

Mr. FIELDING. Not as a compound.

Mr. W. F. MACLEAN But the law with regard to compounding says :

Every article made by a compounder shall be designated by some label or brand which shall be applied to each and every cask, barrel, case, bottle, flask, jug, vessel or other package, wherein any such article is contained or put up, and which shall show the name of the compounder and the place at which such article was made, and that the same is a compounded article, in an equally conspicuous manner with any other name, description or statement lawfully applied to such article, the whole to be contained in one label or brand.

And there is an adequate penalty for violation of that law. Any amount of these spurious goods is put upon the Canadian market, labelled as imported goods, and the consumer is deceived and the customs revenue injured, because a much larger duty would be collected on the imported goods than the excise duty collected on these goods. I have been assured by prominent men in the trade in Europe that this is being done. Only last week a representative of one of the leading brandy houses in France told me they could practically do no business here because these illicit goods were put on the market. And it is not a small but an enormous quantity that is thus put on our market. Either the Inland Revenue Department or the Customs Department or some other department ought to see that the law is enforced, but again we have the confession made that although there is a law which is supposed to protect both the revenue and the public, the enforcement of it lies with somebody who must be an informer and in that way bring the matter to the attention of the government. In my opinion the government should be responsible for the enforcement of the law. They have their officers of inland revenue ready to put down the illicit manufacture of whisky. They have their officials ready to put down smuggling.

Mr. PATERSON. You are right.

Mr. W. F. MACLEAN. And the Minister of Customs (Mr. Paterson) claims credit for it. But I am pointing out to him that if this other department of the government enforced the law with regard to compounding his department could collect the duty on hundreds of thousands of dollars more goods every year. I do not make that statement rashly. Hundreds of thousands of dollars worth of spurious goods are sold in this country every year, represented as the product of France, Scotland, England, Holland—when, as a matter of fact, they are native spirits, bottled under this compounding law under a compounder's license. They are mixtures, but they are not shown by the labels to have been compounded. And if the officers of the Department of Inland Revenue were to visit certain places in Montreal and other cities

Mr. W. F. MACLEAN.

of this country they would find these compounding houses full of bogus labels with the names of all the famous manufactures of spirits in the world, and not a single label to show that the article put up had been compounded by a certain person, at a certain time, in a certain place, as this law demands. Therefore, I cannot be satisfied, nor will the country be satisfied, with the explanation given. Somebody is to blame—and I hold the government to blame—for this loss of revenue and this lack of protection to the public. The minister has stated this evening, and he stated before six o'clock, that this does not concern the Inland Revenue.

Mr. TEMPLEMAN. Will the hon. member (Mr. W. F. Maclean) point out where the loss of revenue comes in ?

Mr. W. F. MACLEAN. I pointed it out to the Minister of Customs (Mr. Paterson) and I do not mind pointing it out to the Minister of Inland Revenue (Mr. Templeman) though it is rather a reflection upon the hon. gentleman that he needs to be enlightened upon this matter. These goods are made of Canadian spirit, which, if under proof, I understand, pays an inland revenue of \$1.14 a gallon. The compounded goods made of this spirit are placed upon the market, not only deceiving Canadians—

Mr. TEMPLEMAN. The hon. gentleman (Mr. W. F. Maclean) admits that this spirit pays the Canadian excise duty. Then, where is the loss of revenue?

Mr. W. F. MACLEAN. I was just going to point that out. Canadians buy these goods because they think they are imported. If the goods were marked for what they really are Canadians would not buy them, but would buy the genuine article, which would be imported and would pay \$2.40 a gallon customs. So the hon. gentleman encourages fraud and lessens the revenue at the same time.

Mr. TEMPLEMAN. We encourage the use of Canadian-made spirits.

Mr. W. F. MACLEAN. That is the hon. gentleman's defence, and it would be a good defence, perhaps, if these goods were sold for what they really are. But I go further and say that, as the government derive a great portion of their revenue from these duties, they should in some way guarantee the goods. But somebody should make clear why it is we have the difference in these two classes of tax in this country. As I have said, they have these two kinds of tax in the United States, and the difference between them there is greater than it is here, the customs duty being double the excise. The consequence is that you can hardly get a bottle of imported liquor in the United States even in the clubs. I have been in places where a placard was displayed to the effect that the management of the concern guaranteed that the liquors were im-