

the consumer who buys the goods first after they enter into this country. Take, for instance, the importer from Montreal who imports goods from Germany. He imports the sample first. His traveller goes all over the country and sells the goods on the sample at a certain price. The importer orders a sufficient quantity of the goods to supply the sales which have been effected by his traveller; the goods are imported by the importer, and they are distributed to the retailers throughout the country. Does the Finance Minister mean to tell me, after the importer in Montreal imported \$4,000 worth of goods and paid \$1,000 of duty on them, and after say, six months, the Government refunded 12½ per cent of those duties, that the importer in Montreal went to all his customers throughout Canada, amounting to a hundred or several hundred, and handed over to them their share of that refund? I say no. No sane man would attempt to offer such an argument. The consumer paid the duty, and the importer or the manufacturer got the benefit. Not only did the consumer pay the 12½ per cent refunded by the Government, but whatever profit the importer and the retailer chose to put on that 12½ per cent, and not one cent of the money refunded by the Government went to the consumer. It may be that to the extent of what the importer kept in his warehouse, if he ventured to import a certain quantity above what he sold in advance, and held it for future sales, he would cut down his prices; but on the goods that were already distributed to the retailers throughout the country and from them to the consumers, not one cent was given back to the consumers or to the retailers.

Mr. TAYLOR. I want to ask the Minister of Finance a question or two in reference to a statement made by the Minister of Customs in his speech on the Budget. The Minister of Customs stated that for the six months ending the 31st of December, 1897, the reduction, owing to the 12½ per cent on the preferential tariff, amounted to \$521,451. I want to inquire if he took into consideration the \$100,000, more or less, that the Minister of Finance just now stated, in reply to an inquiry from this side of the House, was refunded—if that sum of \$521,451 was collected over and above the refund, or if it should be reduced by the amount of the refund? Then I would like him to tell me also what proportion of the goods that made up this \$521,451 came from England, and what proportion came from other countries; because the Minister of Customs made the statement that if the reduction were applied to a year it would amount to \$1,000,000, and if applied to two years it would amount to \$2,000,000; though it is patent to everybody that the preferential tariff for the six months preceding the 31st of December, 1897, applied to nearly all countries. I believe that the United States was about the

only exporter to Canada that did not receive the abatement.

The MINISTER OF FINANCE. I think it would be better that I should leave my hon. friend to put that question to the Minister of Customs at a later stage, when he will be here. I have not the figures with me, and I would prefer that the Minister of Customs should answer the question himself.

Mr. DAVIN. I rather think some of the hon. gentlemen on the Treasury benches misunderstand the position taken on this side of the House in regard to a preferential arrangement with England. We are glad, of course, to see that the hon. gentlemen who for so long took a pro-United States position, now that they are in power, are driven by the logic of events to take the loyal and Imperial position which they now take. The only thing in which we differ from them is this, that we think it would not only be better for Canada, but better for the Empire at large, in making a preferential arrangement, if it were found feasible—and an attempt should be made to see whether it is feasible or not—not to have a jug-handled arrangement, but to have one that would be strictly and mutually preferential. In regard to the very thing we are now discussing, on March 30, my hon. friend from East York (Mr. Maclean) asked a question of the Minister of Trade and Commerce, who was then leading the House, and the Minister of Trade and Commerce said in reference to the question, which referred to a debate that took place on March 14, in the Imperial House of Commons:

I think my hon. friend will be able to obtain full information in a very short time, when the Budget is brought down. The propositions are necessarily closely intertwined with certain proposals of the Budget, and we hope then to give my hon. friend full satisfaction.

My hon. friend from East York was not the only person in this House who was very curious to know what was the significance of a most interesting debate which took place on the 14th of last month in the Imperial House of Commons, when Mr. Chamberlain moved for £120,000 for sundry colonial services, including certain grants in aid. In the early part of his speech, Mr. Chamberlain, referring to the general question of the trade of the West India Islands which Mr. Labouchere wanted to enter upon, said:

As I have already stated, in answer to a question of the hon. member for Northampton, that it will be impossible for me to enter upon this general question at the present time, and the reason will satisfy the House. It is this: that we are engaged in negotiating with the United States, and also with the Dominion of Canada, which we hope may result in a reciprocity arrangement between those two countries and the West Indies for West Indian products. I am