 lbs. in the general tariff, equal to 16 2-3c under the preference, which would increase your revenue by about $675,000 a year.

The Canada Sugar Refining Co.'s insinuation, that the refined sugars we import, and enter under the preferential tariff, are not made from West India raws, is beneath contempt.

CANADIAN VERSUS UNITED STATES PROTECTION.

The Canada Sugar Refining Co. must, indeed, have thought I am "not a reliable authority," when they ventured to put themselves on record as the authors of such a wild deduction as they arrived at, by a purely imaginative manipulation of figures, which is totally at variance with the facts. It was either a deliberate attempt to mislead you, or evidence, that, as they have so much protection they do not need to follow conditions ruling in outside markets, and by resting on so much velvet for so many years they have got out of touch with the stern realities of the situation. I, however, credit you with more intimacy with the inside workings, than to suppose you were "fooled" by such "arguments." I have not been actively engaged in the sugar business for the last twenty years, and my father before me, and his father before him, without acquiring some knowledge on the subject, particularly as I have had to fight for my living, and have never had the soothing influence of "protection," to distract my eternal vigilance from the constant changes that beset the trade.

It will have been self-evident to you, that, as I have already said in replying to a minor critic, in making use of the comparisons of the duties in the Canadian and United States tariffs on granulated and 96 deg. raws, both standard bases, and perfectly legitimate deductions, to show the "Apparent protection to the refiners in the tariff," I was "merely marshalling my forces to formulate my arguments," to prove the "Actual protection to Canadian refiners," and that, when doing so, by specific calculations, I confined myself strictly to comparisons of raw and refined under the same sections of the Canadian tariff, but the Canada Sugar Refining Co. fight shy of these facts, and their "jumps" from one part of my paper to another are so wide that they cannot be bridged, and make their "reply" a worthless evasion.

Since I wrote my original statement, and subsequent to the Canada Sugar Refining Co.'s reply being given out, I have been making inquiries in New York to ascertain what the actual protection to the American refiners in the United States tariff is accepted to be by authorities, and file with you original letter from Willett & Gray, dated March 27th, 1906, in which they say: —

"The duty assessed on foreign refined sugar coming into the United States is 1.95c per lb.

"The duty on raw cane sugar 96 polarization is 1.685c.

"The duty on raw beet sugar 88 analysis (94 Pol.) is 1.615c.

"The United States Government has, in latest decision, declared that it requires 106.23 lbs. of raw cane sugar, 96 polarization, to produce 100 lbs. granulated testing 99.5 or above and, 108.98 lbs. of raw beet sugar of 88 analysis (94 polarization) to produce 100 lbs. granulated.

"If raw cane sugar is used, the duty on 106.23 lbs. at 1.685c would be 1.79c per lb., as against 1.95c per lb. on imported granulated, leaving .16c per lb. protection to refiners here.

"If raw beet sugar is used, the duty on 108.98 lbs. at 1.615c per lb. would be 1.76c per lb., as against 1.95c per lb. on imported granulated, leaving .19c per lb. protection to refiners here."

The comparisons in each case are with granulated only.

Applying the same bases to the Canadian tariff, we find:

The duty on imported granulated, from Great Britain, produced from non-British raw cane sugar, is, in the general tariff 1.265c.

The duty on non-British raw cane sugar, 96 polarization is, in the general tariff, .715c.

The duty on imported granulated, from Great Britain, produced from British grown raw cane sugar, is, under the preferential tariff, .84 1-3c.

The duty on British grown raw cane sugar 96 polarization is, under the preferential tariff, .47 2-3c.

The duty on imported granulated, from Great Britain, produced from raw beet sugar, German excepted, is 1.265c.

The duty on raw beet sugar 88 analysis (94 Pol.) is, .685c.

