

approve of the treaty, and then ask us a little later on to alter in most material respects the terms of the treaty which the representatives of the British West Indian colonies have entered into with representatives of this Government. I wish to discuss for a few minutes the word 'direct' which is included in section 3 of the Bill. The extent to which the treaty goes is:

On all goods enumerated in schedule B to the said agreement, being the produce or manufacture of any of the colonies parties thereto.

These are the words which my hon. friend has had inserted in the Bill:

When such goods are imported direct from any British country into Canada or taken out of warehouse for consumption therein if imported as aforesaid, duties of customs—

—shall be so and so, as provided by the treaty. Am I right in understanding my hon. friend the Minister of Trade and Commerce to say that under section 50 of the Customs Act, the Governor in Council has given a definition to the words 'direct importation'?

Mr. FOSTER: That is the section which relates to importations through foreign countries, and it is in carrying out the powers conferred by the section that Orders in Council have been made as to regulations.

Mr. PUGSLEY: Quite so. I think the minister will agree with me that that gives absolutely no power, where goods do not come directly, but through a foreign country, to the Governor in Council to give an interpretation of the words 'direct importation,' reducing duties in consequence; it simply applies to the valuation of the goods which may be made for the purposes of duty. Let me read section 50:

The Governor in Council may provide that in the cases and on the conditions to be mentioned in the Order in Council, goods bona fide exported to Canada from any country, but passing in transitu through another country, shall be valued for duty as if they were imported directly from such first mentioned country: Provided that goods which have been entered for consumption or for warehouse, or which have been permitted to remain unclaimed, or which have been permitted to remain for any purpose, in any country intermediate between the country of export and Canada, shall not be considered as in transitu through such intermediate country, but shall be treated as goods—

Committee suspended and House resumed.

#### ROYAL ASSENT.

A message from the Deputy of His Royal Highness the Governor General by the Gentleman Usher of the Black Rod:

Mr. Speaker.—The Deputy of His Royal Highness the Governor General desires the immediate attendance of this House in the Chamber of the hon. the Senate.

Accordingly Mr. Speaker, with the House, went up to the Senate Chamber.

And the House being returned.

Mr. SPEAKER: I have the honour to report that the House having attended His Honour the Deputy of His Royal Highness the Governor General in the Senate Chamber, His Honour was pleased to give, in His Majesty's name, the Royal assent to the following Bill:

Respecting the purchase by the Government of the Grand Trunk Pacific Company's three per cent bonds.

#### WEST INDIAN TRADE AGREEMENT.

House resumed in Committee on Bill respecting an agreement between Canada and certain of the West Indian Colonies.

Mr. PUGSLEY: I was saying a few minutes ago that section 50 of the Customs Act does not allow the Governor in Council to give a definition of the term 'direct importation' except for the purpose of valuation. It may be said that the late Government was in error in allowing shipments from the West Indies to be brought in through the United States under the preference. I am obliged to admit that. I always took a different view. It was done long before I became a member of the Government. But, now we are dealing with the treaty, and we ought to consider just what powers the statute gives, and ought to govern ourselves accordingly. The matter is of a great deal of importance to the Maritime provinces, more especially because we believe the only way in which we can build up in the near future a satisfactory service between Canada and the West Indies is by requiring that the goods shall be shipped direct to Canadian ports. And, when the statute says that goods must be imported direct, it means, I take it, that the goods shall not be imported through a foreign country. As I have said, section 50 simply provides that the Governor in Council may pass an order providing that if the goods pass in transitu through a foreign country, they shall be valued for the purposes of duty as though they were imported direct. The statute draws a clear distinction between what is directly imported and what is indirectly imported—the direct importation is one that comes direct to Canada, and the indirect importation is one that comes through a foreign country. All that the statute provides is that the Governor in Council may order that goods imported through a foreign country shall be valued for duty at their value in the country of