

*Customs Tariff*

provision by travelling the short distance to Buffalo, and yet only 465 cars out of 3,200 contained people who took advantage of the \$100 exemption on their return from Buffalo on May 25. These are the actual figures, and I submit that the circumstances then being such as to facilitate to the utmost the taking advantage of the privilege, we need not view the future with quite the alarm that my hon. friend from Hamilton West (Mr. Wilton) displays in connection with the matter.

Mr. WILTON: I would say in reply to the minister that it strikes me as very peculiar that a business man would commend something which directly tended to injure his business.

Mr. DUNNING: My point is that the merchants do not look at the matter in that light. They are wise enough.

Mr. WILTON: The minister says that letters have been received from Hamilton business men complimenting the government upon this \$100 exemption. I realize that at least one Hamilton concern might possibly view it with favour by reason of being a branch of a Buffalo concern, and this privilege will simply be sending business into their own store at Buffalo. But I cannot imagine an honest-to-goodness Canadian business man who thinks of his own interests congratulating the government upon making a move which is going to take business away from business men in Canada. I repeat that I can quite understand a compliment of that kind coming to the government from one particular Hamilton store which is a branch of a large Buffalo concern.

Mr. CHEVRIER (Stormont): I do not wish to take up much of the time of the committee, but in fairness to the Minister of Finance (Mr. Dunning) and following along the line of what has been said by the hon. member for Hamilton West (Mr. Wilton), I should like to quote from the Cornwall Standard-Freeholder. This is an independent paper, neither Liberal nor Conservative, and this is what it says about this very matter we are discussing:

Although traffic over the international bridge—

There is an international bridge over the St. Lawrence at Cornwall:

—here has been thirty per cent heavier in May to date than in the same period last year, only two Canadians out of hundreds crossing the border have claimed the new \$100 exemption of duty on goods purchased in the [Mr. Dunning.]

United States. While customs officials could give no details, they said that neither applicant had brought in goods valued at more than \$35. Both had been in the United States for a considerable time.

Now just to show what the merchants in that locality think of this provision, I quote this from the same newspaper:

Local merchants are not particularly worried over the effect of the new regulation. They have enjoyed a considerable revenue in recent years from United States residents buying in Canada, and feel that continuance of this trade will offset any loss of business caused by the reciprocal exemption. The majority agree that the provisions of the Canadian law give adequate protection against "flying shopping trips" over the border, which would do them greatest harm.

While I was at home over the week-end I took the trouble to ask the customs examiner just what the figures with reference to this privilege were since May 1, and I find that from the first to the twenty-ninth of May, 1,145 tourists crossed over the international bridge at Cornwall; seventeen of them took advantage of the exemption and brought with them \$1,535 worth of goods, being \$11.80 or practically \$12 per head. So the harm as suggested by the hon. member for Hamilton West is actually not nearly as bad as one would think.

Mr. WOODSWORTH: With regard to the point raised a few minutes ago regarding alcoholic beverages I heartily agree with the position taken by the hon. member for St. Antoine-Westmount (Mr. White). It may very well be that from the strictly legal standpoint the minister may be right, but I do think this privilege is liable to cause a great many complications.

I cannot be as optimistic as some with regard to this provision being likely to lessen smuggling; in fact, I am inclined to think it will work the other way. There are many people who will buy articles for cousins and aunts and neighbours, and it will be much more difficult to prevent that kind of thing now than formerly. I think, as one of the other speakers said a little while ago, it is highly desirable that some sort of indication should be given in the way of receipts for the goods purchased, invoices and so on. But even that does not altogether meet the point, because a great many people will undoubtedly shop for their neighbours. I do not know how that can be easily overcome. People who will smuggle under present conditions will continue to smuggle, and perhaps be able to do it more extensively under this arrangement.