

Customs tariff—703. (a) Travellers' baggage, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(b) Goods valued at not more than \$100 included in the baggage accompanying residents of Canada returning from abroad after an absence from Canada of not less than forty-eight hours and acquired by them for personal or household use or as souvenirs or gifts, but not bought on commission or as an accommodation for other persons or for sale, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Provided that a resident of Canada shall not be entitled to the exemption herein granted within a period of four months from the date of the last exemption allowed, nor shall the exemption be allowed on alcoholic beverages in excess of one quart, or on tobacco in excess of fifty cigars, two hundred cigarettes and two pounds of manufactured tobacco.

Mr. DUNNING: There is no change in (a), but we should discuss (b) which is the \$100 matter.

Mr. MALLETTE: I should like to suggest to the minister that he direct his department, before the next session of this honourable house, to make an investigation for the purpose of finding out whether it would not be possible to extend the scope of that arrangement. As it is now Canadian tourists returning from abroad, so long as they have been away forty-eight hours, are permitted to bring into Canada duty free certain goods to the amount of \$100. Besides those, quite a number of tourists leave Canada for less than forty-eight hours, for instance, people who go to the United States for an afternoon. They do not go very often, but certainly their number is greater than that of tourists who cross the Atlantic, or who go to the United States for a fortnight to enjoy the sea breezes at Atlantic resorts. These are poor people who journey for a day to the United States, and it seems to me that perhaps they should be given a little consideration, say in the next budget. I do not say that they should get the \$100 exemption, but perhaps they might get a certain allowance. I understand, of course, that might lead to certain difficulties in the border cities, but at the same time the poorer class of tourists who go across for an afternoon or perhaps twenty-four hours should be given a little consideration.

Mr. DUNNING: In connection with an item of this kind the government will, of necessity, watch its operation with great care during the first year. I gather that my hon. friend is suggesting such a course with a view to considering any possible change

[Mr. Dunning.]

which experience might dictate at the next session of parliament. I assure him that preparations are being made to watch very carefully the working of this arrangement.

Mr. WHITE: I would like to ask the minister why it is that this exemption is being proposed. Has it any relation to the recent trade agreement with the United States?

Mr. DUNNING: Oh, yes.

Mr. WHITE: Because the minister knows that American tourists in Canada or elsewhere have enjoyed for a great number of years, for several decades, the privilege of importing free articles purchased abroad. Was this item put in by the government on its own initiative, or is it related to the trade agreement with the United States?

Mr. DUNNING: My hon. friend will perhaps remember that at the time of the negotiation of the Canada-United States trade agreement there was a supplementary note from the Canadian government to the American government, one of the undertakings of which note was that such legislation as is now before the committee would be introduced. My hon. friend is quite correct when he says that American tourists returning from abroad have had this privilege for some time, under fairly strict regulations, and there is overwhelming evidence that the ability to sell to American tourists visiting Canada \$100 worth of goods which could be taken back free of duty has been of great advantage to Canada. Canada is anxious that that privilege to returning American tourists should be continued, and undoubtedly its prospects of continuance are improved by the fact that we are acting in a similar manner in regard to Canadian tourists visiting the United States.

Mr. BENNETT: This is not quite the same.

Mr. DUNNING: No, it is not quite the same as the American regulation.

Mr. MacNICOL: The wording of paragraph (b) is not like the regulations pertaining to Americans returning to the United States. This paragraph says, "acquired by them for personal or household use." The American regulations as I read them do not include articles for household use.

Mr. DUNNING: I have the wording of the American regulation.