

charge on the imported article, and if the manufacturer in Great Britain cannot export to our country a less quantity than two liquid gallons per twelve bottles, the wholesale liquor dealers of this country should also be made to give the public the same standard measurement.

This fraudulent bottling is carried on extensively from Halifax to Vancouver and by some of the most respected leading wine merchants in the trade.

I believe that statement is true, that there are men bottling spirits under this Compounder's Act, and that these spirits only pay an excise duty in this country, and that the measure of proof of the liquid so employed is away below the standard, so that the government is receiving only \$1.14 a gallon on it, but all this bogus stuff, and all these bogus labels put on the spirit, and all the bogus packages, are sold to the Canadian public as imported goods. If they are imported goods, they should pay to the revenue of this country \$2.40 a gallon, but, as a matter of fact, they are paying only \$1.14; and I am assured by reputable men in the trade in the old country, who wish to export to this country genuine articles in the way of brandies, articles that are asked for in this country, that they cannot do it because a substitute, that compounded article put up in this country, on which the duty is only, by reason of the proof in it, \$1.14 a gallon, is substituted for the genuine article, and in that way the public do not get the goods that they expect to get and the revenue does not receive what it ought to receive on this class of goods, namely, \$2.40 a gallon, as the law provides in connection with this importation.

I wish to ask the minister if he is taking any steps to protect the revenue and to protect the public? I claim that when a government imposes a customs duty or an excise duty, as the case may be, they ought to protect the public and to see that the public get the goods that they imagine they are getting when they pay, not only the price of the goods, but also pay the large duty that is imposed on them by law in this country. I have no hesitation in saying that that Compounder's Act is not being enforced and that these bogus goods are being palmed off on the Canadian public to a surprisingly large extent; that, therefore, not only are the public being deceived, but that a large amount is being lost to the revenue, because, if the government enforced the Compounder's Act and saw that the proper labels were put on these goods, the public would be enlightened and they would insist on getting the right goods and the government would have a revenue of \$2.40 a gallon instead of \$1.14 as they now get. That being the case, the minister must make an explanation in regard to the matter, not only in the interest of the revenue, but in the interest of the people.

Turning to the Inland Revenue Act, I cannot see why there should be such a dif-

Mr. W. F. MACLEAN

ference between the customs duty on spirits and the excise duty on spirits. It is true that it may be pointed out that it is an encouragement to a Canadian industry, if the distilling interest can be called one, but why the distilling interest in this country should have a protection of at least 50 cents a gallon, I cannot see. I have never seen a justification of it. It is true that the duty is still greater in the United States, but I cannot see the reason for it. As a matter of fact, the Canadian public do not get any benefit out of that lower duty. There is a 50-cent difference in favour of the excise duty. A bottle of whisky, whether it is Canadian or imported, costs practically a dollar in this country. If that is the case, why should not the Canadian distillers at least share that 50 cents duty either with the public or with the revenue of this country? I would also like an explanation of that from some one representing the government, but I do ask the minister now to give an explanation as to whether this compounding law is being enforced; whether he knows, as a matter of fact, that these frauds are being practised; whether he has an officer at his disposal who insists on seeing that these labels are marked to show that the liquor sold has been compounded in this country, and that the labels describe it as the Act says it should be described?

Mr. PATERSON. There are two points in the hon. gentleman's remarks. One is that the revenue in some way suffers through the compounding. If I understood him, there would be some Canadian spirits that are subject to excise and that they would have added to them, or compounded with them, some foreign-made spirit. I do not just see where the loss to the revenue would come in in that respect.

Mr. W. F. MACLEAN. I thought I had put it very clearly. Through the non-administration of the Compounder's Act articles made almost entirely out of native spirit and on which only the excise duty is paid are imposed upon the Canadian public as imported goods. The duty on the imported goods is \$2.40 per gallon. If the Act were enforced and the men who sell these goods were compelled to describe them as compounded in Canada the purchaser would immediately know that they were spurious and would insist on having the genuine article. The genuine article would be sold to him and the revenue would get \$2.40 per gallon.

Mr. PATERSON. Now, I understand the hon. gentleman's position. It is not that the home-made article does not pay the proper excise duty but that they are compounding and palming it off as the foreign article, a practice which facilitates the sale of the home-made article. I can see the force of his argument in that direction, I thought it was only that by some means