

sitting around the table, agreed should be between them. When you come to the enactment of an Act and get a lawyer or a Customs officer on it, he understands all about these things. He says it may prevent any discussion and any trouble if we put the word 'direct' in, that no importations can come in at the same rate of duty unless they come direct through bond. The moment you put them into a New York warehouse, you make them liable to the United States duty. So long as they are kept in that bonded warehouse and kept sealed in bulk the duty imposed under the Customs regulations of the United States remains unpaid, but the moment they are broken in bulk and distributed, the importer has to pay the United States duty on those articles. When those articles, being dispersed, come to the Canadian border, they are taxed as goods coming from the United States, and the cost of them, if it is traced through, is added to by the amount of duty that has been paid into the United States treasury. There is no difficulty either in the colonies, that are parties to this agreement, or in Canada itself. It is simply legislation in the line pursued for years. Did any person from the West Indies suppose that a privilege was to be given to the West Indies exporter on goods to Canada which was not at the time, and had not been for previous years, been his? The West Indian exporter could not therefore send his goods to New York, put them into a New York warehouse, distribute them, send them into Canada and avoid the duty.

Mr. PUGSLEY : Because there was no treaty.

Mr. FOSTER : There is no treaty now, it is an agreement.

Mr. PUGSLEY : The statute says they must come direct.

Mr. FOSTER : I must be allowed to get through with my argument, which I think is a perfectly fair and reasonable argument. It is that what was in the minds of the delegates, and what would be in the minds of business men, was what had taken place during the last 20 years and what is taking place at the present time. An import into Canada was an export from that country into this country when it came direct in bond through an intervening portion of foreign territory. The same thing goes on in different parts between our country and the United States where the bonded system is in use. It is an import when it gets into a country under the proper forms, laws and customs regulations of the country into which it is imported.

Mr. PARDEE: With all due deference to the hon. Minister of Trade and Commerce,

Mr FOSTER (N. Toronto).

his argument, in so far as I can understand it, is that these words are put in for the purpose of making it clear. Then he goes on to say that an import is an import and that those who carried on the trade and those who were parties to this agreement so considered it. If that reasoning is good and logical there is all the more reason to contend that the interpretation of this word 'direct' does not make it more clear, but makes it less clear than it was, and it emphasizes the fact that an import such as he describes is not the same kind of an import as that which is provided for under clause 2 of the agreement. It makes no difference to me, there is no factious opposition being offered, but it does appear to me that, as clause 3 of your Bill must be founded upon clause 2 of the agreement, if such a vital change is made in the Bill when compared with the agreement, the Act, if passed, cannot possibly stand. It appears to me that the insertion of the words 'imported direct' involves such a vital change from the terms of the agreement that even a customs officer or anyone else would be more likely to be misled by it than he would be by the plain words of the agreement if incorporated in the Bill.

Mr. FOSTER: Does my hon. friend apprehend a difficulty in this respect that a customs officer might refuse to allow goods to come through foreign territory?

Mr. PARDEE: If the goods are imported from the West Indies to Canada they must come direct if you put the word 'direct' in the Act. But you add to the possibility of their not being construed as having been imported direct by reason of breaking bulk or transhipping.

Mr. FOSTER: The word 'direct' may be used in two ways. It may be direct as the crow flies in a geographical sense, or it may be a direct shipment inasmuch as it comes through the proper channels without breaking bulk or being separated.

Mr. MACDONALD: My hon. friend the Minister of Trade and Commerce is telling us what these business men thought when they met together and discussed this proposition and he is very captiously trying to find some explanation for the curious anomaly that has been brought out during the present discussion of the agreement saying one thing and the Bill another. Clearly my hon. friend will have to allow this Bill to stand over in order to have it reformed. My hon. friend says that the use of the word 'direct' in this Bill does not in any way interfere with the clause in the treaty, that the use of the word must be interpreted in the light of the information in the possession of these peo-