

vincial officer, finding in his possession this bottle of whisky, not purchased from a liquor commission store in the province in question, can proceed against that tourist, and certain dire consequences will follow. That statement is not open to contradiction, I submit, and that is the beginning and end of the matter as far as that phase of it is concerned.

Now there are two other points to which I would like to draw attention. Beyond question the trade agreement made by the government with the United States is going to become law. Whatever one on this side or that side of the house may think of its provisions, a majority of this house and I have no doubt a majority of the other house will pass that pact into law. Last night, as I understood him, the Minister of Finance stated that in the letters exchanged between Mr. Wrong, the chargé d'affaires at Washington, and Mr. Hull, I assume, the Secretary of State of the United States, there was an undertaking on the part of the Canadian government to introduce into the Canadian tariff an item relating to the privileges of tourists similar to the provision in the United States tariff. I have before me, as I think we all have, a printed copy of the letter, and I should like to draw attention to these words:

I am further directed to state that the Canadian government propose to invite parliament to permit the entry free of duty and charges of incidental purchases by residents of Canada returning from the United States of America—

and so on.

—for such time as treatment substantially equivalent to that now in effect is accorded by the government of the United States of America to incidental purchases by residents of that country returning from Canada.

In connection with the words "treatment substantially equivalent" my contention is that the elimination of the language "not exceeding one quart" in respect of alcoholic liquors does not weaken or detract from equivalent reciprocal treatment to Canadians visiting the United States as compared with the treatment accorded American tourists returning from Canada. The quantity of liquor that will be brought in by tourists is a mere bagatelle; it is negligible; it is not going to affect the liquor trade or the revenue of any province. I do not think that aspect of it is worth a moment's consideration. But in my judgment we should give a great deal of consideration before passing a law that will have this effect, that when a Canadian returns from the United States with a bottle of whisky or a flask in his pocket or his suitcase, metaphorically speaking he will step into gaol when he reaches this country. I do not think that is fair. I think it is shame-

ful on the part of the parliament of Canada to pass a law worded as this is, in the circumstances of the case. For the life of me I cannot see that the elimination of those words will be treated by the United States as being in any sense a violation of either the spirit or the letter of the trade agreement. Already, on the initiative of the government at the instance of the Minister of Finance, we have departed from the spirit of that agreement, though I will not say from the letter, in respect of two or three tariff items relating to commodities of considerable importance in connection with the trade of the two countries. This is not going to affect the trade of the two countries at all. I do not raise any argument upon that point, Mr. Chairman; I raise it entirely on the indecency of our action in exposing a Canadian returning from the United States to the penalties of provincial legislation.

One other point and I shall have finished; for I seldom inflict myself upon the committee. I do hope that when the Minister of National Revenue comes to frame his regulations relating to this matter he will take particular care to see that the returning tourist is required to produce receipted bills or proper invoices for such purchases as he may have made. Unless that is done there is a very considerable danger of smuggling being carried on by merchants in Canada. I would also direct the minister's attention to what he is already well aware of, that if the returning tourist makes a declaration that the goods he has purchased in the United States do not exceed \$100 in value, and upon examination by the customs officer—who is required to examine those goods even though they be free of customs duty—the fact is disclosed that they are worth substantially more than \$100, the goods are liable to seizure and forfeiture. It is therefore a protection for the tourist that he should be armed with proper invoices or receipted bills for such articles, other than mere trifles, as he may bring back with him from the United States. It is most desirable that this should be done in the interests of the business of Canada as well as for the protection of the revenue.

Mr. ILSLEY: Mr. Chairman, with regard to the second point raised by the hon. gentleman I should like to say that the draft regulations do provide that invoices must be produced wherever possible.

With regard to the operation of this provision in reference to exemptions it may be of interest to the committee to know what the experience has been so far at an important frontier or border port. I have in mind the port of Fort Erie. The collector at Fort Erie has given me a brief statement outlining the