

ing that; I did not advance it as a reason why they should be permitted to continue in business. One point escaped my mind; in dealing with this question in China—and I am not sure whether it is so in the United States—they concentrated the business in the hands of one or two people, and that, as I have already pointed out, will cease at the end of ten years in the manner I have pointed out. Chinese may be an uncivilized race in the minds of some people, and there may be objections to having Chinese in this country, and to a certain extent I agree with the policy of the government on that question, but the point is whether it is fair to take their money, keep it in our pockets and destroy the article on which they pay the money.

Hon. Mr. DOMVILLE—I was very glad to hear the hon. gentleman from Hastings make such a manly speech. I had an open mind up to a little while ago, but when I heard the Secretary of State say that he considered this a dishonest mode of dealing with the question, I certainly accept his view. This has been rather a surprise. We have been a long time finding this out. We have come at the end of the session to a great moral standpoint. The other day it was stated we were not to be allowed even to have cider in our cellars. This Bill is too sudden a reform. I do think it is a surprise to the people which they never could have contemplated when they were going into a legitimate business, fostered by the government and paying duty, to be pulled up so suddenly in this way. I hope the Hon. Secretary of State will give these unfortunate people sufficient time to get out of the dilemma and not be crucified.

Hon. Mr. KERR—There is a provision in the Customs Act under which the Governor in Council has authority to refund duties on goods under certain conditions, and the language of that section appears to me to give the government ample authority to do so in such a case as this. It is as follows:

The Governor in Council may, under regulations made for that purpose, allow on the exportation of goods which have been imported into Canada and on which a duty of customs has been paid a drawback equal to the duty so paid, with such deduction therefrom as is provided in such regulation.

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In cases mentioned in such regulations and subject to such provisions as are therein made such drawback or a sufficient in lieu thereof may be allowed on duty paid goods manufactured or wrought in Canada into goods exported therefrom.

The first provision of the section covers the case in question, of goods imported into Canada on which duty has been paid, and, therefore, the Governor in Council is clothed with authority under that section of the Customs Act to provide for a return of the duty by way of a rebate equal to the amount of duty or such part thereof as they may deem proper; but I apprehend from the expression of opinion of the hon. Secretary of State on this question as to the moral obligation, and the strong expression of opinion of the ex-leader, or rather active leader in this matter, it is a case in which we might expect the Governor in Council would exercise that power and return the duty.

Hon. Sir MACKENZIE BOWELL—That drawback section never was intended to apply to a case of this kind. This refers to duty paid on material which has entered into the manufacture of an article in its construction and is exported. I admit the full force of that clause, and if the government will permit these Chinamen to manufacture the 66,000 pounds of crude opium that they have now in store into refined opium, and they export that refined article they could get their money back; but the section would not justify the payment of drawback under any other conditions. Or if they re-export the crude opium under this clause I take it for granted, as a matter of justice and equity, that they would give the duty back to them; but this section does not cover the point unless the article is manufactured. I understood from a remark made by the hon. Secretary of State, that the intention is to so construe this section that has just been read as to enable the government to pay back the duties when the owners export the article either in the crude or in the manufactured state. I do not wish to be understood as defending the Chinamen's opium trade or that I want the manufacture of opium continued in this country, but there should be at least a refund of the duty, even if no compensation is allowed for other losses.