

Sir HECTOR LANGEVIN. In that case it would be better to leave the matter under the general law and strike the clauses out altogether.

On section 10,

Mr. WOOD (Westmoreland). It has occurred to me that, though a dam, aboiteau, or boom, might not be an obstruction to navigation when erected, circumstances might afterwards arise that would become an obstruction, and would need to be removed. I do not see any provision in this Bill to meet a case of that kind. The place where you use a boom at present might be wanted for wharf purposes, or railway termination, or something of that kind, and I see no proviso by which that construction might be removed. It seems to me that the Governor in Council should have the power of removing those obstructions when the public interest requires it, which they had the power of authorizing when the public interest required it.

Mr. BLAKE. The law will remove them then.

Progress reported.

INLAND REVENUE.

Mr. COSTIGAN moved that the House resolve itself into Committee of the Whole, to consider a certain proposed resolution (April 12th) to consolidate and amend the Acts respecting the Inland Revenue.

Motion agreed to; and the House resolved itself into Committee.

(In the Committee.)

Mr. BLAKE. What does the hon. gentleman estimate will be the fiscal result of the changes proposed in the resolution as regards the Excise duties on tobacco and cigars.

Sir LEONARD TILLEY. The difference between the present duty, and the proposed duty, it is estimated, will cause a reduction in the amount of duty collected to the extent of \$800,000.

Mr. BLAKE. Will the hon. Minister give the Committee some further details as to how the loss is made up.

Sir LEONARD TILLEY. The amount collected altogether is nearly \$2,000,000, and the reduction will be eight-twentieths of the whole. For every one cent reduction in duty, there is a loss of about \$100,000. That is the basis of the calculation.

Mr. BLAKE. There is no calculation of increased consumption in consequence of the decrease in the duty.

Sir LEONARD TILLEY. No. There may be some, but it is doubtful. Such increased consumption will probably take place in home produced tobacco, on which the duty has been reduced from 10 cts. to 2 cts.

Mr. BLAKE. What revenue will be derived from the duty of 2 cts.?

Sir LEONARD TILLEY. That we can hardly say, for the whole amount of the duty collected on home grown tobacco last year amounted only to \$18,000, and we can only take that as a basis.

Mr. PATERSON (Brant). The hon. gentleman estimated a revenue from Excise from all sources of \$5,400,000, and the actual revenue last year was \$5,390,000, which is very nearly the same.

Sir LEONARD TILLEY. But this year there is a considerable increase. There was a reduction, however, no doubt. The difference, if my memory serves me, between the estimate for Excise next year, compared with what we expect this year, was about \$400,000 and \$500,000, because we will probably lose \$300,000 this year by the fact of it not being put into the market. That is not knowing that

Mr. BLAKE.

this was to take place, and it was not taken out for consumption, and the difference between what would have been received next year under the old Tariff and the present would make about \$800,000.

Mr. BLAKE. Do I understand that the loss, irrespective of this question, is anticipated to be \$800,000. Will this be the permanent range of loss?

Sir LEONARD TILLEY. Yes.

Mr. BLAKE. I see. Then the hon. gentleman told us there was about \$1,250,000 of relief from taxation altogether, and I am unable to make these figures just now given us chime in with them. I do not know where the \$450,000 are, if we only get \$800,000 of relief from tobacco.

Sir LEONARD TILLEY. No; as far as the alterations are made in connection with this, it will be about \$1,050,000 or \$1,100,000. Some hon. member—I think the hon. member for Brant—asked me, when we were passing the Free List, what was the loss on the Free List, and I said, \$80,000 or \$90,000. The balance is in the reduction of duties where decreases have taken place, and the articles are not placed on the Free List. The whole amount is something over \$200,000—say \$250,000, which makes \$1,050,000 if this reduction is \$800,000.

Mr. BLAKE. That is the whole sum, including the Free List?

Sir LEONARD TILLEY. Yes.

Mr. BLAKE. And the hon. gentleman expects a reduction of about \$110,000 in other items, exclusive of this \$100,000?

Sir LEONARD TILLEY. Yes; to the extent of \$160,000.

Mr. PATERSON (Brant). That is making no alterations, on the other hand, for increases?

Sir LEONARD TILLEY. No. We do not expect to get any increases from the changes made in the Tariff.

Mr. PATERSON. From none of them?

Sir LEONARD TILLEY. No.

Mr. PATERSON. I do not quite understand this \$800,000 loss to the revenue. I think that the hon. gentleman is rather mistaken there. He has overlooked the matter of cigars. Of course, there is not a proportionate decrease in cigars compared with tobacco. I would judge that the proportion would not be over—and I do not know whether it would be—one-fourth or not.

Sir LEONARD TILLEY. The duty is reduced from July next, from 40 cts. to 30 cts., and this will probably lead to a reduction of about 25 per cent., so it is pretty much the same proportion. There is not much difference between the proportion of decrease in cigars and tobacco, though the former is a little less perhaps. The receipts were \$1,000,000 on the average under the present Tariff; take off eight-twentieths from that, and you have \$800,000 in round numbers.

Mr. PATERSON. We must have been expecting large sums in some way, to bring up the revenue to the same amount which we have had.

Sir LEONARD TILLEY. No. If the hon. gentleman will look, he will find that there has been a large increase from Excise this year.

Mr. PATERSON. And you are basing your calculations on the increase of next year?

Sir LEONARD TILLEY. No; but of this year. My calculations are based on the revenue which we have had this year, and are likely to receive from tobacco, and I take off eight-twentieths from that. There has been a considerable increase this year from all sources of Inland Revenue.