

the corn at 8 cents, giving the Government seven, and the underwriters one.

Sir LEONARD TILLEY. I may say that difficulties arose last year in different parts of the Dominion of the character of those mentioned by my hon. friend from Montreal West—namely, difficulties connected with the damage to grain, subject to a specific duty. There is no provision under the Act by which the Minister of Customs can receive less than the specific duty in such cases. For instance, a vessel was lost in the Bay of Quinte and another in the neighborhood of Kingston, with grain on board, and the grain was permitted to be exported and, therefore, relieved from duty, and they got what it was worth on the other side for feeding purposes. Under the Tariff Act goods are subject to the *ad valorem* duty which have been depreciated or damaged, but these cases having arisen, for instance, the case referred to by the hon. member for Montreal, it has been found impracticable to export the grain, and it has been sold subject to duty. Under the circumstances the Government will take the matter into consideration and see whether relief can be found. The difficulty was not so apparent in the case of the loss which occurred in the neighborhood of Kingston, because the grain was exported and sold. But in cases where it cannot be exported, a hardship may arise, and the Government will give their serious consideration to it.

Mr. KIRKPATRICK. The hon. the Minister of Finance has said that he would take this matter into consideration because cases have occurred at Montreal where large quantities of grain had been damaged, but which could not be exported and upon which they could not collect enough to pay the duty. I am sorry to hear that the hon. gentleman could be induced to act by the loss at Montreal but not by the smaller losses at Kingston. Now, when you have an aggregate of smaller grievances they come to make a large one, and so it is in this case. There have been innumerable instances of the kind at Kingston. Hardly a ship arrives there but has 50 or 100 bushels of damaged grain, sometimes 1,000, sometimes 10,000. I have known cases where this grain was not exported but was sent out into the harbor and thrown over-board into the lake, although that grain was worth, perhaps, ten cents a bushel, which for 10,000 bushels would come to \$1,000. If the Government says: We will not put that \$1,000 into the Treasury but we will throw it into the lake, I think that is monstrous. If it is the law, the sooner it is changed the better. When the grain is damaged it ought to be sold for what it is worth, and if it does not bring what the Government wants, take all it will bring, but do not throw it into the harbor. What is the consequence of this law as it stands and as it has been enforced? We are in this country expending millions of dollars in enlarging the canals and in trying to get the trade of the west to come down by the St. Lawrence. There are many little things which tend to make it a desirable trade, and which, together, would attract it down the St. Lawrence. But if you dissatisfy the mariners and captains of vessels they will grumble at your regulations enforced by the Customs Department, and you will find that they will sooner take half a cent or a cent less a bushel for their grain and go to a foreign port instead of a Canadian port. The consequence is, that if these irksome regulations of the Customs Department are put in force, it will cause the trade to go to Oswego or Buffalo instead of coming down the St. Lawrence. I believe it would be of the utmost benefit to this country if the Government, this Session, took up this matter and introduced a Bill by which a certain specific duty shall be levied upon damaged grain, or at all events, that grain so damaged shall be sold for what it will bring.

Mr. MILLS. This discussion has been of considerable interest and instruction to hon gentlemen on this (Opposition) Mr. GAULT.

side of the House. We find the hon. member for Cardwell (Mr. White) speaking on both sides of the question; and, not content with that, he says he is in favor of reciprocity. We know that for the last three years the hon. gentleman has been arguing for protection, and trying to show this House that if we were to throw open our markets to the Americans our industries would be destroyed. Now, the hon. gentleman seems to think they are quite strong enough to compete with the older and more wealthy industrial institutions on the other side.

Mr. WHITE. I am in favor of reciprocity in the natural productions of the two countries and none other.

Mr. MILLS. The hon. gentleman is like Mr. Bigelow: his mind is too fair to lose its balance, and that is the reason the hon. gentleman has taken the opportunity to speak on both sides of this question. The hon. member for Montreal West complains that a large cargo of wheat has been lost, or was so much damaged that it was sold for little more than pays the duty. But that hon. gentleman has voted for the past five years that the purchaser does not pay the duty, that the duty is paid by the American producer. If that is so, why should the Government here, when the American producer of this grain has paid you by a reduction in the price equivalent to the duty, remit the duty to the purchaser? Can there be a more monstrous proposition? Can any proposition be more monstrous than that suggested by the hon. Minister of Finance and the hon. member for Frontenac (Mr. Kirkpatrick)? Those hon. gentlemen have been telling the farmers throughout the country that the duty is paid by the Americans upon grain coming into Canada, and not by the consumer in Canada. The First Minister went through the country telling the farmers that in consequence of the duty upon American barley, they were being mulcted to the extent of 15 cents a bushel upon every bushel sold to the American market. Now, hon. gentlemen are assuming the very reverse of that position.

Mr. ROCHESTER. Is that the time they had 68 cents a bushel?

Mr. MILLS. The same difference exists to-day between prices in the Canadian and American markets that existed before this National Policy was adopted, and now the hon. Minister of Finance, after he has argued and acted upon the assumption that the duty is paid by the producer and not by the consumer comes down to the House and says he has under consideration a proposition to hand this duty, not over to the parties who paid it into the Treasury, those foreign producers, but to those who are speculating and trading in this particular article of foreign produce.

Mr. ROCHESTER. It is very well to go on and get all the complaints in to-night before the holidays come on. This question, it appears, affects a great many members in this House. I do not know any part of the country that has been more affected by the coasting law between the United States and Canada than this section of the country. The coasting laws between the United States and Canada have, I may say, robbed this part of the country of a large number of vessels and a large amount of trade. It was supposed by the public generally, that the Treaty of Washington guaranteed certain rights, both to Canada and the United States, with regard to coasting on the inland waters of each nation. But this treaty, in that respect, was not carried out by the United States. I will read a letter written by the Collector of Customs at Plattsburgh, in reply to one sent to him by one of the forwarders:

"I have the honor to acknowledge the receipt of your letter of the 1st inst., wherein you ask for the following information, viz: Whether Canadian barges will be allowed to pass *en route* from Rouse's Point to New York with foreign merchandise in bond? In reply, I beg to inform you that the United States laws, as construed (I think misconstrued would have been a better word), by the Treasury Department, prohibit the trade in question, so far as British vessels are concerned. See 2,771,