If non-British raw cane sugar is used, the duty on 106.23 lbs., at .7150c per lb., would be .7595c per lb., as against 1.2650c per lb. on imported granulated, leaving .5055c per lb. protection to the Canadian refiners in the Canadian tariff compared with .16c per lb. protection to the American refiners in the U.S. tariff.

If British grown raw cane sugar is used, the duty on 106.23 lbs., at .47 2-3c per lb., would be .5064c per lb., as against .84 1-3c per lb. on imported granulated, leaving .3360c per lb. protection to the Canadian refiners in the Canadian preferential tariff, compared with .10c per lb. protection to the American refiners in the U. S. tariff.

If raw beet sugar is used the duty on 108.98 lbs., at .6850c per lb., would be .7465c per lb., as against 1.2650c per lb. on imported granulated, from Great Britain only, leaving .5185c per lb. protection to the Canadian refiners in the Canadian tariff, compared with .10c per lb. protection to the American refiners in the U. S. tariff.

But, I do not admit this method of estimating the protection, as it is on the assumption that a refiner makes nothing but granulated from the raws melted, and on that theoretic supposition is correct, but in practical working a refiner makes all the different grades of refined he can extract from 100 lbs. of raw melted. The actual loss in refining 100 lbs. 96° raw sugar is not over 2 per cent., i.e., a refiner gets 98 lbs. of refined from the 100 lbs. raw, it is immaterial what percentage of this is granulated, and the profit on the softs is proportionately greater than on the hards. The loss in weight in refining may be less than 2 per cent., as seven years ago, when giving evidence before a United States Government Special Commission, which inquired into the operations of the Sugar Trust, (a similar investigation in Canada would no doubt reveal some interesting information of the inner workings of the sugar refining industry), New York refiners testified that the loss was only 1 per cent., and I understand by the latest methods actually in practice there need not be any loss in weight in refining, the refiner getting 100 lbs. of refined material from the 100 lbs. of raw melted. (See Cost of Refining, pp. 49, 50.)

The estimate of 106.23 lbs. of 96° raw to make 100 lbs. of refined granulated is for drawback purposes in the States, and is converting all the refined produced from the raw, granulated and softs, including the resulting by-products of syrup, into the basis of pure granulated sugar. If such a theory is to be accepted for calculating the protection to the domestic refiners against imported refined, we must debit the British refiner with 106.23 lbs. 96° raw cane sugar on each 100 lbs. granulated he exports to Canada, while I treated him the same as I did the Canadian refiner, and only charged the two of them with 100 lbs. raw.

However, for the purpose of comparison between the protection to the Canadian and United States refiners in the respective tariffs, the analysis made being on equal conditions for the refiners in both countries, is conclusive proof of the utter absurdity of the Canada Sugar Refining Co.'s contentions.

In contradiction of the Canada Sugar Refining Co.'s extradinary statement to you, that, duty free and preferential sugars in the United States reduce the average duty paid basis of 96° raws from $1.68½ to $1.09½, which I cannot believe they really believe themselves, I refer you to, Willett & Gray's Weekly Journal, New York, January 4, 1906, Czarnikow, Macdougall & Co.'s, New York weekly circulars, January to December, 1905, and, Willett & Gray's Daily Journal of March 24, 1906, filed, with particulars of sales of duty free, preferential, and non-privileged full duty paying, sugars on the same days at the same duty paid equivalents in New York, such as:—

May 26th, 1905.

Cuba Centrifugals basis 96 at 4⅜c, duty paid, paying duty at 1.34 8-10c.

San Domingo Centrifugals basis 96 at 4⅜e, duty paid, paying duty at 1.68½c.

May 31st, 1905.

Porto Rico Centrifugals basis 96 at 4⅜c, duty free.

Surinam Centrifugals basis 96 at 4⅜c, duty paid, paying duty at 1.68½c.

Porto Rico Mucovados basis 89 at 3¾c, duty free.

British West Indian Muscovados basis 89 at 3¾c, duty paid, paying duty at 1.44c.

