

Mr. ROBB: I think my hon. friend must misunderstand his information, because the duty on tea coming into Canada is so much a pound. It is possible that in the case referred to the import was not entitled to the 10 per cent rebate granted last session. That is what we want to cure, because under the legislation of last session there is this proviso:

Provided further that this discount shall not apply in the case in which the duty does not exceed 15 per centum ad valorem.

Some of the tea coming into Canada under the existing British laws did not come under that provision, and we want to cure that.

Mr. STEVENS: That is not what I am talking about at all. The Minister of Customs, I know, understands my point, and I think, agrees with me, but apparently the Acting Minister of Finance does not. I am accepting the assurance of the Minister of Customs that this legislation does cover the point.

Mr. ROBB: All right.

Mr. BUREAU: It is intended to.

Sir HENRY DRAYTON: I think we should really try to find out what the facts are. One minister does not agree with the other, and I do not know which minister is right.

Mr. BUREAU: Oh yes, we agree.

Sir HENRY DRAYTON: My hon. friend (Mr. Stevens) thinks the Minister of Customs is right. Well, he may be, or perhaps the Acting Minister of Finance is right. Suppose we assume—and I hope it is not a rash assumption—that the Minister of Customs knows how his department is administered, we have the fact that goods that never see England but are sold by English houses are valued for duty purposes as if they had gone to England and as if the English tax had been paid upon them. Now, am I right in that?

Mr. BUREAU: Well, you know whether you are right or not.

Sir HENRY DRAYTON: I am asking the minister; I am not responsible for this legislation. Now, let me repeat; and I hope the minister will listen to me this time. The practice of the Customs department has been to value tea shipped from Ceylon direct to Canada and invoiced from a London house as if it had gone to Great Britain and paid the British duty. Am I right?

Mr. BUREAU: It paid 7 cents preferential duty.

Sir HENRY DRAYTON: Now let us try to find out where we are. There was a specific English duty of 8 pence per pound, now reduced to 4 pence per pound. The practice of the Customs department was to add for the purposes of valuation 8 pence per pound as being the amount of the British duty, although that tea may have come direct from Ceylon to Canada and merely been invoiced by a British exporter. Am I right?

Mr. BUREAU: Well, you say the British duty was 8 pence?

Sir HENRY DRAYTON: Yes.

Mr. BUREAU: If it is 8 pence you are right. I do not know whether it is or not.

Sir HENRY DRAYTON: If that practice is right, the present provision relieves tea of this extra valuation only when it is purchased in bond in the United Kingdom. Surely the right thing to do would be to put all these shipments on the same basis. That is not done, and anyone who takes the trouble to read this resolution, unless, perhaps, he is one of the ministers, will agree that I am right.

Mr. BUREAU: That you can charge the tea that did not go to England?

Sir HENRY DRAYTON: No, my hon. friend has not the point at all. I despair of getting anything into his head this afternoon.

Mr. BUREAU: My hon. friend is despairing of something that is very easy.

Sir HENRY DRAYTON: I know, but I am losing faith.

Mr. JACOBS: I think I rather agree with the ex-Minister of Finance on this thing. If there is to be a reduction on these goods coming in bond from England, a fortiori if they never went to England at all the reduction ought to apply. It seems only reasonable.

Mr. STEVENS: I know this is a very technical point, and the only reason I speak upon it with any confidence is that I have been through it all with the officials of the Customs department. It has been discussed for some months. It might be well for the minister to allow this resolution to stand until his expert advisers in the Customs department consider that very point and see that it is properly covered in this resolution. I doubt very much if this resolution covers anything except tea that is actually carried to Great Britain in bond, and then re-exported from Great Britain to Canada, whereas it should cover goods purchased and invoiced in Lon-