

the duty on the raw material of a barrel of rolled oats would be \$1.20, whereas if it is classed as oat meal the duty on a barrel of rolled oats is much less than \$1.20. The effect of this change will be to equalize the duty, so that the duty on the finished product will be about the same as the duty on the raw material.

Mr. COCKSHUTT. Does this apply to package oats? There is for instance Quaker oats manufactured by an American firm at Peterborough. These are put up in two-pound pasteboard packages. Is that only to be subject to the same duty as the coarser grades that are put up in 100-pound bags? Does it apply on package oats the same as on the bulk article?

Mr. FIELDING. There has not been any distinction between the two, and for the present we do not make any distinction. But it is a fair question whether, on a fuller revision of the tariff, there should not be a distinction made between the smaller package and the rolled oats in barrels.

Mr. COCKSHUTT. I think there should be a material difference between the small package and the large package.

Item 187 is repealed and the following substituted—

187. Cement, Portland and hydraulic or water lime, in barrels or casks, the weight of the package to be included, in the weight for duty, twelve and one-half cents per one hundred pounds; in bags, twelve and one-half cents per one hundred pounds together with twenty-five per cent ad valorem on the bag.

Mr. COCKSHUTT. I wish to draw attention to a remark I made during my speech this evening with regard to the price of the package. Bags are always returnable, bags cost 10 cents from the exporter. Large amounts of American cement come into our section, and these bags when emptied are returned at the same price at which they come into the country. Now, I wish to know, if you leave this 25 per cent on the bags and if these bags are returned, is that duty refundable? If not, it will come out of the dealer who handles the cement, and will not be any help whatever in the way the minister anticipates, because the duty on that 10 cent bag will be 2½ cents. There are four bags to the barrel, that is about 350 lbs. Now four sacks are worth 10 cents each, or 40 cents, and the 25 per cent will amount to 10 cents on what is really the contents of a barrel. These bags are always returned to the factory and refilled. If these bags are not returnable they are practically a loss, because they are fit for no other purpose than for that which they were first used, no factory on this side will accept American bags. They will only take back the bags we send out.

Mr. PATERSON. Packages that come in from the United States or other foreign

countries are charged duty. If they are returned and can be identified as the same sacks when they come back, they do not pay duty the second time, because when an article has once paid duty it becomes nationalized. A bag that has paid duty once is a Canadian bag. If the bag was made in Canada and went over to the United States, of course there would be no duty on it when it came back.

Mr. COCKSHUTT. No one would be able to say if this was the same bag when it came back. That would be a grievance. There are no marks on it to indicate that it is the same bag. It will be for the producer to keep track of these bags that come over to Canada and see to it that the same bags were again returned to Canada after being refilled. That is going to be a hardship on the dealer, if the proposition of the Minister of Customs is carried out. This 2½ cents per bag is going to come out of the dealer, because the bag is always returned, it has been the invariable custom of the trade to return the bags to the factory after they are emptied. There will be trouble in the administration of that phase of the tariff if it is going to be applied in that way. Certainly there will be a loss to some one if a duty is collected on a bag which is returnable.

Mr. PATERSON. I thought the hon. gentleman was saying that we give no relief to the cement industry at all. If the bags cannot be identified when they go out and come in, they will pay duty every time they come in, and I should think that would meet the hon. gentleman's wishes.

Mr. TAYLOR. My hon. friend from Brantford (Mr. Cockshutt) perhaps does not understand that this free trade government, in making this concession to the cement industry in Canada, are protecting it to the tune of 2½ cents a bag.

Mr. FIELDING. Is my hon. friend opposing that?

Mr. TAYLOR. No, I am in favour of protection. But the hon. gentleman is sailing under false colours, because he is a member of a free trade government and is throwing out this little sop to the hon. gentleman who sits behind him, the hon. member for North Grey (Mr. Telford) who is largely interested in producing cement. I want to see all the cement used in Canada made in Canada, and I would like to see the duty made 25 per cent more on that product.

Mr. PATERSON. As explained by the Minister of Finance, there is this anomaly in the tariff. Cement was not shipped in bags when the tariff was framed in 1897. It came in from England and Belgium in barrels and casks, under a duty of 12½ cents per 100 pounds, the weight of the package to be included for duty. It only comes in