

between the United States and Japan and one of the terms of the treaty was that the children of Japanese coming into the United States should be educated as pupils of the common schools of the different states of the American Union; that is that the children of Japanese were to be dealt with in that regard the same as the children of Americans. The state of California passed a law, during the currency of the treaty, making it obligatory upon the children of Japanese to attend separate schools of their own and providing that separate schools should be furnished for them, an enactment which was in contravention of the terms of the treaty. It is a well-known fact that a great deal of disturbance was caused in Japan and the United States over this law and negotiations and diplomatic exchanges took place between the two countries with the result that the treaty prevailed, the state of California was obliged to allow its law to remain inoperative or to repeal it—I forget which—and the terms of the treaty were permitted to have full force and to be fully carried out by the United States. This is the most recent case, it is a matter of which we all have knowledge and the principles involved in it establish the paramount rights that are obtained under an international agreement of this kind. While we are not different nations, a treaty here is exactly the same as it was between the United States and Japan. I therefore, submit to you, Mr. Chairman, and to the hon. Minister of Trade and Commerce as an irresistible conclusion that the question which the hon. gentleman put to himself must be answered in the negative; that is that this legislation cannot in the slightest change the terms of the agreement. If we cannot change this agreement in any way, are we attempting to change it by the legislation before the House? I shall take the privilege of reading clause 2 of the agreement to see whether or not this Bill changes it. But, before reading that term of the agreement, I wish to point out the correctness and force of the question that was put to the minister by my hon. friend from Northumberland, New Brunswick (Mr. Loggie). It is a question which is right in point, practical, and must of necessity be answered satisfactorily one way or the other before this Bill goes through. My hon. friend from Northumberland pointed out that under clause 2 of the agreement goods could be imported into New York, for instance, under the rules and regulations for importations into that state, part of the goods could be sold in the United States and such of the goods as the owner thought proper to tranship could be sent on to this country and still be within the provisions of the Bill as it now reads. But under the construction put upon the agreement by

the minister and the construction that he put upon the Act, that freedom of trade would be denied to a West Indian merchant, for, under the agreement as construed by the minister, the moment he takes fifty cents worth of goods out of a car or box, or whatever it may be, he loses the right to come into this country at less than the full duty. That condition arises under section 50 of the Customs Act upon which the minister relied. The minister and the Prime Minister say that the customs and tariff laws of Canada automatically apply to this case. If they automatically apply then section 50 of the customs law, being chapter 48 of the Revised Statutes, 1906, applies here, and under the proviso of section 50 it would be impossible to forward these goods to the United States and a part of the goods to Canada without paying the full duty. Section 50 provides that:

The Governor in Council may provide that in the cases and on the conditions to be mentioned in the Order in Council, goods bona fide exported to Canada from any other country, but passing in transitu through another country, shall be valued for duty as if they were imported directly from such first mentioned country:

Then comes the proviso:

Provided that goods which have been entered for consumption or for warehouse, or which have been permitted to remain unclaimed, or which have been permitted to remain for any purpose, in any country intermediate between the country of export and Canada, shall not be considered as in transitu through such intermediate country, but shall be treated as goods imported from such intermediate country and be valued and rated for duty accordingly.

Now, keeping that in mind as the law, according to the interpretation of the minister and of the Prime Minister, and reading the agreement in the light of it, I would like to know what understanding the West Indian people had with respect to the rights which they thought they were obtaining under this agreement. Leaving that law out and considering it as being a part of this agreement let me read clause 2:

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 nothing in that to say that you must not break bulk on the way. There is nothing to say that if a man ships two or three carloads of oranges to New York, he cannot keep one of these cars in New York and send the other on to Canada. The way these business men understood it was that they would have full freedom under this agreement as it was written and as it should