

foreign countries, as provided for in the treaty. It is true that in the Bill the word 'direct' is inserted, because it says that:

There shall be levied, collected and paid, after the said agreement is in accordance with its terms brought into operation, and so long as it remains in force, on all goods enumerated in schedule 'B' to the said agreement being the produce or manufactures of any of the colonies, parties thereto, when such goods are imported direct from any British country into Canada.

Those words 'direct from any British country into Canada' are not in the treaty at all. Would the hon. gentleman explain how the word 'direct' came to be left out of the treaty and is now in the Bill?

Mr. FOSTER: I think the difficulty that my hon. friend sees is not at all a real one.

Mr. PUGSLEY: Why not?

Mr. FOSTER: The Bill, as in section 3, is this:

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. This clause in the Bill is simply necessary to meet the requirements of the customs law and administration. You can send goods from the West Indies via New York or Boston, but they must go through in bond. If they break bulk in any way they are liable to duty when they come to our frontier. The word 'direct' does not mean that these goods come from a British country direct by ship into a port of Canada but it means that they shall not break bulk. The clause was arranged by the commissioner of customs and the law clerk to meet the necessities of the case and that is what it does do.

Mr. PUGSLEY: It is not meeting the treaty but it is altering the treaty.

Mr. FOSTER: It is not altering the treaty.

Mr. PUGSLEY: Why not? The law clerk has evidently seen the difficulty in the treaty and has tried to meet it and make it right, but can this Parliament change the treaty?

Under the words of the treaty the goods might be kept in the United States for ten years, but so long as they are the produce of the West Indian Islands they are entitled to come into Canada on payment of four-fifths of the duty, and the law clerk sought to change the agreement by requiring these goods to come direct from the West Indies or from a British country, and he inserted in the Bill the word 'direct,' which is not in the treaty. The West Indian delegates evidently insisted on that clause being drawn as it appears in the

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treaty, and not until it comes to the law clerk and the commissioner of customs is it seen that it would operate injuriously to Canada. These gentlemen sought to correct the error by inserting in the Bill the important word 'direct' which does not appear in the treaty. I submit, Sir, that this Parliament has no right to alter the agreement. If the British West Indian delegates stipulated that these goods could be warehoused in the United States and kept there, and distributed by the wholesale men there to the retailers in Canada, as the agreement provides, I suppose they would not consent to the change.

Mr. FOSTER: There was no intention, no thought, no agreement, that the West Indies should have warehouses in the United States keep and sell goods for years in these warehouses and then send them in dribbles into Canada.

Mr. PUGSLEY: I did not say that. I said that under this treaty wholesale merchants of the United States could import West Indian goods, warehouse them in the United States, sell them to the retail merchants of Canada, and these goods would be entitled to come into Canada on payment of four-fifths of the ordinary duty.

Mr. FOSTER: You could not do that under the customs laws of any country.

Mr. PUGSLEY: But this is a treaty and the terms of the treaty ought to be carried out.

Mr. FOSTER: Section 2 of the agreement refers to goods imported into the Dominion and they can only be imported into the Dominion under our customs laws, which regulate imports.

Mr. PUGSLEY: Apart from what the customs laws may be, there is not a word in this agreement itself to say that the goods are to be imported to Canada direct from the West Indies. If it be shown that these goods are the manufacture or the product of the British West Indies, then the collector of customs has to admit them under the preferential tariff provided, no matter how long they may have been warehoused in the United States.

Mr. FOSTER: Is the hon. gentleman serious in that proposition?

Mr. PUGSLEY: I never was more serious in my life. I leave it to any business man or lawyer in the House if I am not correct.

Mr. FOSTER: It surpasses my understanding that the hon. gentleman can keep a solemn countenance when advancing such a theory.

Mr. PUGSLEY: Then why did the Law Clerk put in the word 'direct' thus changing the terms of clause 3 of the agreement?