

thing would happen, but I have heard it stated—that this American spirit is put under the protection, so to speak, of the Inland Revenue Department certificate, so that people think that they are getting an aged product when they are not.

Mr. BRODEUR. That does not come under the control of the Department of Inland Revenue. They could not use our labels for that product, and there would be nothing from the department to indicate that this was Canadian spirits.

Mr. W. F. MACLEAN. I would put it another way. There is a large demand for Canadian whisky, not only inside, but outside of Canada. All the whisky coming from Canada is aged. Now, what would the minister say if it should be shown that it was possible for Canadian distillers to put out whisky which has not been aged? If that were done, of course purchasers would be deceived.

Mr. FIELDING. It could not be done without somebody deliberately labelling it as something better than it is. The Inland Revenue Department can only deal with the distillers. Unless this foreign spirit passes through the Canadian distillers and is sent out as Canadian whisky, that grievance would not arise.

Mr. W. F. MACLEAN. It could not be done under the regulations. But what I am told is that it is being done—that American spirits are brought in, the customs duty paid on them even though it is greater than the inland revenue duty—and sent out as Canadian aged spirit. And why the custom duty should be larger than the inland revenue duty, I have never seen explained. I would like the Minister of Finance (Mr. Fielding), now that he has taken an interest in this thing, to explain why the Canadian distiller has that great advantage? And who gets the benefit of it? The consumer of Canadian whisky does not get it, for he has to pay as much for the Canadian as for the imported article. But, as I am informed though the Canadian distillers are charged less duty on their products than on importations they still import American spirit. What do they do with it?

Mr. FIELDING. We might have expected such a speech as that we have just heard from any other member of the House, but I did not think that my hon. friend from South York (Mr. W. F. Maclean) would have attacked the protection given to the Canadian distillers.

Mr. W. F. MACLEAN. I am not attacking the protection given. I simply want to know the reason for it.

Mr. BARKER. I think we ought to have, if not from the Minister of Inland Revenue, certainly from the government, an explanation of the point put by my hon. friend (Mr. W. F. Maclean). If I understand

Mr. W. F. MACLEAN.

him, Canadian whisky has to remain a certain number of years, and then must pay the inland revenue tax. But this other whisky is coming in that may not be a year old, and though it may pay more in customs tax, on the whole it may be able to undersell the Canadian product. This is the point to which I understand the hon. gentleman called attention. How is it that American whisky is being brought in here, paying a higher customs duty as against the inland revenue whisky—if I may so call it—which has to be kept two years?

Mr. FIELDING. There has been no change in this respect for many a year. I think that the Canadian distiller, far from regarding this restriction as a burden, regards it as a substantial advantage to him as guaranteeing the quality of the Canadian spirit.

Mr. BARKER. As between the several Canadian producers of Canadian whisky, but that is not the point.

Mr. FIELDING. There is nothing in the regulations now that has not been there since long before any of the present members of the cabinet took office. As I have said, I think the Canadian distiller regards this restriction as a decided advantage to him. Of course, we are somewhat at a disadvantage in discussing this matter because none of us in this House are consumers of these articles and are unable to understand the value of goods of that character.

Mr. W. F. MACLEAN. From the point of view of the revenue it would be better that the whisky brought into Canada should be imported, because the customs duty is larger than the inland revenue duty. But I would again suggest to the Minister of Finance that he should consult with the Minister of Customs and the Minister of Inland Revenue, and I think they would find a new condition of affairs existing which will repay their investigation. It may be that a change in the law is necessary.

On section 26,

Paragraph (g) of section 247 of the principal Act, as the said paragraph is enacted by section 13 of chapter 15 of the statutes of 1889, is repealed and the following substituted therefor: (g) The expression 'caution label' means and includes the notice required by the provisions of this Act to be attached to certain packages hereinafter described, containing manufactured tobacco or cigars.

Mr. BRODEUR. The only change there is to add the word 'manufactured' before the word 'tobacco.' First the label was simply with regard to tobacco or cigars, but as we have no control over raw leaf tobacco, it was considered advisable to have the word 'manufactured' added, as we have control over manufactured tobacco.

Mr. BARKER. Has that construction ever been disputed by the manufacturers?