

hundred border merchants. It is possible, of course, that if rather crude and blatant methods of selling were widely adopted that they might produce a deserved reaction. Opinions of Canadians in contact with American feeling on this subject are clearly divided, and I can only say that having listened to the views of a large number of people, it is my opinion that provided courtesy and dignity are maintained in our propaganda and provided that undue boasting is restrained and huge dollar totals are not given too much publicity there is little or no ground for apprehension along this line.

II. Even if the \$100 exemption clause were abrogated, it by no means follows that purchases in Canada would be cut off. Canada has no such clause, yet millions of dollars worth of personal and gift goods are certainly brought in every year by Canadians returning from the United States or abroad. Abolition of the clause would curtail china sales, but not seriously affect clothing, jewellery, linen, smokers' supplies, etc. It may be noted that while American tourists certainly purchased at least \$200,000,000 of merchandise in foreign countries during 1928, only \$17,000,000 was declared under the \$100 clause (\$4,000,000 from Canada and \$13,000,000 from other countries). Abrogation of the clause would mean, however, that there would be some impropriety in methods of advertising which would be a direct invitation to smuggling, but except in a few lines the purchases would not likely be seriously curtailed.

In conclusion, all these objections appear to have little weight, and it is my opinion that Mr. Neill's proposal is sound and practicable. A final endorsement of its value is its widespread adoption in recent weeks. I attach a few samples of large advertisements appearing in Toronto and Montreal papers in June. (See Appendix E). A number of shops are soliciting tourist business directly by posters, leaflets, etc.

The Canadian Chamber of Commerce can give valuable leadership in developing this idea in a number of ways:

(a) by bringing to the attention of the local Chamber of Commerce secretaries and through them to the retail merchants, goods which can be offered more cheaply in Canada than in the United States.

(b) through the local secretaries and executives encouraging advertising and selling campaigns of the right sort at the right times, and thus developing among visitors the tradition to buy.

(c) through local secretaries and in other ways promptly and effectively checking up on merchants who are attempting to get higher than reasonable prices for the goods.

III. TYPES OF MERCHANDISE WHICH DO APPEAL OR CAN BE MADE TO APPEAL TO VISITORS

Tourist purchases en route may be classified as follows:—

1. *Day to day necessities*.—Apart from living and travelling expenses there are such things as shirts, socks, collars, sporting equipment and supplies, books, papers, and magazines, etc. To encourage this sort of purchasing requires attractive shop-fronts, and strictly reasonable prices. Some local information bureau booklets carry a commendable invitation to intending visitors to "travel light and shop as you go".

2. *Souvenirs*.—Many travellers like to buy souvenirs of the places through which they go, but the amazing amount of tawdry trash conspicuously displayed for the passing tourist too often gives a place an air of cheap vulgarity and repels the majority. There is still, perhaps, a place for Niagara Falls paperweights and Maple-leaf spoons, but greater variety and originality and somewhat higher artistic standards are greatly to be desired. On the whole, the