

Hon. Mr. MURDOCK: Is not Lloyd's the company involved?

Hon. Mr. KING: No; there are other companies. The Minister, I think, found difficulty in bringing in provincial companies. There was some question as to whether, if they came in, he should impose certain obligations upon them. It was objected that the Dominion had no right to go in and inspect. We thought we had overcome the difficulty in committee when we made the amendment. However, the House of Commons has not accepted it.

Hon. Mr. BEAUBIEN: All right.

The motion was agreed to.

EXCISE BILL SECOND READING

Hon. J. H. KING moved the second reading of Bill 110, an Act to amend The Excise Act, 1934.

Hon. Mr. BALLANTYNE: I see that the items on which the taxes are raised are mentioned in the Bill. Among them are beer, malt, and malt syrup. Inasmuch as this is a financial Bill and a war measure, I do not think that we can do anything but give it our approval.

Hon. Mr. KING: I thank the honourable leader opposite.

The main feature of the Bill is that it increases the excise duty on spirits. As is indicated under paragraphs (a), (b), (c) and (d) of the first part of the schedule, the duties on alcohol used in pharmaceutical preparations, and in the production of perfumes, perfumed spirits, vinegar and chemical compositions, are not changed, it being felt that an increase in these duties would increase the cost of the articles produced.

Then you will notice that where the tax was previously 35 cents per gallon upon beer brewed from any substance other than malt, and 12 cents upon beer imported into Canada, it is now 45 cents. On malt, where the duty formerly was 12 cents, it is now 16 cents. On malt syrup manufactured or produced in Canada, where formerly the duty was 18 cents per pound, it is now 24 cents. Upon malt syrup imported into Canada, where the duty was previously 30 cents, it is now 40 cents.

The only change in regard to tobacco is that Canadian raw leaf tobacco, which formerly paid 10 cents per pound, now pays 20 cents.

That, I think, is the whole story of the Bill.

Hon. Mr. COPP.

Hon. IVA C. FALLIS: Honourable senators, as this is a Bill dealing with a subject of particular interest to women as a whole, I should like to make a few remarks on it from the viewpoint of Canadian women. When the Bill was under discussion in another place the Minister of Finance made the statement that he did not believe this increase of \$2 a gallon in excise tax on spirits would materially reduce consumer expenditure along this line. Neither would the increase from 12 cents to 16 cents imposed on malt. That would mean but a slight increase, if any, in the cost of beer, and could not be expected to divert many dollars from consumer expenditure.

Concern has been expressed by leaders of all parties in the other House, including the Prime Minister, over the tremendous increase in the sale of alcoholic beverages despite the heavy taxation. The whole situation has given cause for grave anxiety throughout Canada, not only among prohibitionists and teetotalers, but among all thinking people who have at heart the carrying on of a maximum and total war effort.

Canada's drink bill has risen from \$153,000,000 in 1938 to \$232,000,000 in 1940; and a minimum estimate of \$250,000,000 is made for 1942. In my own province alone the total sales by the Liquor Control Board rose from less than \$50,000,000 in the fiscal year before the war to more than \$64,000,000 in 1941, an increase of almost \$15,000,000.

Hon. Mr. HUGESSEN: Is that without any increase in the price at which the products were sold? I ask as a matter of interest.

Hon. Mrs. FALLIS: I take these figures from this year's report of the Department of Trade and Commerce on the brewers and distillers of Canada. There may have been a slight increase in price. What I have given is the increase in dollars and cents, for I am concerned with the amount the consumer is spending.

Hon. Mr. BALLANTYNE: I am sorry to interrupt, but when the honourable senator speaks about beer I suppose she is aware that the exports on account of the British Government, especially to troops in North Africa, have been on a very large scale. Would not that account for the increase?

Hon. Mrs. FALLIS: I think not, senator. These are figures of domestic consumption and do not include exports.

Strong representation has been made by some sections of the Press, and by many members of the House of Commons, urging the Dominion Government to take steps to make it impossible to expend such vast sums of