Porto Rico Molasses Sugar basis 89 at 3½e, duty free.

Surinam Molasses Sugar basis 89 at 3½e, duty paid, paying duty at 1.44c.

It is the same, as you will find on examining the various circulars filed, whether the sugars are sold "duty paid," c. and f., or c.i.f., "in bond," the duty free sugars are sold at the equivalent of the duty paid price of the dutiable sugars with the duty added to the "in bond" price, and equally duty paying sugars are sold "in bond" less the rate of duty they pay respeetively dedueted from the equivalent "duty paid" priee at which duty free sugars are quoted. There is one "duty paid" price for all sugars of the same test in New York, no matter what rate of duty they pay, or whether they do not pay any duty, and it makes no difference whether they are domestic, or foreign. Sellers get the full benefit of a preferential rebate of duty in the United States.

Therefore, in comparing the price at which granulated is sold in New York with the price of granulated in Montreal, the only duty that can be deducted from the New York price is $1.68½ on 96 test raw, and, under no circumstances the "U.S. duty on raw, as explained" by the Canada Sugar Refining Co., at $1.09½.

I will answer the Canada Sugar Refining Co.'s criticism of the contrast I made between the price of granulated in New York with that in Montreal, by showing you that, on Nov. 6th, 1905, when the Canadian refiners made the decline of 10c already noted, and the market was at the lowest point of the year, there was only the difference referred to, on p. 62, of 26½c, while I let them off in my original statement by a comparison when there was a difference of 36½c. On Nov. 6th the prices were:—

	Per 100 lb	Per 100 lb
Granulated in New York, net.	......	$4.35
Paying a duty of	$1.68½	....
Granulated in Montreal, net	......	4.08½
Paying a duty of	.47 2-3	....
	$1.20 5-6	$0.26½

Leaving Montreal 94 1-3 cents per 100 lbs. better than New York. It was apparent to you that none of my original calculations were made on the prices ruling on the day I appeared before you, and I need hardly say they could not possibly have been, as naturally my statement had to be prepared beforehand. However, taking the price of granulated in New York for the day I appeared before you, February 8th, you will see by Willett & Gray's Daily Journal, filed, of that day, it was $4.35, not $4.45, as quoted by the Canada Sugar Refining Co., against the price in Montreal of $3.84¾, a difference of 50¼c, and, applying the same comparison of duty as in the foregoing calculation, the Montreal refiners were left with 70 7-12c better than New York.

Though the Canada Sugar Refining Co. say they attach little importance to the comparison of New York with Montreal prices, as, "it is next to impossible to follow the ups and downs of the New York market," we need only take two recent instances to prove how closely they do follow the changes made by the New York refiners, and refer to Willett & Gray's Daily Journal, of January 16, 1906, filed, reporting a decline of 10c in New York, followed immediately by a similar decline by the Canadian refiners, and March 20th, 1906, issue of the same circular, filed, reporting an advance of 10c in New York, followed immediately by a similar advance by the Canadian refiners. The Canada Sugar Refining Co., say, the average difference between the price of their granulated and the New York refiners' during 1905, was, "just about the same as the corrected figures given" by them, viz.: 60¼c, but you will find in Willett & Gray's Weekly Journal, January 4, 1906, that,

The average net price of granulated in New York for 1905, was	$5.2560

and, from appended table,

The average net price of granulated in Montreal for 1905, was	4.8297
An average difference of	.4263

The average price of raw centrifugals duty paid in New York for 1905, was $4.278, see Willett & Gray's Weekly Journal, January 4, 1906, which, compared with the average price of granulated in New York, at $5.256, gave the New York refiners an average difference between raw and refined in 1905, of 97.8c, they, also, were "saving their own necks," as the average difference between raw and refined in New York in 1904 was 78.8c, see Willett & Gray's Weekly Journal, January 4, 1906, but in 1904, the refiners reaped their harvest from the advance in the market, over what they had paid for the raw.

