

Mr. MacNICOL: I have it before me. Section 39 provides that:

No exemption is allowed in any case unless the articles claimed to be exempt were purchased or otherwise acquired merely as an incident of the trip.

Certainly household goods would not be an incident of the trip. I made a bit of a survey among Canadian merchants and manufacturers as to their opinion in reference to item 703.

Mr. DUNNING: I am afraid the hon. member is not reading the substantive part of the American regulation. It is as follows:

Provided further that up to but not exceeding \$100 in value of articles acquired abroad by such residents of the United States for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale shall be admitted free of duty;

Provided further that residents of the United States shall not take advantage of the exemption herein granted within a period of thirty days from the last exemption claimed.

That is the substantive portion of the present United States regulation in that regard.

Mr. MacNICOL: I had not read the next regulation; the minister is correct.

Mr. BENNETT: They may do this eleven times a year.

Mr. MacNICOL: Is there any regulation in the United States act for a forty-eight hour period?

Mr. DUNNING: No.

Mr. MacNICOL: Their act provides for a thirty day trip, one trip within thirty days.

Mr. DUNNING: Yes, and ours is one every four months.

Mr. MacNICOL: I think that is an improvement on their act. If a motorist brought back a motor radio in his car, would it be considered as household effects, and would he be permitted to bring it in?

Mr. ILSLEY: If it were included in the baggage of a returning Canadian tourist, and if it were for personal or household use, or a souvenir or gift.

Mr. MacNICOL: Then the returning motorist may bring back a radio in his car. Two radio manufacturing companies have informed me that would do serious damage to their business, and would result in a reduction in their sales. I have no doubt people in Canada will appreciate this privilege; as a matter of fact I want to get a motor

radio myself, and while I would rather buy in Canada, yet if I happened to be across the line I cannot say whether I might buy one or not. Do our regulations permit shipments in bond?

Mr. ILSLEY: No.

Mr. MacNICOL: The tourist will have to bring the article back with him?

Mr. ILSLEY: Yes.

Mr. MacNICOL: Under the American regulations they may ship in bond; they do not have to carry the articles back with them.

Mr. BENNETT: But they have to make a declaration.

Mr. MacNICOL: Then could a tourist bring back \$100 worth of cigars and cigarettes?

Mr. ILSLEY: No; there is a stipulation in the item.

Mr. DUNNING: The item states what they may bring.

Mr. MacNICOL: A person may bring back \$100 worth of goods.

Mr. ILSLEY: There is a proviso in the item which deals with cigars and cigarettes.

Mr. MacNICOL: While there is nothing I can say to stop the regulation I cannot help feeling that it will result in material loss in sales on articles which could be purchased in Canada.

Mr. COLDWELL: I do not believe the regulation will be as costly to Canadian industry as some people believe. I am of opinion that it will save many people from making false customs declarations. Many of the goods which will be purchased are now entering Canada but are not being declared, and in all probability the amount brought in under the new regulation will be so small or so relatively negligible that it will not be of great importance. People will not feel that by bringing articles into the country contrary to regulation they are doing something clever, and in view of the price levels of the two countries, in many respects comparable, I do not believe evils will result which hon. members to my immediate right seem to fear. Speaking on behalf not only of a large number of people in western Canada but of many whom I have met in eastern Canada, may I say that the regulation has been received with great favour. In view of the heavy tourist traffic entering Canada we are liable to be the gainers, because if we do not reciprocate in some way in this connection pressure sooner or later