

industries. That is the difficulty I see in this proposition. The reasons urged by the Finance Minister were so strong at that time that Parliament listened to him, because he presented the matter as an absolute necessity. I believe the Excise duty on tobacco is precisely the same in the United States as it was in 1883, and now we are proposing to put our duty on again. How does the Minister propose now to prevent this illicit trade; and the other evils which the hon. gentleman said would surely and inevitably follow if we did not reduce to the same level as the United States did in 1883.

Mr. COSTIGAN. One of the principal objects of this change is to increase our revenue. At that time it was not a matter of such great importance as it is now. I recollect the statement of the Finance Minister at the time, and I remember the views he entertained. I have not forgotten it, nor had I ignored the importance of the point the hon. gentleman has just made, but I feel confident that the proposed duty can be collected. It is true that no change has been made in the United States, but I feel more satisfied than I did at that time in the capacity of the staff to collect the duties. Improvements are made from time to time, and especially is that the case with regard to tobacco. It has been brought under better control and under a better system of collection than at any previous time. Like everything else, experience leads to improvement. I think the hon. gentleman will admit that the present system of collection is more successful than that of some years ago, because the Finance Minister calculated for a loss of some \$500,000 derived from tobacco, and no doubt we should have lost that quantity, according to the reduction made; but on account of a more perfect system of collection, under new regulations, we succeeded in reducing that loss to about one-half. I think that is a very good proof of the improvement in the system of collection. I am quite satisfied that the same thing will occur under the increased tariff now proposed. I do not think that we need fear the amount of smuggling that was feared some years ago. I am quite confident that this amount of revenue can be collected.

Mr. PATERSON (Brant). What is the total amount of increased revenue that is anticipated from all the changes proposed?

Mr. BOWELL. The total increase on tobacco, based upon the entries of 1884, would be \$773,376. We do not expect as much revenue in the Excise. I deduct from that \$60,000. The probabilities are, that we will not receive over \$516,000. That does not include cigars.

Mr. PATERSON. The hon. gentleman has some millions extra revenue, then.

Mr. BOWELL. I hope so.

Sir RICHARD CARTWRIGHT. If the hon. gentleman's estimates be correct, although he will not receive next year that amount, he proposes to impose about two millions additional taxation.

Mr. BOWELL. Yes; that is the calculation, based upon the importations of 1884.

The following resolutions were agreed to:—

1. *Resolved*,—That it is expedient to repeal so much of schedule A of the Act 42 Victoria, chapter 15, as imposes a duty of ten per cent. *ad valorem* on "endless felt for paper makers," and the following parts of 46 Victoria, chapter 13, intituled: "An Act further to amend the Tariff of Duties of Customs," viz.: Item 7 of section 2 and all of section 5 of the said Act, also to repeal section 9 of the Act 42 Victoria, chapter 15, intituled: "An Act to alter the Duties of Customs and Excise," and to enact as follows:

1. In determining the dutiable value of goods, except when imported from Great Britain and Ireland, there shall be added to the cost, or the actual wholesale price, or fair market value, at the time of exportation, in the principal markets of the country from whence the same has been imported into Canada, the cost of inland transportation, shipment and transhipment, with all the expenses included, from the place of growth, production or manufacture, whether by land or water, to the vessel in

Mr. PATERSON (Brant).

which shipment is made, either *in transitu* or direct to Canada, subject to such regulations as may be made by the Governor in Council, provided that in case of any dispute respecting the proper amount of such inland transportation charges, the Minister of Customs may determine the same, and his decision shall be final in that respect.

2. When any manufactured article is imported into Canada in separate parts, each such part shall be charged with the same rate of duty as the finished article on a proportionate valuation, and when the duty chargeable thereon is specific or specific and *ad valorem*, an average rate of *ad valorem* duty, equal to the specific or specific and *ad valorem* duty so chargeable, shall be ascertained and charged upon such parts of manufactures.

2. *Resolved*,—That it is expedient to add partridge, prairie fowl and woodcock to the articles the exportation of which is prohibited by section 9 of the Act 46 Victoria, chapter 13.

3. *Resolved*,—That it is expedient to amend items 18 and 20, section 2, of the Act 47 Victoria, chapter 39, relating to duties of Customs on sugar, as follows:—

1. By adding to the words "sugar" and "sugars," wherever they occur in said items 18 and 20, the words "raw" or "unrefined."

Also by adding thereto the following item, viz.: On refined sugar of all grades or standards, there shall be levied and collected a specific duty of one cent per pound, and thirty-five per cent. *ad valorem*.

3. Also to repeal the rates of duty now payable under schedule A, of the Act 42 Victoria, chapter 15, intituled: "An Act to alter the duties of Customs and Excise," on Geneva gin, rum, whiskey, and unenumerated articles of like kinds, and on brandy, and to provide there shall be levied and collected on:

Geneva gin, rum, whiskey and unenumerated articles of like kinds, a specific duty of one dollar and seventy-five cents per Imperial gallon. On brandy, a specific duty of two dollars per Imperial gallon.

4. Also to repeal the specific duty of twenty cents per pound imposed on manufactured tobacco and snuff by item 61 of section 2 of the Act 46 Victoria, chapter 13, and to provide that the same be increased to thirty cents per pound.

These resolutions shall take effect on and after the 6th day of the present month of July.

4. *Resolved*,—That it is expedient to repeal so much of sections 125 and 248 of the Act 46 Victoria, chapter 15, and of any Act or Acts amending the same, so far as the said sections or amendments thereto determine the Excise duties to be levied upon the respective articles hereinafter mentioned; and to provide that the Excise duties thereon shall hereafter be as follows:—

1. Upon spirits, as described in sub-section (a) of the above first cited section, one dollar and thirty cents.

2. Upon spirits, as described in sub-section (b) of the said section, one dollar and thirty-two cents.

3. Upon spirits, as described in section (c) of the said section, one dollar and thirty-three cents.

4. Upon all tobacco, as described in the first four paragraphs of the said section 248:

On every pound twenty cents.

Except that cigarettes or cut tobacco, when put up in packages weighing one-twentieth of a pound, or less, each shall pay a duty, now twenty, of thirty-five cents per pound, and damp or moist snuff, when containing over forty per cent. of moisture, when put up in packages of less than five pounds each, fourteen cents per pound, actual weight.

5. Upon tobacco, as described in the last paragraph of the said section 248, on every pound, five cents.

These resolutions shall take effect on and after the sixth day of the present month of July.

Resolutions to be reported.

MESSAGE FROM HIS EXCELLENCY—THE WASHINGTON TREATY.

Sir JOHN A. MACDONALD presented a Message from His Excellency the Governor General.

Mr. SPEAKER read the Message, as follows:—

LANSDOWNE.

The Governor General transmits to the House of Commons copies of despatches, correspondence and papers, having reference to the negotiations at Washington, with respect to the termination of the Fishery Clauses of the Treaty of Washington, during the year 1884, and to the present date, in 1885.

GOVERNMENT HOUSE,
OTTAWA, 9th July, 1885.

SUPPLY.

The House again resolved itself into Committee of Supply.
(In the Committee.)

Customs..... \$800,395

Sir RICHARD CARTWRIGHT. What are the reasons for the increases?