

A proportion of methyl or wood alcohol is mixed with grain alcohol—practically denatured alcohol. In Canada we have been long using 25 per cent of wood alcohol to obtain denatured alcohol No. 1 grade, and for No. 2 grade we have used 50 per cent wood alcohol to 50 per cent of grain alcohol. These are very large percentages of wood alcohol to use, and as it is the more expensive necessarily methylated spirits, for many years has been very high in Canada. We are under contract to-day for wood alcohol at \$1.29 a gallon, although I believe it is selling on the market to druggists and others at probably one-half that price, and in the United States it is selling at 35 cents a gallon. Our contract with the wood alcohol manufacturers has still one year to run, and we are bound to take all the wood alcohol we require at that price for one year more, but instead of using 25 per cent and 50 per cent of wood alcohol, we are now using 10 per cent and thereby reducing the cost of methylated spirits. We expect to place methylated alcohol or denatured spirits on the market at less price than at present. But what I rose to say was simply this, that, as a matter of fact, there must be some hundreds of thousands of gallons of Canadian wood alcohol used in our manufactures. In the United States, up to the 1st January this year, there never was anything but wood alcohol used in all the manufactures and no such thing as grain alcohol taken out of bond and denatured until the first of this year. But wood alcohol to the extent of 10,000,000 of gallons has been used in their manufactures. In Canada no doubt there has been a larger percentage of that used than methylated spirits, but we expect that denatured alcohol, which will be a better material in the arts and sciences than wood alcohol will take the place altogether of the present wood alcohol. What the public require and what the department is trying to arrive at gradually is the cheapening of denatured alcohol, and it is for that purpose the tariff has been framed as it is. Another reason for the rather excessive cost of methylated spirits in Canada has been that grain alcohol is sold to the department at 41 cents per gallon. That is for 65 per cent over proof and it is a very high price. We think that the distillers ought to be prepared to sell grain alcohol for this purpose at a much lower price. But if they are not, if grain alcohol cannot be made in Canada for less than 41 cents per gallon, then, if we are to have cheap denatured spirits for the purpose of heat, light and power, it will be absolutely necessary to import alcohol from those countries where it is made very cheap, such as Cuba where it is made from the refuse of the sugar refineries. It is, therefore, a wise provision in the tariff that we may import grain and wood alcohol if it be necessary to do so. Of course if we can get grain and wood alcohol down to the price that

Mr. TEMPLEMAN.

people can use it in competition with gasoline and coal oil, there will be no necessity of importing it from abroad. But otherwise it will be absolutely necessary to import it as proposed in the tariff.

Mr. PERLEY. I am very anxious the department should do everything to give the people cheap denatured alcohol, but we should use every effort to save the industries now in the country, both the ethyl and the wood alcohol manufacturers. Both are carrying on a good business and nothing should be done to injure them if possible. It would be much better if both these alcohols were subject to a duty, and power be given to the Governor in Council, as in the case of methyl alcohol, to throw off the duty if necessary. Ethyl alcohol should have the same protection as methyl alcohol and both should be treated on the same basis, but if the minister finds it impossible to buy ethyl at the proper price, when the duty is on, then he should have the power to take off the duty as in the case of methyl.

Mr. TEMPLEMAN. If our people are given cheap denatured alcohol the consumption may grow into millions of gallons and that will be a new use for alcohol which will not injure the distillers at all, because they are making it to-day for potable purposes and not for manufacturing. It would be a trade new to the country altogether. I do not see how it could injure them, and I do not know how we are going to get cheap alcohol in Canada if our distillers, which have been invited on two occasions in the last six months to tender, will continue to refuse as they have done, to sell to the department alcohol at less than 40 cents a gallon. The only way in that case in which we can get cheap alcohol will be, under a provision of this kind, to import it from abroad.

162. Medicinal or medicated wines, including vermouth and ginger wine, containing not more than forty per cent of proof spirits, 50 per cent, 50 per cent, 50 per cent.

Mr. FOSTER. What is the reason for reducing the duty on medicated and medicinal wines, including vermouth?

Mr. FIELDING. The explanation is that the old item No. 7, provided for a duty of \$1.50 per gallon on medicinal or medicated wines, containing not more than 40 per cent of proof spirits and 90 cents per gallon on vermouth containing not more than 36 per cent, and ginger wine containing not more than 26 per cent of proof spirits. If it contained more than these percentages the duty was \$2.40 per gallon. The reason for putting an ad valorem duty on such wines is that they vary very greatly in value.

Mr. FOSTER. The duty on vermouth seems to be very greatly diminished.

Mr. FIELDING. The object was to classify them generally. It is an article that varies greatly in value and that is one rea-