

country free of duty. What does the Government intend to do? It intends to allow the people of Canada to bring in 679,000 pounds free of duty from the West Indies but upon 2,320,181 pounds, upon which the people of Canada previously paid nothing at all, they will now have to pay a duty of 75 cents per 100 pounds. Does the Minister of Trade and Commerce think that that will lessen the high cost of living? I content myself with calling the attention of the minister to this most important item, and as a representative of the people interested in the labour element in this country, and as one who sees the advantage of articles coming into Canada free of duty, I ask why it is that he is making this arrangement and taxing the food of the people of Canada?

Mr. FOSTER: I will not forget my hon. friend's question.

Mr. MACLEAN (Halifax): I would like to say, in connection with the matter raised by my hon. friend from St. John with respect to the exact meaning of clause 3, that it strikes me that the objection must be considered by the minister. In answer to a question by my hon. friend from St. John, the hon. Minister of Trade and Commerce informed us that this four-fifths preferential rate would be four-fifths of the general or intermediate rate whichever should be the lower. That was never my construction of this agreement and I do not think it was the intention of the parties to the agreement that it should be so construed. I do not think that was the idea of the negotiators at all at any stage in the proceedings leading up to the agreement. The hon. gentleman will remember that, in the first instance, the British preference was a flat reduction of 25 per cent. Later it was increased to 33½ per cent. In the tariff revision of 1907 there was another change made in the application of the tariff under the preferential rate. Therefore, I say that I do not think that clause 3 of the agreement bears the construction that the minister thinks it does. I do not believe that that was the intention of the parties to the agreement and I think he should allow this clause to stand and give it further consideration. I notice in paragraph 99 of the report of the Royal Commission, which will be found on page 24, this statement:

There was a general agreement that the rates of duty in the preferential tariff should be 20 per cent less than those in the general tariff.

That is the statement contained in the written report of the Royal Commission upon whose report this agreement was made. I think the minister will find upon

reflection that it was clearly never intended under this agreement that that four-fifths should be four-fifths of the intermediate tariff, or the preferential rate, whichever was the lower. Again, I would like to draw the attention of the minister to the word 'direct' in line 6 of clause 3 of the Bill, which reads thus:

When such goods are imported direct from any British country into Canada, &c.

The word 'direct' is not used in the clause of the agreement which establishes the four-fifths rate. There is another clause in the agreement and there is another clause in the Bill which gives the Governor in Council power to proclaim that the four-fifths preference shall only apply when there is a shipment direct from one country to another. I think there might be a little danger in leaving that word 'direct' there and I suggest that the minister might take it into consideration.

Mr. PUGSLEY: I think that the point taken by my hon. friend from Halifax (Mr Maclean) is important because, if you take the agreement, you see that the words are as follows:

On all goods enumerated in schedule 'B' being the produce or manufacture of any of the above-mentioned colonies imported into the Dominion.

It does not say imported 'direct' into the Dominion; therefore, these goods might be brought into the United States, placed in a warehouse there and then sent by merchants in the United States to various parts of Canada and come in under this preferential clause.

Mr. FOSTER: No.

Mr. PUGSLEY: My hon. friend shakes his head at that but it is true nevertheless. For some reason the hon. gentleman, I presume, or his technical officers, has sought to get over that in section 3 of the Bill which, in that respect, makes a variation of the treaty. If my hon. friend had embodied the same words in the treaty, which his legal adviser had put into this Bill, it would have been all right, but in the treaty it is provided by section 2 that:

On all goods enumerated in schedule 'B,' being the produce or manufacture of any of the above-mentioned colonies imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country.

There is an express provision by which these goods from the West Indies may be imported into the United States, kept there in warehouses and then sent into Canada at a rate of duty four-fifths lower than that charged on similar goods imported from