

Mr. WALSH: I think it was the negotiations for the trade agreement that raised the point because this exemption granted to returning American tourists has been in effect for a considerable time and there has been no question of doing away with it.

There is one feature of this trade which, I think, should be emphasized and brought to the attention of the Minister of Finance. Purchases made by Americans visiting Canada are of a different category from purchases made by Canadians in the United States. For instance, Canadians going to the United States purchase boots, clothing, wearing apparel and goods of that kind, but Americans for the most part purchase quite differently when they come to Canada.

Mr. DUNNING: There is a very wide range of purchases.

Mr. WALSH: There are major exceptions; there is no doubt about that, but generally Americans purchase, not the products of our factories, but other products of Canada, whereas Canadians go into the United States for the most part to purchase products of their factories, and in that way our working men in this country lose to a certain extent. I do not want to overemphasize a point that might be minor. I do not want to cry havoc in the midst of depression or anything of that sort.

Mr. DUNNING: What does my hon. friend suggest we ought to do?

Mr. WALSH: When the department is giving careful consideration to this enactment which it is suggested they are going to do during the next year, I think attention should be paid to the peculiar features of this interchange of trade carried on by American and Canadian tourists returning to their respective countries in order that the actual effects in connection with the purchases which are made on either side of the border may be noted, so that we may see if there is any difference between purchases made by American tourists in Canada and those made by Canadian tourists in the United States.

Mr. DUNNING: No doubt there is.

Mr. WALSH: And see if our factories are being jeopardized to any extent by purchases made in the United States by Canadian tourists; if there is an overbalance in purchases as between the two countries.

Mr. POULIOT: May I ask the hon. gentleman what experience he has had of purchases made by Americans in Canada and by Canadians in the United States?

Mr. WALSH: I would not like to take up the time of the committee by relating my personal history in answer to that question.

Mr. POULIOT: A very easy answer. Just listen to the hon. gentleman, who is a professor in Montreal. He says that Americans who come here do not buy any goods from our factories but that Canadians who go to the United States buy goods from American factories. What evidence has he of that fact? He knows very well that tourists buy knick-knacks in every country.

Mr. WALSH: I said, "buy the products of American factories," not "buy goods from American factories."

Mr. POULIOT: What is the difference? The hon. member is splitting hairs.

Mr. WALSH: I have not many left to split.

Mr. POULIOT: Do we see any American tourists coming here to buy our raw products? Do they buy and carry back in their cars hides, or flour, or grain, or hay, or straw? No. Our hon. friend is a young man. He comes to this house, and every time he speaks he is a depository of the revealed truth; he is a professor in Montreal. Now he says something very vague, very obscure, something that no one understands, but it comes from him and it must be very deep, just as deep as the deep sea because he said it. It is most interesting because it is so obscure, and if anyone understood what he did mean, it would be zero, nothing.

Mr. BENNETT: It may well be that because of the increased cost of production in the United States this item will not be as serious as it might have been some years ago, but on the other hand the United States did not grant any such concession until after they had, if my memory serves me aright, a population of upwards of fifty millions of people, and successive Ministers of Finance in this country have concluded that it was not possible for us to venture upon the same course without running too great a risk from the introduction of free goods. It will be recalled that during the last few years a bill was introduced in congress to take away this privilege from tourists returning from countries which did not reciprocate, and one of the members from Buffalo in a speech indicated the extent to which the United States market had been lessened by Canadian importations and importations from other than transatlantic countries. I was very much surprised at the extent of this; it was very great. But there had never been any serious threat