

tries, and that statute having incorporated in its terms and proposals which were never included in the treaty? The minister must hold this Bill over until it is made to conform with the treaty which he made with those delegates from the West Indies.

Mr. PUGSLEY: If it is necessary to insert these words with reference to the goods enumerated in schedule B, why have they not been inserted with reference to the goods in schedule C? Why is it provided that the goods in schedule B, upon which a duty is to be paid, should only be entitled to the preference if they come direct to Canada, and that the free goods enumerated in schedule C need not be imported direct. It would be a disgrace to the records of this Parliament to allow the Bill to go through in its present form. You would not only have a Bill altering the terms of the treaty, but you would have a Bill providing one law for one class of goods, and another law for another class of goods, which, in the treaty, should come under the same regulations.

Mr. REID: Do I understand the hon. gentleman to take it for granted that the goods must come from the West Indian colonies to Canada direct, and that they cannot come in bond through the United States?

Mr. PUGSLEY: Just now, I am asking why, in respect to goods which are enumerated in schedule B, it is provided they must be shipped direct, and that with respect to the goods enumerated in schedule C, there is no such provision in the Bill?

Mr. REID: The goods enumerated in schedule C are free of duty and there is no necessity of stating any rate of duty on them.

Mr. PUGSLEY: Then according to the Minister of Customs, it means that in order to come in at a reduced rate of duty the goods must come by direct shipment, but in order to come in absolutely free, they need not come direct at all, but may be brought into the United States, can be there placed in warehouses and then shipped into Canada and distributed to the retail merchants of Canada by the wholesale merchants of the United States. The Minister of Customs is absolutely correct as to the facts, but the reasons he gives are not sound:

Mr. REID: The goods in schedule C are free. If goods are placed in bond in the United States, and brought from the United States to Canada, and taken out of bond, and if they are dutiable under our general tariff, they would have to pay the duties.

Mr. MACDONALD.

Mr. PUGSLEY: I say, with all good feeling to the Minister of Trade and Commerce, that if this Bill goes through as at present worded, it will be a disgrace to this Parliament. I wish it to go through in proper form, so that it may ratify the treaty, but if I am right in my contention, and I believe I am, would it not be a disgraceful anomaly that the Act should provide that dutiable goods, upon which there is only a preference of twenty per cent, must be shipped direct to Canada from the West Indies, or from a British country, and that goods upon which there is no duty at all, need not be shipped direct? The answer given by the Minister of Customs as to the reason for this omission in the Bill is the most absurd answer ever given in this House; it is no explanation at all. Does the Minister of Trade and Commerce approve of the reason given by the Minister of Customs for making one provision for dutiable goods and another provision for goods which are to come in free? Let me hear whether my hon. friend approves of that or not.

Mr. FOSTER: Go on and make your speech.

Mr. NESBITT: If goods were bought by a New York merchant from one of the West Indian Islands, shipped to New York, placed there in bond, and then shipped on to Canada in bulk, would the hon. Minister of Trade and Commerce consider that a direct shipment of West Indian goods under this Bill, and entitled to the preference?

Mr. FOSTER: I am not a customs manager; but I am quite willing to give the House my view in reference to it. If a New York merchant buys a lot of goods in the West Indies and takes them to New York, he has to enter them and pay United States duty, or he may put them in a bonded warehouse and keep them there for a certain length of time; but when he takes them out of that bonded warehouse and sells them to anybody whatever, he has got to pay the United States duty; if thereafter they come into Canada, they are met there by the Canadian customs and duty is imposed upon them as United States goods, on the usual basis of assessing the duty, taking into account the original cost and what other costs are necessary. The only way, to my mind, that you can make a direct shipment is that whoever buys the goods in the West Indies shall ship them direct to a port in Canada, I mean by that a geographically direct shipment; or a direct shipment under the meaning of the customs laws is, when the goods are consigned via New York, Boston or Portland in bond, and are kept under seal until they arrive at the Canadian customs house. When they arrive at the Cana-