

INLAND REVENUE ACT AMENDMENT BILL.

A message was received from the House of Commons with Bill (173) An Act further to amend the Inland Revenue Act.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the rule be suspended and that the Bill be now read the second time. He said: The only change is by the addition of the words 'unless otherwise directed by the department,' in the 15th line.

By clause 7 of the Act it is provided that the Minister of Inland Revenue may refuse to grant any license; at the same time clause 20 says in substance that the license shall be used by the collector upon the favourable report of the inspector.

The change proposed is with the view of conciliating the two enactments.

The amendment proposed by the second clause is in the following words: 'or when manufactured from sugar, syrup, molasses or other saccharine matter not otherwise provided for.'

This amendment is proposed with the view of making clear our right to collect duty on spirits made with domestic molasses. Our law provided for a duty on spirits made with foreign molasses. But it is not very clear whether we can collect duty on our domestic product.

The amendment made by the third clause is in the addition to the section, the following words to be found on line 15: 'Except that malt imported into Canada, crushed or ground, shall be subject to a duty of 2½ per pound.'

We have no provision in our law authorizing us to levy a duty on crushed and ground malt, commonly called malt flour. Lately large importations of malt flour have been made and it is to be presumed that that malt flour will supersede malt in the breweries or distilleries. Then it should be taxed to the same extent as the malt itself. The sum of 2½ of duty on malt flour is equivalent to 1½ cents on the malt itself.

Hon. Sir MACKENZIE BOWELL—From the explanation the Bill is simply for the purpose of protecting the revenue in certain cases, and to cover cases that are not provided for in the present law?

The motion was agreed to, and the Bill passed through all its stages.

CANADA EASTERN RAILWAY PUR- CHASE BILL.

FIRST AND SECOND READINGS.

A message was received from the House of Commons with Bill (163) An Act authorizing the government of Canada to purchase the Canada Eastern Railway and to take possession of the Fredericton and St. Mary's Railway bridge.

The Bill was read the first time.

Hon. Mr. SCOTT moved the suspension of the rule and the second reading of the Bill.

Hon. Sir MACKENZIE BOWELL—This Bill has been on the tapis for some little time. I remember when they were running the last election in the province of New Brunswick it was then mooted that Mr. Blair, the then Minister of Railways and Canals, was in negotiation with Mr. Gibson, the principal owner of this road, for its purchase, and it was denied with a very great deal of vehemence, and a good deal of earnestness by the press, and also by those who are connected with the government. At the same time it was not only currently reported, but believed that negotiations were proceeding for the purchase of the road. Since that time the scheme for the purchase has culminated, and now we have a Bill presented to the House to pay some \$800,000 for this road; and the government are also taking power to take over St. Mary's bridge in aid of which the government had loaned some years ago \$300,000 towards its construction.

Hon. Mr. SCOTT—We are absolute owners of the bridge. The government had a mortgage on the bridge, and it has been forfeited.

Hon. Sir MACKENZIE BOWELL—No, it has not been forfeited. This Bill does not go as far as that. The government advanced for the construction of the bridge so much, and took a mortgage on it some sixteen years ago. If my information is correct, not a cent has been paid since that time.

Hon. Mr. DOMVILLE—Neither principal nor interest.

Hon. Sir MACKENZIE BOWELL—Now it is proposed to take that bridge over and, according to the last clause, it will be found