

Mr. OLIVER : With all due respect, I will insist on the explanation.

Mr. FOSTER : If I must, I must; and I will. If the hon. gentleman will turn to the Customs Tariff, 1907, and will read section 3 of that Act which has been in operation since 1907, and the principle of which has been in operation for the last fifteen years, he will find exactly the same wording.

(1) The rates of customs duties, if any, set forth in column 1, 'British Preferential Tariff,' shall apply to goods the product or manufacture of British countries when imported direct from any British country.

And in that tabulation are included: Bermuda, the Bahamas, Jamaica, Turk's Island, Leeward Islands, Windward Islands, Barbadoes, Trinidad, and British Guiana. Now, under the tariff law as it is to-day, direct shipments are not confined to shipments by vessel from port to port, but 'direct shipment' is defined in the Customs Act. I refer to that Act and read section 50, part of which is as follows:

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 country, but passing in transitu through another country, shall be valued for duty as if they were imported directly from such first mentioned country.

This is, a direct shipment cut as defined under the customs law may be direct from the port in Barbadoes to St. John, or may be direct from the port in Barbadoes to Montreal coming through New York or any other portion of the United States.

Mr. PUGSLEY : Will that allow the goods to be placed in warehouse in New York, as the Minister of Customs stated yesterday? Must not the goods be in transit practically constantly?

Mr. FOSTER : Just what we said yesterday.

Mr. PUGSLEY : Then, will the hon. gentleman allow me to ask—

Mr. FOSTER : Not just yet. I will read the rest of this, and I will touch on the point the hon. gentleman has raised. Here is the proviso:

Provided that goods that have been entered for consumption or for warehouse—

That is, in the United States,

—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 from such intermediate country, but shall be treated as goods imported from such intermediate country, and be valued and rated for duty accordingly.

Mr. FOSTER (North Toronto).

To make a specific instance. A consignment is made from Barbadoes to Montreal via New York. It is taken by ship to New York. It is unloaded from the vessel upon the car on the wharf and is sent by that car in bond through to Montreal. That is a direct shipment. But if the man who takes it to New York enters it under the United States regulations and puts it into warehouse—

Mr. PUGSLEY: In bond.

Mr. FOSTER: In bond, double bond, if you like; as much bond as you like. When that shipment starts again from that place it then is a direct shipment under the Customs Act from New York into Canada and not from Barbadoes into Canada and therefore the duty is assessed on the value in New York and the duty is paid on the same scale that American goods coming in would pay.

Mr. MACDONALD: Does my hon. friend propose to put a section in this Bill that would make that section of the Customs Act applicable to this particular section?

Mr. FOSTER: In regard to what?

Mr. MACDONALD: Is it proposed to put in this Bill a section which would make section 50 of the Customs Act apply to this particular Act? Otherwise it would not be deemed to apply.

Mr. FOSTER: I have that in section 3. That is what the whole controversy has been about for eight or ten hours.

Mr. MACDONALD: My hon. friend seems to think that because he uses the words to be found in the Customs Tariff Act which are interpreted by the accompanying Customs Act that the accompanying Act applies to this without any reference to it. I question whether it would. The minister uses the words 'imported direct from any British country.' In the Customs Tariff Act the additional words 'into-Canada' are not found and he reverts to the Customs Act in order to interpret the Customs Tariff Act and says that therefore clause 50 of the Customs Act must necessarily apply to this Bill. He should put in an additional clause to make it apply he would then have his argument complete.

Mr. FOSTER: I think the argument is complete when this legislation is passed. I take exception to the statement that in the Customs Tariff Act in 1907, there are not the words 'into Canada.' It says in section 6 'when such goods are imported into Canada.'

Mr. MACDONALD: I thought the minister was quoting from sub-section 1.

Mr. FOSTER: Sub-section 1 is simply a schedule as part of section 3 and defines