

the results will exhibit even a falling off of revenue. The Controller of Customs knows very well the difficulties that occur in preventing smuggling along the frontier; but when there is a temptation to the extent of \$6.60 for every caddy of tobacco brought in under the arm, smuggling operations will not be confined to the frontier, but will be scattered all over the country, and the revenue instead of being increased will be largely decreased by the imposition of this increased duty. That is the opinion I have formed on this subject.

Another objection I submit in regard to the duty is this. In 1876 eight and a half million pounds of tobacco were imported into Canada, most of the product being manufactured here; and in 1896, twenty years afterwards, with a large increase of population and enhanced consumption, the quantity was only 10,000,000 pounds. This shows conclusively that the duty of 25 cents we imposed curtailed the production of the manufacturers. When we add 56 per cent, as hon. gentlemen opposite have done, there must be only one result, that tobacco will be smuggled into the country, and the Minister of Inland Revenue, instead of having, as the Finance Minister stated, \$1,000,000 more revenue from that source, will find the revenue very largely decreased.

The effect of the increased duty on cigars will be that all 5 cent cigars will be made in Quebec by cheaper labour. The 5 cent cheap cigar, the one which is ordinarily consumed, must be made by cheaper labour than that employed to-day. The vendors will have to make their profits and the cigar makers must turn them out so as to be able to sell them at 5 cents each at retail. As cheaper labour will be required, this will involve the transference of the manufacture of 5 cent cigars to the province of Quebec, where labour is cheaper than in the province of Ontario and in the western portions of the Dominion. I am quite satisfied that the effect will be, first, the transference of the manufacture of this class of goods from the other provinces to Quebec; and second, the employment of cheaper labour than the manufacturers employ to-day.

Some hon. members, and especially an hon. gentleman who addressed the House last night, have expressed gratification because the Government inserted a "combines" clause in the tariff. I think the country will be very grateful to the Government if they will strike it out, for it will be found to work injuriously. I should like to ask hon. gentlemen opposite, how they are going to put that clause into operation. I was chairman of a committee that investigated the subject of combines in trade, in 1888. That committee made a report to this House. The committee was composed of members of both sides of the House, of members many of whom were engaged in trade, and some of whom were in favour of such combinations to a moderate extent. The report

of the committee was unanimously adopted, when it had been prepared after long investigation. One of the clauses of that report show that "the Canadian Iron Founders' Association now numbers eighteen firms; outside of the association, however, there are about forty manufacturers of the same goods, some of whom are large manufacturers but the majority are small firms." The proposal submitted by the Finance Minister gives arbitrary power to the Government, without collecting evidence, to say "whenever it shall appear to the satisfaction of the Governor General in Council" certain action shall be taken in regard to the firms forming a combine. In the case now under consideration those manufacturers number eighteen. But what about the forty manufacturers who were not in the combine? A gross injustice and wrong would be done by the Government if it were to say that they would wipe out those forty Canadian firms who had nothing whatever to do with the combine. The Government may conclude that those special manufacturers in the combination have acted wrongly, or they wish to bring pressure to bear on them, especially at by-elections or general elections. The Government is given that extraordinary power, which no other body but Parliament should possess. It is an outrage not only upon the manufacturers, but upon the whole Dominion.

An important fact ascertained by the committee to which I have referred, and on which the hon. member for North Westworth (Mr. Bain) and the hon. member for West Northumberland (Mr. Guillet) were active members, was that the most objectionable combines in this country, those which did most injury, were not combines of manufacturers at all. There was the Wholesale Grocers' Guild. We examined and investigated their proceedings, and we found that to be a most objectionable combine. In their case, what could the Government do? They might say they would take off the duties. The duties off—what? The Wholesale Grocers' Guild would, no doubt, be delighted to have the duties removed on certain articles; but those who have built up special industries would not be as well pleased. The committee showed that there was a combination among fire insurance companies. How can we apply this clause to them? It cannot be applied any more to them than to the Wholesale Grocers' Guild. Then we made a most exhaustive examination of other industries, and we found that the dealers in coal had a combine. But there is no duty on anthracite coal, which was the principal article in question. The only action the Government could do would be to impose a duty on coal; but they could not do so without the assent of Parliament. Then the committee found that dealers in eggs had a combine. Of course they were not the manufacturers, but the dealers. Then the undertakers had a combine. They did