

about 11 cents a gallon and transferring the protective tax to excise, you immediately add another million dollars. The distillers and brewers need not fear the competition they will be subjected to, they have raw materials cheaper than their competitors. Scotch and Irish spirits which enter into competition at present are largely made from corn transported across the Atlantic and the manufactured article transported back again. Canadian barley is available to our brewers and maltsters for 50 or 60cts.

Hon. Mr. ALMON—What will you do with this revenue when the Scott Act is passed in every county of this Dominion? What becomes of your revenue?

Hon. Mr. BOULTON—The hon. gentleman will understand that I am not arguing the question on any position that may hereafter be assumed. I am arguing on the question as it exists to-day. I am not arguing on behalf of prohibition. I do not want it to be understood that I am—I do not think that prohibition would be a good thing for the country. There is one broad principle on which I put those views forward—I do not think it is right to make that a crime by legislation which is not a crime without. To that extent I am not in accord with the prohibitionists. On that broad principle I am opposed to prohibition but I am also opposed to the building up of a great influence such as our liquor interests and protecting them to the enormous extent that they are being protected to-day, giving them an influence in the country that may be exercised in an injurious manner to the physical well-being of the country as a whole. It only costs 25 cents to make a gallon of whiskey. That 25 cents is protected by 55 cents. There is a protection of from 200 per cent to 300 per cent afforded to the distillers, and 100 per cent to 150 per cent protection afforded to the brewers. Hon. gentlemen will recognize that in the consumption of that there is a great deal of money turned over. That money should go into legitimate channels—into the revenue of the country instead of being given as a private profit to the individuals who are promoting those industries by special legislation. I have mentioned only two or three industries among the many that I propose to deal with in the same way, not for the purpose of destroying those industries or diminishing the

capital or industry of Canada but for the purpose of developing our resources, increasing our wealth and adding to the volume of our export trade—cheapening everything and adding to the comforts of the people in a ratio far beyond what anybody in this House can appreciate now. It may be accepted as a fact that if you release labour and industry from taxation imposed by special legislation, you create capital. Tax it and you destroy capital—capital is the production of labour, wealth is the distribution of its profit. What I wish to establish further, hon. gentlemen, is that with regard to tobacco exactly the same thing occurs. Tobacco is charged with an excise of 25 cents per pound and it is protected by a duty of 35 cents specific and 12½ per cent ad valorem. Raw tobacco is admitted free, but its manufacture is protected by 35 cents specific and 12½ cents ad valorem, in all about 40 cents per pound. If protection were removed and the excise made 50 cents the revenue would be increased by 25 cents per pound, or on the present consumption of 10,000,000 pounds \$2,500,000 cigars are protected by a specific duty of \$2 per pound and 25 per cent ad valorem, and in 1893-94 cigars yielded a revenue from excise of \$700,000. What I say is, tobacco will bear a tax of 50 cents per pound. That would be 10 cents per pound more than the present tax.

Hon. Mr. McCALLUM—That would not be free trade.

Hon. Mr. BOULTON—Yes; free trade means throwing the labour and industry of the country open to that competition which would enable it to produce so cheaply that it may extend its operations and not be restricted to a small area and thereby secure permanent employment. It is perfectly clear that those who buy their coal oil for 9 cents a gallon have more to spend on other necessities than those who have to pay 30 cents for it; this creates a demand for employment to provide them. Free trade is the foundation of that healthy competition. I am now showing that by a change in the mode of levying duties and excise on tobacco, spirits, beer and wine from which we derive a revenue now of \$11,000,000, we would be raising \$18,475,497 on present consumption.

Hon. Mr. KAULBACH—The hon. gentleman says that he would allow tobacco to