

of putting their goods in here at the same rate that goods from any other place come in. But we say to them: You can bring your goods into Canada provided you disarrange your whole fiscal system and make the Controller of Customs of Canada dictator as to your tariff, and impose as a maximum rate whatever the Controller of Customs of Canada says. What self-respecting power for one moment would enter into an arrangement like that? Imagine for a moment astute men like those of Germany negotiating such a treaty with Great Britain, or an astute man like the Belgian Minister negotiating such a treaty, if for one moment it was contemplated that their goods should only be admitted into the colonies provided they gave up the control over their own tariff rates and allowed foreign controllers to fix the maximum rate of the tariff for exportation to Great Britain or to her colonies. I therefore say that if the reciprocity resolution is good and does not discriminate it must inure immediately under the terms of those treaties—not under the terms of the Belgian treaty, but under the German treaty—for the benefit of Germany and all other nations entitled to most-favoured treatment in commerce and trade. But I do not wish to be understood as conceding for one moment that this tariff does not discriminate against countries entitled to the benefit of the most-highly-favoured-nation clause. There is an element of discrimination in it. This resolution may mean many things. If it has one meaning, it discriminates indirectly, although it may not do so directly. The Minister of Finance, the Prime Minister and the Controller of Customs have been asked in regard to the interpretation to be placed on this clause, but they have maintained a perfect reticence. The interpretation must be put ultimately by the law courts of the country, and the Crown officers of Great Britain who will advise Her Majesty in regard to it. The particular resolution reads as follows:—

15. That when the customs tariff of any country admits the products of Canada on terms which, on the whole, are as favourable to Canada as the terms of the Reciprocal Tariff herein referred to, are to the countries to which it may apply, articles which are the growth, produce, or manufacture of such country, when imported direct therefrom, may then be imported direct into Canada, or taken out of warehouse for consumption therein at the reduced rates of duty provided in the Reciprocal Tariff set forth in Schedule D.

(a.) That any question that may arise as to the countries entitled to the benefits of the Reciprocal Tariff, shall be decided by the Controller of Customs, subject to the authority of the Governor in Council.

(b.) That the Controller of Customs may make such regulations as are necessary for carrying out the intention of the two preceding sections.

I humbly submit that as a matter of treaty construction and international law, the meaning of that clause is this: that if you

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take the total imports into Canada of the products of any other country, and it is found in Canada that the duties levied on them is a certain per cent. and after reducing that percentage by 25 per cent, one-quarter of itself, it is equivalent to or above the percentage of duty levied by such country upon the products of Canada, then is that country entitled to the benefit of the reciprocal tariff. To take a specific case: Our tariff on those articles in respect to which we propose to reciprocate is eighteen and a fraction, and in Germany the tariff on those articles is 9.5. These are about the respective rates on the articles which are to be looked to in order to bring into force that reciprocal tariff. If we throw off from the Canadian tariff the 25 per cent provided for in the reciprocal tariff, our tariff will be reduced to a shade under 14 per cent. Germany's tariff is 9.5 per cent. I claim as a matter of construction of this diction, apart from the matter of treaties and most-favoured-nation clauses entirely, that Germany is within the clause. If you grant it to Germany, you grant it to a commercial enemy. But it must not only be given to that nation, but also to the Netherlands, which is practically a free trade country, to Belgium, which has an average tariff of 10 per cent on these, and also to Switzerland, and I do not know how many other countries. If this clause has not the meaning which I have attributed to it, it may have another meaning—if under all the circumstances the impetus to be given to trade and manufacture by the privilege of exporting the articles of the reciprocal tariff list that can be produced in Canada and the benefit to be derived therefrom is in the opinion of the Controller of Customs equal to the similar benefits to be derived by any other country from the privilege of exporting like goods to Canada then the reciprocal favour applies to that country. This which I infer is the construction the Government puts upon this resolution is an untenable one. Germany has treaty rights and is entitled to be heard, and the Government proposes by an ex parte judgment of the Controller of Customs to annihilate virtually Germany's rights under the treaties. One view or the other must be accepted; the latter is grossly absurd, and if the first is accepted then these different countries are entitled to reductions under the tariff and the claim of favouring England is false and hollow. Indirectly there is discrimination, if the latter view be taken. Why? Because this country is not saying to France, Belgium or Germany: We will let your goods in on precisely the same terms as those of other countries—but on terms which may be fundamentally different from the terms on which we allow another nation to come in. We must bring this matter down not to the question of benefit which a nation will derive, but on