

Mr. BOWELL. That is the law.

Mr. MACKENZIE. I do not think the law can be so interpreted.

Mr. BOWELL. If the hon. gentleman will read the 46th section of his own Act, he will find that the appraisers had no option.

Mr. MACKENZIE. If the hon. gentleman will read the clause he will find it is not open to the construction he has placed upon it.

Mr. BOWELL. I will read it for the hon. gentleman, but before doing so I may tell him that, not only had the appraiser no option, but the Minister himself was equally restricted. This is the clause:

"If, in any case, the actual value for duty on any goods, as finally determined by the appraiser, or the Collector acting as such, or under the next preceding section—

Which, I may say, provides for the appointment of merchants as experts to value the goods if the importer should be dissatisfied with the ordinary appraisement. The clause proceeds:

"In the case therein mentioned by 20 per centum or more, the value for duty as it would appear by the invoice or bill of entry thereof, then, in addition to the duty otherwise payable on such goods when properly valued, there shall be levied and collected upon the same a further duty equal to one-half of the duty so payable on such goods when properly valued."

The last clause, I may say, was an amendment made by myself, but I shall read it as it was when the hon. gentleman passed it:

"And the value of any goods for duty shall never be appraised at less than the value for duty as it would appear by the invoice and bill of entry."

Mr. MACKENZIE. I do not understand the clause as the hon. gentleman understands it. It seems to me that these proceedings have reference only to fraudulent entries.

Mr. BOWELL. No; I do not think so.

Mr. MACKENZIE. It would be impossible that an entry could be made at all, under the hon. gentleman's interpretation. The whole reading of the clause shows that the object is to prevent the making of fraudulent entries. In the cases referred to by the hon. member for Bothwell, the ordinary prices were paid and were objected to. The prices were appraised at a higher value, and not only was the duty paid at this higher value but a fine was imposed in addition. What possible protection would there be for the purchaser, however honest, against being fined, if the hon. gentleman's interpretation of the law was carried out? It is quite clear that any person could be fined at the discretion of the hon. gentleman or his appraisers.

Mr. BOWELL. The memoranda and orders from the Department, moved for by the late hon. the Minister of Customs (Mr. Burpee), will show that, not only did the hon. gentleman's Government so interpret the law, but that they carried out that interpretation precisely as I have carried it out. It is the interpretation placed upon it by the law officers of the Crown; it is the interpretation which has prevailed since I have been in the Department, and it is the one which, as I am informed, was adopted by those who preceded me. The deductions which the hon. gentleman has drawn are not borne out by the facts. He says that no one can make an entry under my interpretation of the law; all that any one has to do in order to avoid the penalties of the clause is to make the entry at the fair market value of the goods in the country where they were purchased. Supposing an importer goes to the State of New York and buys a bankrupt stock at 10 cents on the dollar, does the hon. gentleman pretend to say that these goods should be entered in the Customs of Canada at that rate?

Mr. MACKENZIE. Certainly not.

Mr. MACKENZIE.

Mr. BOWELL. The importer could say, and could swear that they were bought for that price, but no one in his senses will say that that should be their value for duty. What the Department would have to do would be to ascertain the fair market value of the goods in the country where they were purchased and have the entry made accordingly. If goods are purchased at a sacrifice sale, or if they are a free gift to the person who imports them, it would be absurd for him to expect in the one case that the duty would be collected on the price at which the goods were purchased, or that, in the other, they should be entered free of duty altogether.

Mr. MACKENZIE. Certainly.

Mr. BOWELL. Still that would be the case if the face of the invoice were taken to determine the value for duty. Supposing that a man is presented with a horse at Rochester and that his value in Rochester is \$100, that would be the price at which it would have to be entered for duty, if it appeared that its value exceeded by 20 per cent. or more the amount for which it was entered, the importer would be subject to the penalties of the law.

Mr. MACKENZIE. That would be a case proving exactly what I have said—that the clause applies to fraudulent entry. I am only speaking of cases in which the goods are bought in a legitimate way, and in a legitimate market, in which the purchaser goes into a wholesale house and buys at the regular trade price, and I do not think that in such cases he should be subject to the fine.

Mr. BOWELL. I do. The price should be the market value in the country where the goods are purchased.

Mr. MACKENZIE. The hon. gentleman cited a number of cases in which the law was designed to prevent fraud; but those referred to by the hon. member for Bothwell were those in which the purchases were made from the first parties at the regular market price and in the regular manner.

Motion agreed to.

#### INTERCOLONIAL RAILWAY ROLLING STOCK.

Mr. ANGLIN, in moving for a return showing the number of locomotives and cars of all descriptions, and of snow ploughs and flangers, belonging to the Intercolonial Railroad, now undergoing repairs at the several workshops of the Intercolonial Railroad or elsewhere, and the number of locomotives, cars of all descriptions, flangers and snow ploughs belonging to the Intercolonial Railroad awaiting repairs in any workshops or at any station of Intercolonial Railroad, or elsewhere, said:—I thought of asking for a return to cover all rolling stock on the Intercolonial requiring repair, but I thought that would be rather unreasonable. My impression is that a very large portion of the cars and other rolling stock now actually in use on the Intercolonial requires considerable repairs. Last year we found no less than 21 locomotives lying idle waiting for repairs, in workshops and other places, at the time the hon. Minister stated he found it necessary to hire locomotives—of a very inferior description, I believe—of a company in order to do the additional work imposed on the rolling stock by taking over the Riviere du Loup Branch. This year the hon. Minister has been fortunate in not having had very many severe snow storms, and the rolling stock should be in a very much better condition. It has had, however, another year's wear and tear, and I am strongly of the impression, notwithstanding the very favorable report on this point given in general terms by the Superintendent and other officials of the road, that the rolling stock has suffered very much in the meantime, and very much of it is in a very bad condition. The return will give some insight into the actual condition of the rolling stock, and I am of