

Supply—National Revenue

big yardstick, by the dollars received. There is the question of proximity to other ports. It may be that people would have to travel great distances if there were not a port at a certain place, and that is a factor. There is also the factor of security arrangements and the deterrent. If there were not a port in a certain place and there were a road leading from one country to another which was not under surveillance at all I suspect the amount of travel on that particular road would increase. It is necessary sometimes, therefore, to have ports in areas which do not, in themselves, bring in a great deal of money. However, if those ports were not there we would perhaps lose a great deal more money.

Mr. Fisher: I should like to remind the minister that the examples I gave were not of ports on boundaries or international waters, so one part of the minister's reply does not apply.

Mr. Nowlan: I realize that some of them were not on international boundaries, but one example he gave was of a port on the great lakes. There is no hard and fast rule which you can lay down in dealing with this matter. We are trying to deal with it in a way which would render the greatest service to the public with as economic an administration as is possible.

Several hon. members raised again this very interesting problem of the so-called free shops about which there appears to be a great deal of misunderstanding. Of course, hon. members who know the Customs Act and practice realize that there has been no change whatever in so far as the statute, the regulations or the practice is concerned. The simple fact is, of course, and always has been, that importers can bring in goods and have them stored in a customs warehouse. Then it is always possible to re-export the goods. This provision has been made for the convenience of importers.

The department has been giving, and is giving careful consideration to this problem. Certainly if we abrogated that privilege, did away with the right of storage in a customs warehouse, I think the damage done to Canada's trade would be infinitely greater than that which it is feared might be done as a result of these alleged duty-free shops. All that has happened, of course, has been that one or two or a group of people have spent a great deal of money—at least in one instance—in building a retail store and putting in that retail store goods which have been properly imported into Canada and on which duties and taxes have been paid. Tourists would be the only people who would benefit from this provision. They can inspect these things in the store, order them, and

then the merchant operating that store can have the goods shipped from the customs warehouse to the respective homes of the customers wherever they might be. This has happened throughout the years. There is nothing new there. I could name firms—I am not going to do so—in the city of Ottawa and all over this country who have carried out this practice. They did not try it for long because it involved them in additional expense and perhaps they would not make as much profit as they would off the ordinary retail store. Now you have somebody trying to capitalize on it.

What effect it will have no one can say. Undoubtedly if it is successful it will at least attract tourists in these areas and all the entries will not be on the red side of the ledger, there will be some credits as well. We are watching this carefully and studying the problem and we are prepared to take whatever action is required. We have already taken certain indirect steps which have I think prevented this from becoming the threat to some of our retailers which was at first feared. Other than that I cannot say more.

I was asked by one hon. member how many investigations we carried out on dumping. I cannot give an answer to that. We are carrying out investigations every day. The investigators are working steadily on these matters and no separate statistics are kept about this.

Reference was made by the hon. member for Joliette-L'Assomption-Montcalm about an increase in tariff on cigars and cigar tobacco and also with respect to the dumping of textiles. I have already dealt with the dumping of textiles. As far as cigars and cigar tobacco is concerned, I am responsible for many sins in connection with this act and the administration thereof but I am not responsible for the imposition of the tariff structure. That is a matter for the government or the Minister of Finance, my department being purely administrative. I am sure the hon. member for Joliette-L'Assomption-Montcalm will draw to the attention of the Minister of Finance the problems of that industry and make such representations with respect to an increase in the tariff as he thinks the facts warrant.

The Leader of the Opposition and the hon. member for Sudbury and one or two others referred to the fine papers case. That of course is not a matter under my responsibility whatever. As a matter of fact I might say I am not sure that action has been taken in this regard yet, but if it is it will come as a result of discussions between the Department of Finance and the Department of