

dents 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.

Sir GEORGE PERLEY: When the committee rose last evening there was under discussion the wording of this clause providing for exemption of \$100 worth of goods entering this country under special circumstances. The committee had been considering the wording of the part referring to alcoholic beverages. I should like to ask the minister if further consideration has been given to the point which was raised in that regard.

Mr. ILSLEY: This item was given very careful consideration before the present wording was agreed upon, and from the best consideration we can give it we think the language should remain as it is.

Mr. CAHAN: Who agreed upon it? Will the minister explain?

Mr. ILSLEY: Well, the officers of the department and ourselves. I do not know that I understand the hon. gentleman.

Mr. CAHAN: The minister said that the item had been agreed upon. I simply wished to know who were the parties to the agreement. Just what does he mean when he says it had been agreed upon?

Mr. ILSLEY: I was not aware that I had said there was any agreement respecting it. I was answering a question asked by the hon. member for Argenteuil (Sir George Perley), whether as a result of further consideration it was thought that any change should be made in the wording of the item, and I said that from the best consideration we could give it, we thought not.

Mr. CAHAN: The minister used the words "agreed upon."

Mr. DUNNING: He meant, in that sense.

Mr. CAHAN: The government has recently been holding conferences with representatives of the provinces. As this relates to a provincial matter, and as a provision of the item overrides and overrules the laws of

[Mr. Dunning.]

the provinces, I was wondering whether the words "agreed upon" meant that the minister or members of the government had agreed upon such action with the provinces—

Mr. ILSLEY: No.

Mr. CAHAN: —which are particularly interested.

Mr. ILSLEY: No. I cannot believe that it overrides or overrules the laws of the provinces. I do not think it is even an implied authorization of the importation of liquor. It is merely a limit upon the amount that can be imported, if any can be imported.

Sir GEORGE PERLEY: But this purports to override the regulations of the provinces, does it not?

Mr. DUNNING: No.

Mr. CAHAN: Oh, certainly. The way in which the item is framed permits and authorizes the importing under certain circumstances of a quart of liquor. Otherwise the suggestion is preposterous; and it should not be found in any statute of Canada. It is placed there, I assume, to carry out some understanding that was arrived at in the negotiation of the Canada-United States trade agreement, and it certainly authorizes, so far as the customs laws of this country are concerned, any individual Canadian returning from the United States to bring with him a quart of liquor. The Minister of Finance shakes his head. What other interpretation is to be given to it? It certainly is not a specious fraud. It is not intended for the mere evasion of some obligation the government has entered into with the government of the United States.

Mr. DUNNING: The government entered into no obligation with respect to this matter.

Mr. CAHAN: All it does is to permit, as far as the parliament of Canada can so authorize, the bringing in free of duty from the United States by Canadian tourists of one quart of liquor on certain occasions, although the possession of that liquor in every province of Canada is a criminal offence.

An hon. MEMBER: At the present time.

Mr. WHITE: I do not think we should quibble in a matter of this kind. There cannot be a shadow of doubt that under the dominion law, when the legislation now before the committee is on the statute book, a tourist can bring into Canada, so far as the legislation of this parliament is concerned, a quart of liquor from the United States. But the tourist having come into Canada, a pro-