

under those circumstances. All I say is that business has to be accomplished by the most effective means.

Why is it felt that the master of a ship unloading goods at some ports in Canada where pilferage has been notorious, due to the failure of people like the National Harbours Board in discharging their responsibility to provide an effective security system, should be held responsible for the customs duties and other dues on goods that are stolen? Is it simply because the Department of National Revenue says, "Oh, we lost maybe \$200,000 out of the port of Montreal in one year in claims for refunds because of pilferage?" Making the master responsible for these goods will not eliminate the pilferage.

I ask the minister to get after the minister responsible for the National Harbours Board, and any other authority responsible for the security of harbours, to assume their responsibilities and help protect the right of the Queen, in the name of Canada, with respect to the customs duties. There has to be more to this than the minister's disclosures so far would indicate. He has been a little coy. He has been a little reticent in giving information on what type of loophole and smuggling this move is designed to meet.

If it is felt that there is some smuggling because of pilferage from the docks, how is it thought that the pilferage can be eliminated, or the smuggling eliminated, by making the master of a ship responsible for the customs duties? Are the government and the minister now giving to the master of a ship, who is being held financially responsible, the right to insist on what kind of security will apply in customs bonded warehouses or on the docks which are under the jurisdiction of the National Harbours Board or of any of the other harbour commissioners throughout Canada? Has this been contemplated, or has the Department of National Revenue just said, "This is somebody else's problem. We are going to insist on collecting the duty"? Is this the attempt that is being made to try to stop smuggling? After all, what is smuggling but the introduction of goods into a country without paying the just customs dues and other taxes that might be leviable against them.

Why doesn't the Minister of National Revenue go further back and say the responsibility shall be that of the shipper, the owner of the goods? Is the captain of an aircraft coming from abroad, a freighter aircraft or even a passenger aircraft carrying air express, in the same category as the master of a ship? The captain of an aircraft coming from abroad also has a customs manifest covering the goods that the aircraft is carrying. Is he now to be held responsible in the same way that the master of a ship will be held absolutely responsible to prove that the goods never came aboard his aircraft?

When cargo containers are loaded in Hamburg a document is made out saying that they contain such and such. But how does the master of a ship know? Containers may be landed in Halifax, Montreal, Toronto, Vancouver, or in any other port that handles the containers, for transmittal to a customs bonded warehouse. Can the master of a ship assure the security of the goods within the containers? To secure relief against the customs dues that will now be imposed upon him, he must prove in writing that the goods were never landed. I do not know how the master of

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a ship is going to ascertain that the goods did come aboard at the port of origin and disappeared between the dock and the customs bonded warehouse. Goods are landed at the warehouse, not at the dock, so who guarantees the security of those goods?

● (1230)

I am going to ask the minister to establish the liability. Is it merely a question of the Department of National Revenue saving that half a million dollars a year? If that is so, will the minister then consider the additional costs that will be imposed upon the importers, such as the additional costs of posting bonds which, incidentally, are all additional costs of shipping and are paid by the Canadian consumer.

Unless there is a better answer, I find it difficult to accept the administrative requirement of this decree of absolute liability on the part of the master of the vessel, be it a seagoing ship or an aircraft. Subject to the minister's explanation that to cover the possible loss of some half a million dollars or more of potential customs revenue, the Canadian consuming public is going to have to accept a much greater increase in the cost of goods imported by sea and possibly by air. What is the justification for that? Why ask the Canadian consuming public to do that? It is a very quiet, unassuming kind of bill.

The minister has stated that, as a result of the federal court decision, there did not seem to be any responsibility on the part of the master for customs duty. I cannot see justification for the amount of overkill that I think exists in this bill. I think there are better, more flexible ways of doing it. However, if the minister can point out the dangers in the existing practices, and that there is an open door to abuse, I might modify my opinion. However, on the basis of what has been given to us in this House, I suggest to the minister that his bill has considerable administrative overkill. If smuggling and pilferage are to be prevented, then let the minister convince his colleagues who are responsible for the security of the ports to take better measures; in other words, get off their duffs and eliminate pilferage particularly.

The situation in Montreal may have been cleaned up, and I hope so, but there was a time not so long ago when international shippers had an intense resistance to that port simply because of the breakdown in security. Pilferage was rampant and the newspapers were full of it. There was not such a loose system going anywhere else, and a good living was being made through pilferage in the ports by many people. I hope this has been cleared up, because I do not think Canadian ports should have the reputation of being dangerous to ship to. If we are going to establish a reputation for good business practices and make people desire to do business with Canada, the security of our ports is part and parcel of that reputation.

Bearing that in mind, I should like to hear much more from the minister in committee of the whole about why this particular step is being taken. I am quite prepared to accommodate the minister to keep this bill in the House and take it all the way through. That is why I make the suggestion that we should not have to send it to a House committee but could save a great deal of time by keeping