

Hon. Mr. DEVER—By simply making the revenue on tobacco through the customs the same rate as the excise, you would raise two million dollars, because then the whole duty of 25 cents a pound would be paid upon the tobacco coming into the country, whereas now we are giving the difference between 25 and 35.

Hon. Mr. BOULTON—That is just exactly what I have been arguing.

Hon. Mr. DEVER—If you would put it on that basis the House would understand it.

Hon. Mr. BOULTON—My hon. friend will have an opportunity of replying to the position I have taken, and I shall be glad of his assistance in making it clearer. I am merely pointing out to this honourable House that in the question of levying our duties upon spirits and tobaccos, while in Great Britain the revenue derived from this source is \$5.50 per head it is only \$1.60 per head here, and by adopting the duty and excise that I have presented to this hon. House, that we would increase our revenue from \$1.60 per head from these sources to \$3.50 per head and it is a more legitimate object of taxation than the taxation of the necessities of life, than the taxation of all that enters into the cheapness of production in pursuing our industries and in this way we bring down the price of sugar again to 30 pounds to the dollar. The customs revenue as I have said before is derived from the taxation on seventy-one million dollars on imports. That is the value we imported in 1894. The duty was nineteen million dollars on that seventy-one million dollars according to the last reports of 1894. Of that nineteen million dollars there is three million dollars collected on spirits, etc., included in what I have been arguing and therefore that brings us down to the discussion of how sixteen million dollars is to be provided to maintain our present revenue of thirty-six million. The revenue is derived from three sources. One is public works, and the post office, &c., eight million dollars, another is the excise, eight million dollars and the other is duties. Now we have to deal with nineteen million dollars in duties. Three million dollars of that is already dealt with in the excise; and therefore we have simply to consider how we can raise sixteen million

dollars for the treasury in order to enable us to initiate the policy of free trade and so open the markets of Canada to the competition of the world, in order to induce a growth of our industries and allow it to be expanded beyond the narrow confines of the consumption of five million people, that we can get out to the market where there are five or six hundred millions of people ready to be supplied with articles we can produce or manufacture.

The next question of revenue that we have to deal with is the post office. There is \$5,517,000 expended in the post office department and the receipts are \$2,809,000 leaving a deficit in operating our post office of \$708,000. Now these receipts are derived from a postal revenue of three cents and of course under free trade the business of our post office will be extended enormously in consequence of the correspondence that will be carried on with foreign nations and the rapid growth of business generally in the country. There is no doubt about that. The revenue of Great Britain in the post office department is fifty million a year. People will say "Oh well, Great Britain is a wealthy country; it is conducting great operations." I have shown you to-day that while we thought it was the prosperity of England and the consumptive power of England in raising \$5.50 a head in the excise it is simply the difference of paying the excise into the treasury of the country instead of giving it to private profit. So it is with the post office. The post office will be increased so that the deficit will be changed to a surplus of five hundred thousand dollars. The per capita return of the post office in the United Kingdom is \$1.10 at two cents postage. The per capita revenue in Canada is 55c. at three cents postage. I have not the slightest doubt that the five years after the adoption of the policy of free trade you will wipe out that deficit of \$707,000 and replace it with a surplus of \$500,000. Of course that is simply supposition, but at the same time we are not arguing upon any theory such as preceded the adoption of free trade in Great Britain. We are arguing with the solid experience of the mother country which has for fifty years enjoyed the principles of free trade, and it stands to-day pre-eminent in the countries of the world in its commercial supremacy, in the power of its revenue and the comfort and prosperity of the people.