

of bond during the past two weeks. For the information of the committee, I shall give some figures which will show what has been done. The abnormal increases commenced about the 7th of August. Prior to that the situation was normal. The following statement gives the daily excise returns from August 1 to August 20 for the years 1913 and 1914:

	1913.	1914.
August 1.. . . .	\$ 47,111.72	\$ 42,264.31
" 4.. . . .	54,808.23	94,884.24
" 5.. . . .	224,083.20	206,441.73
" 6.. . . .	89,707.22	56,922.89
" 7.. . . .	40,369.94	45,677.10
" 8.. . . .	58,896.25	66,946.89
" 10.. . . .	47,760.30	55,240.52
" 11.. . . .	80,529.96	119,333.98
" 12.. . . .	77,548.44	80,948.14
" 13.. . . .	46,719.22	182,164.29
" 14.. . . .	159,446.11	108,095.60
" 15.. . . .	67,585.44	84,300.51
" 17.. . . .	47,388.81	197,012.73
" 18.. . . .	43,398.50	242,206.86
" 19.. . . .	98,293.52	156,633.94
" 20.. . . .	35,181.18	126,322.34

The abnormal increases took place from the 12th of August onwards. On the 13th of August, 1914, the returns were four times as large as the returns for 1913; on the 17th, nearly five times as large, on the 18th six times as large and on the 20th nearly four times as large. It is desirable that we should be fair to all concerned. A great number of dealers have taken goods out of bond in the usual course to meet the requirements of their business. On the other hand, there undoubtedly have been many who have sought to take advantage of the situation. It was known that the Government would have to impose additional taxation. The conclusion could be easily reached by experienced business men that resort would be had to an increase in the excise duties, and some have taken advantage of the situation to take out large amounts of these commodities which have been in bond. Some of what has been taken out has been sold at the usual price, some at a slight increase, and much no doubt is still in hand or in stock, and if the Government did not date this back to the 7th of August it would mean that very large sums of money would be made by certain parties who have taken goods out of bond, not to meet the ordinary requirements of their business but in expectation of a rise in excise duties. If the amounts were not large, I would not be disposed to pay much attention to it, but the Government must deal equitably and justly with the situation. It would not do to penalize all, and it would not do to collect the increased duties from

those who in good faith and in the ordinary course of business have taken goods out of bond and sold them to their customers in the usual way. The Government will have to investigate the situation through the officers of the Customs Department and do whatever may be just and equitable, but it seems to me that at a time like this, when the whole country is making sacrifices the Government would not be acting justly or fairly to itself or to the body of citizens it represents if it permitted undue advantage on a large scale to be taken of the situation which has been created by the increase in the excise duties. That is the position as it presents itself to me at the present time.

Mr. A. K. MACLEAN: If a person withdrawing goods from a customs warehouse receives no additional profit although disposing of an additional quantity, would he be compelled to pay the duty? For instance, the small dealers may have been shrewder to anticipate Government action than the wholesalers, and while the withdrawal of goods may have been very large they may not have been sold at higher prices. What would you do in a case of that kind?

Mr. WHITE: I appreciate the point that my hon. friend has made. It is quite probable that many smaller dealers, in anticipation of an increase in duties, and consequently of an increase in prices, have given their orders to the wholesalers. It is impossible to lay down any general rule. The Government must look into the whole situation and do whatever is just, fair and equitable.

Sir WILFRID LAURIER: I received from the city of Quebec a telegram signed by some of the most respectable commercial men in that city, which I will hand to my hon. friend the Minister of Finance. They make the complaint which has just been stated by my hon. friend, that they have taken out goods in the regular course of their business, that they have disposed of them and that they are subject to a very great loss. I think we have heard with great interest what has been said by my hon. friend the Minister of Finance that the Government intend to deal fairly in this matter. The difficulty is where to draw the line and how to define any rule which would apply, separating the wheat from the chaff, distinguishing between those who have been honest in their transactions and those who perhaps have not been dishonest