

(CONFIDENTIAL.)

SMUGGLING

FROM

ST. PIERRE-MIQUELON.

St. PIERRE, July, 1894.

On arriving at St. Pierre, I proceeded to make enquiries respecting the smuggling of liquor from these islands, which belong to France, and venture to think I have at last got to the bottom of the business.

To begin with, it is only fair to relieve the French officials of all responsibility for the contabrand traffic with Canada. The St. Pierre-Miquelon Islands are now treated by France in tariff matters precisely as if they were a department of France. Their exports of fish receive bounties from the French treasury, and are admitted into France free of duty, whilst they, in turn, have to give free customs entry to all goods from France and the other French colonies. Liquors from France are as free as any other French goods. Their price at St. Pierre is lower than in France itself, because they are not struck with the heavy excise and special taxes levied in France. In France the duties on imported spirits, under the tariff of 1892 now in force, amount to 156 francs, 25 centimes per hectolitre of pure alcohol, that is, to about \$1.37 Canadian currency per imperial gallon of pure alcohol. Down to January, 1893, the tariff on liquors and other goods in the St. Pierre-Miquelon Islands was a very low one. In January, 1893, the French tariff of 1892 was applied to these islands as well as to other colonies of France. The committee of the Chamber of Deputies appointed to report on the French tariff, said :—

“It is asked, on all sides, that our colonies, which are so closely attached by sympathy to the mother country, should be considered as French provinces, and treated as such from an economic point of view, and consequently that they should have the same tariff as France. Foreign products should be foreign products in our colonies as they are here in France, and should be subject to the same duties. Our colonies ought to offer to French products more and more extensive markets, otherwise the colonial policy will stand condemned.

It was resolved, however, to make some modifications in the tariff in behalf of the colonies. The Council-General of St. Pierre-Miquelon forwarded recommendations, most of which were adopted in whole or in part by the French authorities. Amongst other modifications the customs duty on foreign alcohol, rum, whiskey and gin was reduced to 31 francs, 60 centimes per hectolitre, that is, to about 27 cents per imperial gallon, up to 89 degrees, 100 degrees representing pure alcohol. All French alcohol, spirits and wines are free. But both French and

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