

come in free and raise the excise duty on the manufactured article. Does he mean that he would allow tobacco to come in free in its manufactured as well as in its raw state?

Hon. Mr. BOULTON—I mean of course that the 10,000,000 pounds of tobacco would come in free as it comes to-day. It is subject to an excise upon manufacture of 25 cents per pound. What I say is let the raw tobacco come in free but subject it to an excise of 50 cents a pound and remove protection.

Hon. Mr. MACDONALD (B.C.)—Where will the benefit be then to the consumer if he pays 50 cents excise?

Hon. Mr. BOULTON—You understand that tobacco and spirits are legitimate objects of taxation, they are not absolutely necessaries. While it is not wise to tax flour, rice or coal oil or those things necessary for the comforts of our families generally, spirit and tobacco do not enter into the necessaries of life.

Hon. Mr. MACDONALD (B.C.)—What benefit will it be to the consumer if he pays as much as the other?

Hon. Mr. BOULTON—You are paying to-day the price of whiskey at \$2.25 a gallon. You are not going to increase the price of these articles by the system which I propose except tobacco which will be increased 10 cents. The consumer would only be worse off to the extent of 10 cents on tobacco, and I advocate raising the excise on spirits by 25 cents. Now in England the duty on tobacco is 75 cents, and the people of England consume per capita less tobacco than we do in Canada.

Hon. Mr. CLEWOW—They have free trade and cannot afford to buy it.

Hon. Mr. BOULTON—It is a very curious thing that if you ever want any money you go to that free trade country to get it. Tobacco is made dearer by the revenue and the revenue gets all there is in the tax. The consumption of this article is always increased by the increase of prosperity of the people, and the consumption is affected in the diverse ratio by the increase in the cost of purchase. Now the British Isles derive a revenue from excise and from liquors and tobacco at \$5.50 per head.

Canada only derives a revenue of \$1.60 per head from the same sources. The hon. Finance Minister told us in his budget speech the other day that the people of Canada consumed three-quarters of a gallon a head, I think that is very little below what the people of Great Britain consume in the way of spirits. Now, while the people of Great Britain are consuming liquor to the same extent as the people of Canada, consuming less tobacco, but more beer, they are raising a per capita revenue of \$5.50 by the free trade policy they pursue in the regulation of that free trade and tariff as against Canada, raising \$1.60 per head consuming more tobacco and the same spirits, and only a difference in the amount of beer. So if we want to raise a revenue, and do justice to the people of the country, and to the trade of the country, we cannot do that justice by giving a rebate on exports, and putting foreign nations in a better position to compete with us.

Hon. Mr. McCALLUM—We put ourselves in a better position.

Hon. Mr. BOULTON—Putting foreign nations in a better position to compete with us in the markets of the world where we have to sell our products in competition with theirs. Isn't it a better policy to put the regulation of this traffic upon the basis that I am laying down that will give us a revenue of \$3.50 per head upon present consumption, where to-day we are only deriving a revenue of \$1.60 per head. That is one mode in which I would raise the revenue by pursuing that policy and taking that position by increasing taxation on tobacco only 10c. and by increasing the excise on spirits 25c.—you will increase your revenue \$7,500,000 to-day. Is not that a source of revenue to the people of Canada?

Hon. Mr. McINNES (B. C.)—Why not tax tea?

Hon. Mr. BOULTON—That is another question altogether. You can tax anything you please. At the present moment we are taxing rice and clothing and everything that comes into the country. We are raising nineteen millions of taxation on seventy-one millions of imports which come into the country and thereby create a hidden tax.