

don but shipped from Ceylon to India or some other British point to Canada. It should cover that as well as the other, and if it does not, this legislation is not very effective at all.

Mr. BUREAU: There have been a couple of cases where mistakes have been made by the officers, but the duty paid was refunded.

Mr. STEVENS: That may be true, but does this legislation correct the situation?

Mr. BUREAU: It is supposed to correct it.

Mr. STEVENS: That is the anxiety I have. I am afraid it does not, and that is why I am rather insistent upon this point.

Mr. ROBB: I do not think we can make it any clearer than it is now.

Sir HENRY DRAYTON: Does the government object to an amendment something along this line:

Provided that in computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom or tea purchased through British exporters but shipped from the country of origin to Canada direct—

Mr. ROBB: We cannot accept that.

Sir HENRY DRAYTON: Why?

Mr. ROBB: It could not be properly administered that way.

Sir HENRY DRAYTON: Then let us just understand where we are. This is simply and solely something which is done to look after the man who is doing his mixing in London. It is not something which is done for the trade generally; it is not something which is done in ease of the general Canadian situation. I ask my hon. friend, can he seriously say it is just for purposes of valuation to add this British duty on tea that has never seen Britain, and then when it is taken to Britain and pays the duty, to take it off? It is ridiculous.

Mr. ROBB: Let me draw the attention of the House to the provision of last year which was put in to meet the wishes of the hon. member for Vancouver Centre. It takes care of the whole position we have been debating:

Provided that goods entitled to the benefits of the British preferential tariff shall be entitled to the discount authorized by this section, when such goods are shipped on a through bill of lading consigned to a consignee in a specified port in Canada, when such goods are transferred at a port of a British colony or possession not enjoying the benefits of the British preferential tariff, and conveyed without further transshipment into a sea or river port of Canada.

[Mr. Stevens.]

Mr. STEVENS: I want the minister to understand that I am not criticising this clause; I want to support it, but what I want to point out to the minister is that upon that very clause he has just read the officials of the Customs department have placed an interpretation which resulted in adding to the invoice of the very goods mentioned in that clause the amount of the British duty on that tea which never touched England, because they claimed the tea was invoiced from London, the head office or the central office of the vendors. Now these Canadian companies who are blenders and distributors of tea are very, very large distributors on the Pacific coast and in the United Kingdom, and when they found that this British duty was added to their invoices they complained. Then I understand that this clause was put in the resolutions to fully meet the case. From a reading of this clause I would interpret it, and I think such an eminent lawyer as my hon. friend from George Etienne Cartier (Mr. Jacobs) will agree with me, to limit the application of the clause to tea that is purchased in bond in the United Kingdom. Now that certainly would not include tea that is purchased in England, but actually shipped from Calcutta or Ceylon or some other place.

Mr. ROBB: My colleague the Minister of Customs has frankly admitted that in the early days of the operation of this new clause there was a mistake made in one or two cases, but the minister discovered it and authorized a refund. The ruling is now as my hon. friend wants it to be. May I point out that the clause is very clear. It makes no reference to shipments from the United Kingdom. It says:

Provided that in computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom—

I should think that makes it quite clear, and as my hon. friend wants it. I would prefer not to make any change.

Mr. COOTE: This discussion is very mystifying to most members of the committee. I would ask the minister to explain just why he makes this new regulation, which reads:

In computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom—

When I look up the Customs tariff I can find no ad valorem duty on tea at all. The duty is given under tariff item 28a as follows:

Tea imported direct from the country of growth or production, and tea purchased in bond in the United Kingdom per pound, 7 cents, 10 cents, 10 cents.