

manufacturer for export they receive a drawback, which reduces the price at which the article is sold in the United States. In other cases they make special rates for the trade in Canada, in order to retain the market at the expense of manufacturers in this country. The argument of the hon. member for Bothwell is simply this: That all goods purchased in the United States, or any foreign market, should be entered for duty at the price at which they are purchased. The hon. gentleman ought to know, if he does not know, that such is not the law. He ought to know that in the consolidation of the Customs Act by his own colleague, the late hon. Minister of Customs, the case is particularly provided for, and I will read the two sections of the Act which provide the mode, and the manner, and the value at which all articles shall be entered for duty. I am sure if he had applied to his late hon. leader who sits beside him, and more particularly to his late colleague, who was Minister of Customs, for their opinion on that point, he never would have made the speech he did. If you turn to the 31st clause of the Customs Act, you will find it reads as follows:—

"In all cases where any duty is imposed on any goods imported into Canada, *ad valorem*, or according to the value of such goods, such value shall be understood to be the fair market value thereof in the principal markets of the country whence the same were exported directly to Canada; and every appraiser, and every collector, when acting as such, shall by all reasonable ways and means in his power, ascertain the fair market value, as aforesaid, of any goods to be appraised by him, and estimate and appraise the value for duty of such goods at the fair market value, as aforesaid."

The 32nd clause points out what shall be considered a fair market value, and reads thus:

"The fair market value for duty, of goods imported into Canada shall be the fair market value of such goods in the usual and ordinary acceptance of the term, at the usual and ordinary credit, and not the cash value of such goods, except in cases in which the article imported is by universal usage, considered and known to be a cash article, and so *bonâ fide* paid for in all transactions in relation to such article; and all invoices representing cash values, except in the special cases hereinabove referred to, shall be subject to such additions as to the Collector or appraiser of the port at which they are presented may appear just and reasonable, to bring up to the amount to the true and fair market value, as required by this section."

Now, the House will see that, by their own statute, for which he himself is responsible, as a member of the late Cabinet, the only course that could be pursued in honestly administering that law was to take every article which is imported into this country, and ascertain whether the price at which it is entered for duty is the fair market value in the country whence it was imported directly to Canada. Now, that is all that the appraiser, the collector, the Commissioner or myself—when it was referred to me—had ever ruled in matters of this kind. I know that difficulties have arisen in reference particularly to fruit trees, and in order to avoid that, the House will see, on referring to the proposed changes which are now before the House, that we have, after a good deal of consideration and after having compared the nurserymen's prices in the United States with the prices at which they have been entered for duty, we have concluded in future to charge a specific duty, and thereby do away with the difficulties that have arisen in the past in the entry of that class of goods at a very much lower rate than they are sold in the United States. The case with machinery is precisely the same. I will give you an illustration upon this point. I have had locomotive engines imported that have been entered at a price less the profit of manufacture, less the freight of bringing it to the frontier; and then declared to be the fair market value. Now, any one reading that statute would know that that is not the law, and that any Customs officer allowing an article to pass which was entered in that manner, would be doing a gross injustice to the honest man who was making a fair entry at a fair price. I thought it advisable that the House and the country, at least those who do not know what the law is, should have this matter placed fully and fairly before them. It is a

great difficulty—I frankly admit it is one of the greatest difficulties—in administering the Customs law, to regulate entries so that one importer shall not have an advantage over another importer; and had the law been strictly enforced from the time of its enactment, as it has been during the past three years, I do not think we should have had the difficulties that have arisen during the last two or three years in particular. Another difficulty that often presents itself is the fluctuation of the market: articles may rise in value to-day and fall again in the market in a month hence. Complaints often arise from the fact that an importer may have purchased at one time a particular article and given a certain price for it, while another importer may have purchased the same article two months afterwards and entered it, and may have paid 10, 20 or 25 per cent. higher. In other cases, the invoices are made out and the entry made at the prices which ruled in the market, perhaps two or three months previous to the time of the purchase. Then it becomes the duty of the appraiser at once to raise the face of the invoice, and if he can show that there has been an attempt at fraud, it becomes his duty not only to raise the value for duty, but to impose the penalty which is inflicted by the 46th section of the Act. I am surprised that a member of the late Government, the hon. member for Bothwell (Mr. Mills), should have risen in his place and taken exception to the administration of the law on points of this kind. If he had shown any case where the law had been administered in such a way to the injustice of the importer—that is, by reason of the value of the article being raised higher than that at which it is sold in the market in which it is purchased for home consumption—then he would have had a case against the Government; but in all the cases to which he referred—and I was particular to notice the language he used—he stated that the prices at which the goods were entered for duty were the prices at which they were sold to all Canadian purchasers. He did not say to all purchasers, or that they were sold at the same price to Canadian purchasers as to the purchasers in the United States for home consumption; but, on the contrary, that the prices at which they were entered were the prices at which they were sold by the American manufacturers or American nurserymen to the Canadian purchaser. I have shown that no other course could have been taken under the law than the one we have adopted.

Mr. MACKENZIE. My hon. friend the member for Bothwell (Mr. Mills), as well as the hon. member for St. John (Mr. Barpee), is unfortunately absent.

Mr. BOWELL. That is not our fault.

Mr. MACKENZIE. I know it is not, nor is it the fault of the hon. gentlemen themselves, and the matter must come up again on some other motion when these hon. gentlemen will have an opportunity of replying to the remarks of the Minister of Customs. I may say, however, that I understood the hon. member for Bothwell (Mr. Mills) to say distinctly that the price at which Mr. Dougall brought in his fruit trees was the ordinary price charged at the nursery in Michigan.

Mr. BOWELL. Yes, to all Canadian purchasers.

Mr. MACKENZIE. I did not so understand him.

Mr. BOWELL. I was careful to note his language, and those were the words he used.

Mr. MACKENZIE. I do not dispute the hon. gentleman's accuracy; but the hon. member for Bothwell said that he had papers showing the unjust working of the law in two or three cases, and particularly that in a certain case—after the goods were appraised at a higher price than that at which they were bought in the United States—the importer was obliged to pay not only the higher duties, but a fine besides.