

but who have acted in a certain way for the purpose of making some money. My hon. friend has not given us any indication of what action he proposes to take, and I am sorry to say that at the present time I do not see what action he can take under the law. The law that he is introducing now says that the revenue will be collected from such a date at such a rate. Does he think that he has the power to remit the duty to this, that and the other one? He might remit the duty to a class, or he might do it under a general rule, but I do not know how, under the law, he will be able to remit duties to an individual. This is a very serious question, and if my hon. friend could give us more information as to what he has in mind I think the committee would be obliged to him.

Mr. WHITE: My view would be that the Department of Customs should make an investigation as to the withdrawals that have taken place, and, if it appears in particular cases as it well may that goods have been withdrawn and sold in the ordinary course of business, a remission of duty should be granted to those who will have to pay the increased duty from the 7th August. On the other hand, there is no doubt that there will be many cases in which it is clearly apparent that goods were taken out of bond, not for the purpose of being sold in the ordinary course of business, but in order to take advantage of the situation; and in my view in these cases there should be no remission of the duty granted. The customs officers should not enforce the law in respect to the period between the 7th and the date of the delivery of the Budget speech until they can look into the matter fully and carefully. A deputation from Montreal waited upon me to-day and I have also received telegrams similar to that which my right hon. friend sent to me. I have indicated to all the view which I have expressed to the House. I think there is statutory power to enable the Government to deal with the situation. I think that the legislation should go as from the 7th and that the Government should redress any injustice that may result from such a retroactive law.

Mr. MACDONALD: Where does my hon. friend say that he has that power?

Mr. WHITE: The Audit Act gives the power to remit duties in any case where the Government deem it proper in the public interest.

Sir WILFRID LAURIER: Does my hon. friend believe that the Audit Act gives

[Sir Wilfrid Laurier.]

power to the Government to remit a duty to Mr. So-and-So and not to Mr. So-and-So? I think that the power is intended to apply to general cases and classes and not to individuals. I would like to know if the officers of the department think that they could deal with cases individually?

Mr. WHITE: We continually deal with individual cases, although we do strive in the Treasury Board to adopt some general principle so that there will be a rule of action. I think without question that the power exists under the Audit Act. With regard to the results which my hon. friend apprehends, on the one hand we must endeavour to do no injustice to anybody, and on the other hand we must not allow individuals to defeat the purpose of the Government in respect to the levying of taxes so essential at this time in the public interest.

Mr. PELLETIER: I have received the same telegram that my right hon. friend the leader of the Opposition has just communicated to the House from the leading merchants in Quebec. I at once communicated it to my hon. friend the Minister of Finance, and he gave me the same answer that he has given the House, that these people will be fairly treated. Moreover, I wish to draw the attention of the committee to the fact that the extra duties have not been paid which might facilitate dealing with them.

Mr. CARVELL: Does the Minister of Finance say that he would be justified in imposing the additional duty on a reasonable amount of goods that a man may have taken out of the warehouse? Take the case of an ordinary merchant who has been drawing from the warehouse a thousand dollars a day on the average, and who, since the 7th of August, has been drawing \$2,000 or \$3,000 a day; would the minister consider it fair that he should charge him the additional duty on a thousand dollars a day because that is the business which he ordinarily has done? It would seem to me more like a fine rather than a duty if you made him pay the additional duty on the whole amount of his withdrawals.

Mr. WHITE: I think my hon. friend has in mind the very same thing that I have in mind. If a merchant, in the ordinary course of business, has taken these goods out of bond and sold them in the usual way and according to his usual requirements, I am of the opinion that he should not be compelled to pay the additional tax.