

real. In this connection, some schemes should be worked out for getting local daily papers into the hands of visitors. It might pay those interested to cooperate in presenting a copy of a morning and an evening paper to every guest in the larger hotels in the city. Observation shows that most American guests in large city hotels if left to themselves buy a Detroit, Cleveland, Buffalo or New York paper at the news stand.

(e) Keep the sales staff in the departments affected fully informed and trained as to American custom regulations, reasons for lower prices, etc.

#### IV. TARIFF ADJUSTMENTS

It was suggested in Mr. Neill's speech that it should be possible for manufacturers and merchants to unite in asking the Government to reduce or abolish the duties on certain foreign luxuries which could then be used as leaders in sales campaigns to tourists. But changing the tariff is rather a delicate operation, partly because of interlocking rates, partly because of extreme jealousy on the part of Canadian manufacturers that might even very indirectly be affected, and partly because of a general prejudice on the Canadian Manufacturers' Association's part to any lowering of rates.

The objections will be raised even where there is no Canadian manufacture of a particular product that

(a) it will remove any possible chance of a branch plant being started.

(b) that a marked cheapening of any foreign product will tend to divert purchases to that product.

For instance, there is at present no manufacture of high-grade alcoholic perfumes in Canada but to the suggestion that the duties and excise in this case should be materially reduced it is said that it would upset the whole alcoholic excise schedules, that French perfumers are starting a branch plant in the United States and may do so here and that it might divert some purchasing power from Canadian to French perfumes, toilet water, and cosmetics generally.

Similarly to a suggestion that antiques over a hundred years old be admitted free it is objected by the Canadian Manufacturers' Association

(a) that the loophole for fraud would be too great and administration would be impossible.

(b) that it would divert purchasing from modern furniture, silver, etc.

In the case of hand-tooled leather goods the problem of proper definition and also of competitive lines in metal and fabrics is held to be too great. In the case of bronze and brass manufactures the existence of two or three small manufacturers, who might extend their lines some time in the future, is held to preclude a lowering of the tariff.

On the whole the general structure of the Canadian and United States tariffs, as will be seen from Appendix F, is already very favourable to Canada. And in the view of the objections of the Canadian Manufacturers' Association I make no immediate recommendation along this line. But I would suggest that if the Canadian Chamber of Commerce undertakes a special interest in the Tourist Trade as recommended in my final conclusions, that this would be a useful line of exploration. It would require a great deal of study and conference work with manufacturers, merchants and the tariff board, but some good progress might be made along the following lines: alcoholic perfumes, bronze, brass and porcelain ornaments, certain specialized lines in handworked textiles, hand-tooled leather goods, and art antiques.

It has been suggested that if "Free Port Zones," similar to that in Hamburg, were established in the Montreal and Vancouver Island areas where warehousing and manufacturing for export could be carried on, that this would enable goods to be sold still more cheaply to tourists. Visitors would order from