

of the abrogation of the privilege because to abrogate it in respect to Canada alone would be unthinkable, and the abrogation has been more sought after in regard to even Great Britain and France and Germany than in regard to Canada.

But we have to contemplate this situation. We have, for instance, one cent a pound duty on sugar. It is quite clear that it would be highly profitable from the standpoint of the family budget for many people to import their sugar from the United States to the extent of one hundred pounds, costing \$5, because it would escape the payment of one cent a pound to the revenues of this country, and there would be no sales tax and no three per cent excise tax upon it. It would be free of all those duties. There are other items in the same category.

Mr. DUNNING: Will my hon. friend tell me the relative prices of sugar in the two countries?

Mr. BENNETT: I cannot say what the price of sugar in the United States is this week, but it was cheaper there than it was here because we had a one cent tax. That was one of the reasons. I have not the advertised retail prices for sugar in United States towns, but it is to some extent cheaper than in Canada. That is not a matter of very great importance for the moment; it is only an illustration of an item upon which one cent per pound revenue would be lost if the sugar can be brought in. A farmer might bring in only 200 pounds of sugar which would represent an expenditure of something in the vicinity of \$10, but this would mean a loss of revenue to this country of \$2. The government has not seen fit to repeal that tax of one cent per pound despite all that was said during the elections. That tax still remains as does the three per cent tax, despite all that was said about it. These goods are to come in free of that one cent per pound tax, free of the three per cent tax and free of the eight per cent sales tax. Every \$100 worth of goods brought across the line will be free of \$8 in sales tax. There are some items exempt from this sales tax, but it will be recalled that they are very few in number. The minister pointed out the other day that there were very few items exempt from the sales tax either partly or in its entirety.

To that extent I think this is a very difficult time to yield to the desire which is always in the mind of every man who travels in another country to bring back goods free of duty. I repeat that we are all glad to know that when you return from another country no question will arise as to the value

[Mr. Bennett.]

of your goods. There will be no necessity of keeping invoices or matters of that kind as long as you can satisfy the customs officers that the goods you bring in are worth under \$100. As the hon. member for Rosetown-Biggart (Mr. Coldwell) has said, this will result in perhaps a clearer appreciation of the obligations made. There will be no foreign declaration, it is true, but one must not forget what this freedom from sales tax, from the excise tax of three per cent and from the specific taxes will mean. In some items there will be a sales tax of eight per cent, an excise tax of three per cent, and a specific or ad valorem tax of twenty per cent. This might mean a total of \$8, plus \$3, plus \$20, or a total of \$31 on \$100 worth of goods brought into Canada after a stay of forty-eight hours in a foreign country.

I have been concerned about this. I pointed out in the budget debate that there is nothing new in this matter. A gentleman who was finance minister longer than anyone else in this country was pressed on many occasions to give effect to these proposals. My memory is that the United States proposals have been in force for upwards of thirty years; they were put into effect when their population was over 50,000,000. When this was first done Canada was not particularly concerned; it was more to deal with overseas purchasers. But the situation was changed when tourists began to come into this country in large numbers. It will be recalled that there is a certain type of blanket which is made in this country and which is purchased in large quantities to be taken back to the United States. There are other articles indigenous to Canada.

Mr. DUNNING: Such as furs.

Mr. BENNETT: That is one item I had in mind.

Mr. DUNNING: And china.

Mr. BENNETT: That is much less the case now than it was at one time.

Mr. DUNNING: And linens.

Mr. BENNETT: Since linens have come in free under the British preferential from northern Ireland they have been imported in substantial quantities. I only point out that when Mr. Fielding decided that this privilege could not be granted, he did so for reasons to some extent similar to those I am giving now, although they were more strongly presented at that time by those who discussed the matter with him. Succeeding ministers of finance were confronted with the