

furnish information—at least as to that which is the most difficult of calculation, the first item. The second and third—because I do not wish to trouble the hon. gentleman with a separate discussion upon them all—are increased from 20 to 22½ per cent., at any rate the second and part of the third. All these fabrics, of which many have been paying 20 per cent., are increased to 22½ per cent., and I was anxious to know what increase of revenue the hon. gentleman expects to derive from the change.

Sir LEONARD TILLEY. It is estimated that the Customs will give \$7,000 more of revenue. There will be no increase on wineys because there is no doubt that under the operation of this there will be an increased manufacture. The other woollen goods there will be an increase of \$40,000—that is \$47,000 in all. The dry goods I will explain when we come to them.

Sir RICHARD CARTWRIGHT. That is \$47,000 for the three items?

Sir LEONARD TILLEY. Yes.

The Committee rose; and it being six o'clock, the Speaker left the Chair.

After Recess.

House again resolved itself into Committee of Ways and Means.

Mr. McMULLEN. I wish to draw the Finance Minister's attention to the fact that in his Budget Speech he stated that wineys were now being manufactured, and probably would be manufactured under a 25 per cent. tariff. Seeing that the duty has been reduced to 22½ per cent., I want to know whether he expects that wineys will continue to be manufactured in Canada.

Sir LEONARD TILLEY. Yes, they are manufactured at 20 per cent., but this will be so much better.

Mr. McMULLEN. There was a proposition to take the duty off woollen rags. The duty being continued, will that interfere with the manufacture of wineys.

Sir LEONARD TILLEY. No because wineys are cotton:

Pickles and sauces, 25 per cent.

Mr. BLAKE. Would the hon. gentleman explain.

Sir LEONARD TILLEY. I stated, when I laid the resolutions on the Table, that the parties engaged in this industry of bottling pickles have complained, and we thought after considering the matter with some justice, that the duty on vinegar is higher than the 20 per cent. which they had on pickles. Under these circumstances, they thought an additional protection should be given to them. While there is a duty of 30 per cent. on the bottles, I think it does not increase the price to that extent, though it does perhaps increase the price slightly. Under these circumstances, it was thought proper to impose a duty of 25 per cent. We think that this change will in the first year realise an additional revenue of \$6,000, or, if we take into account the additional 5 per cent. on the imports of last year, it will be something more; but we should make some allowance for the increased production in Canada.

Mr. BLAKE. More vinegar and bottles in the country?

Sir LEONARD TILLEY. Yes.

Mr. BLAKE. Yet the manufacturers complain that they would not get the vinegar as cheap as they would if there was not a duty?

Sir LEONARD TILLEY. No; they complain that the Excise duty we impose on vinegar made in the country out of alcohol is at a rate that places them in an unfavorable position.

Mr. BLAKE. Does the hon. gentleman mean to say that the Excise duty amounts to anything approaching 20 per cent. on the vinegar.

Sir LEONARD TILLEY. They thought that on the vinegar made from alcohol we might find that it was more. But we do not take the duty in that way; we charge, I think, three cents a gallon, and the vinegar varies in price. Imported vinegar can be got at from 10 cents up to perhaps 20 or 25 cents a gallon, according to the strength and kind.

Mr. BLAKE. Then the duty of 20 per cent. on the bottles raises the price to some extent.

Sir LEONARD TILLEY. Not very materially, but to some extent.

Mr. BLAKE. 10 or 15 per cent?

Sir LEONARD TILLEY. No, probably it may be from 2½ to 5 per cent. The price varies according to the competition.

Mr. BLAKE. Is the hon. gentleman speaking of the general principle or of its actual application to the case of bottles?

Sir LEONARD TILLEY. Its actual application to the case of bottles. In many cases it does not increase the price at all. For vinegar bottles it is alleged they do pay something more.

Mr. BLAKE. And they are not satisfied with 20 per cent?

Sir LEONARD TILLEY. They are not satisfied with 20 per cent., because if they import the bottles they would have to pay what the importer pays on pickles ready for market, and they would have no advantage then.

Mr. BLAKE. But, as I understand, the bottle is sold sometimes at from 2½ to 5 per cent. in advance of the imported article, duty free.

Sir LEONARD TILLEY. No, not duty free. That is over the 20 per cent. duty.

Mr. BLAKE. Then, the bottles manufactured in the country are being sold at from 2½ to 25 per cent. more than the price of the imported article, free of duty.

Sir LEONARD TILLEY. Yes, and sometimes less.

Barrels containing petroleum or its products, 40 cents each.

Mr. BLAKE. Would the hon. gentleman explain the reason of this change?

Mr. BOWELL. This is to avoid the many difficulties that arise as to the value of the barrels. The fixed value of barrels containing petroleum has been \$2 for the last few years. Some complain that that is too much; the manufacturers of petroleum complain that it is too little; and we thought it better, in order to prevent any dispute in the future, to make the specific duty equal to what the *ad valorem* duty is at present; so that this is really not an increase in the duty.

Mr. SCRIVER. No, but the Department have been in the habit some time past of arbitrarily adding 50 cents to the actual cost of the barrel. These barrels are valued at \$1.50, and the Customs valuers have been in the habit of fixing them, no doubt under instructions from the Department, at \$2 each. If that practice is to be continued in the future, I agree with the Minister of Customs that it is better to put it in the statute. At the same time it is none the less an improper exaction, considering the amount of duty imposed on petroleum. It is only an indirect way of adding to the duty on petroleum:

Mr. BOWELL. The hon. gentleman is correct as to the ruling of the Department. The matter has cost a great deal of time and investigation. The importers of barrels, particularly those along the frontier, contend that they are