

from the United States in bags, therefore the English and Belgian cements is discriminated against in favour of the American article. This places them on an even footing.

Mr. COCKSHUTT. I do not think the minister fully grasped the difficulty I pointed out. The Canadian purchasing these goods in American bags for instance will pay duty the first time on that bag and if the bag is returned to the States, refilled and sent back to Canada, the bag will not pay duty providing it can be identified as the bag that had already paid duty. Well, that appears to me to be a very roundabout way of doing what the hon. gentleman says he is doing; giving 10 cents a barrel. I do not oppose that, I wish it were 25 cents instead of 10. As far as that is concerned, I quite approve of any move that will give more protection to the cement manufacturers. I think they are entitled to it, the industry calls for it, and the quality of the goods and the extent of the output justify the government in going further than they are doing. I fear the working out of this particular provision will not be satisfactory and will permit men who are unscrupulous in making statements to get their duty allowed where men of more conscientious scruples who will not swear that these are the identical bags that they used before, and therefore cannot make out the declaration, will not be able to escape the duty. This I do not think is right and in all fairness and in accordance with commercial practice the equivalent should be considered all that is necessary.

Mr. PATERSON. It does not depend on the declaration alone. If the bag comes back it must bear a customs mark that can be identified by the customs officers; in addition to that we will have the declaration of the importer. If the importer omits having his bags marked by the customs officer he will have to pay the duty again.

Mr. R. L. BORDEN. The difficulty seems to be this. The government wants to equalize the duty on cement imported in bags and on that imported in packages. If the suggestion of the member for Brantford (Mr. Cockshutt) is capable of being carried out as the Minister of Customs says it is, it seems to me the object as explained by the Minister of Finance absolutely fails. You do not equalize the duty because the bag comes back time after time and the duty is paid only once. Do I make myself clear?

Mr. FIELDING. Yes.

Mr. R. L. BORDEN. It would work out that way if what the minister says is practicable can be carried out. You are paying the duty once, the bag is used a hundred times; on the first occasion it pays duty and on the 99 other occasions it does not

Mr. PATERSON.

and therefore we do not equalize the conditions of the importation of cement from Britain and from the United States.

Mr. FIELDING. The Minister of Customs has spoken of the general practice with regard to packages, that is that a package once admitted on which duty is paid, if it can be identified as simply having passed the border and come back, is not liable to duty again. My impression is that in the case of the bag there will be such difficulty in identification as the member for Brantford (Mr. Cockshutt) suggests, and that practically the bag will have to pay duty each time, but the general principle as regarding packages is as stated by the Minister of Customs.

Mr. TAYLOR. It need not because the cement manufacturer in the United States will export the goods to Canada consigned to themselves; they will have agents who will make the entry and once they pay the duty on the bags they will collect these bags and ship them back to the United States, and when they come back to Canada the agent will make the declaration that they are the same bags as were returned before.

Mr. FIELDING. The agent has to satisfy the Customs Department.

Mr. TAYLOR. The customs cannot go back of that; there is the declaration of the importer that these bags paid the duty once.

Mr. PATERSON. We go back of that, they have to be marked.

Mr. TAYLOR. The exporter will have the Customs mark them and they will come back, the duty 2½ cents will be paid only once, and the American cement manufacturers will take advantage of that.

Mr. PATERSON. I simply explained the general rule with reference to packages, and of course this comes under the general law. The principle on which we proceed with reference to packages is illustrated in the case of oyster kegs. A great many oysters come in in kegs and there are also brass fountains which are sent over to be filled with material and the idea is that when an article has paid duty once it becomes a Canadian article. If it was made in Canada and sent over there to be filled it would be Canadian goods returned, but if it is of foreign manufacture in the first place it must pay the duty when it comes in but then it becomes Canadian. If it goes out it is Canadian goods returned. But there must in all these cases be identification by marks made not by the man who sent the bags back but by the Customs officer.

Mr. LENNOX. If a request is made to have the bags identified, I presume the Customs officer will do so.

Mr. PATERSON. Yes.