Applying a similar comparison for 1905 to the Montreal refiners we find:—

Average duty paid price of raw centrifugals in New York..	$4.278
Less duty	1.685
Average in bond price of raw centrifugals in New York...	2.593
Add Canadian preferential duty basis 96	.476
Accept the Canada Sugar Refining Co.'s statement that they paid an average premium on account of the preference of	.137
Allow the Canadian refiners balance of the preference on 96 test raw to equalize non-preferential duty and offset every possible contingency	.101
Carried forward	3.307

The average duty paid price of raw centrifugals in Montreal in 1905, was (Brought forward)		3.307
The average net price of granulated in Montreal in 1905, was		4.829
The average difference between raw and refined in Montreal in 1905, was		1.522
Deduct cost of refining, say		.500
		$1.022
Allow the Montreal refiners the extra concession I gave them in my original statement. for cost of management, selling expenses, etc.		.125
Leaving the Montreal refiners for clear net profit on the average of the year; proving the "Actual protection" to be		.897
Deduct legitimate profit on the cost to the Montreal refiners of granulated from raws at	3.307 duty paid.......	
Plus cost of refining, etc., too liberal an allowance	.625	
Total average cost of granulated to Montreal refiners in 1905..	3.932, say, 7½ p.c. profit	.295
Leaving excess profit to Montreal refiners of		.602

Multiply the average quantity of raw sugar consumed in Canada, say, 350,000,000 lbs., by 60 1-5c per 100 lbs., and you get $2,107,000, which will prove how far out I was in saying in my original statement, p. 14, that, "the people of Canada are paying annually as toll to the sugar refiners, in straight protection, nearly $2,000,000, over and above legitimate profits."

It will, therefore, be clear to you that, by raising the duty on raw sugar, as I have suggested, to get, say, $650,000 to $675,000 a year additional revenue, the refiners will still be, as I said in my original statement, "in the chosen class with more gold than they can know how to spend."

CANADIAN SUGAR REFINERS' PRICES OF GRANULATED AT MONTREAL DURING 1905.

Date. 1905.	Long Price.	Advance.	Decline.	Net. Price.	Advance.	Decline.
Jan. 2	5.40c	...	...	5.13c	....	....
3	5.45c	5c	...	5.17¾c	4¾c	....
9	5.55c	10c	...	5.27¼c	9½c	....
13	5.65c	10c	...	5.36¾c	9½c	....
19	5.75c	10c	...	5.46¼c	9½c	....
Feb. 9	5.65c	...	10c	5.36¾c	....	9½c
Apl. 28	5.55c	...	10c	5.27¼c	....	9½c
May 5	5.45c	...	10c	5.17¾c	....	9½c
11	5.35c	...	10c	5.08¼c	....	9½c
16	5.25c	...	10c	4.98¾c	....	9½c
June 5	5.15c	...	10c	4.89¼c	....	9½c
21	5.05c	...	10c	4.79¾c	....	9½c
27	5.00c	...	5c	4.75c	....	4¾c
Aug. 24	4.90c	...	10c	4.65½c	....	9½c
Sept. 11	4.80c	...	10c	4.56c	....	9½c
15	4.70c	...	10c	4.46½c	....	9½c
Oct. 3	4.60c	...	10c	4.37c	....	9½c
21	4.50c	...	10c	4.27½c	....	9½c
30	4.40c	...	10c	4.18c	..	9½c
Nov. 6	4.30c	...	10c	4.08 c	....	9½c
Dec. 30	4.30c	...	...	4.08	....	....

Total declines, Long price....$1.45 Net price $1.37¾
Total advances, Long price... .35 Net price ...... .33¼

Net declines, Long price..... $1.10 Net price $1.04½

1905—Average Net Price—4.8297c.

Compiled by ROBERT CROOKS & CO., Montreal.