most careful calculations by the best experts which the government has in its service computations were made after Great Britain had gone off the gold standard of the rise that had taken place in commodity values in Great Britain over a certain period, and the rise was estimated at about ten per cent. If you take approximately 10 per cent off $4.86⅔ you have about $4.40. That is not precise, but it is approximate. Then we take the current rate of exchange, which happens to be at this time about $3.71 in Canadian funds, so that we have a difference, as the hon. member indicated a moment ago, of sixty-nine cents. That is the amount of the special exchange adjustment duty that is imposed. Let us remember that if we are dealing with an article under import, that is the proper amount. Then we compute the three per cent excise, which is a revenue tax, and then the sales tax is computed. I suggest, however, that it is not fair—and I say to my right hon. friend that this is another exception I take—it is not fair and just to say that you take three per cent and six per cent, making nine per cent, and figure it on $1.30, which is $1 plus 30 per cent duty, and that the result is a little over 11 per cent. That is not fair, because the six per cent sales tax is applicable to Canadian goods as well.

Mr. YOUNG: We are not counting sales tax.

Mr. STEVENS: The sales tax should be eliminated from all these calculations.

Mr. RALSTON: Except that the sales tax is applicable on $4.86⅔, when as a matter of fact the goods have cost only $3.72.

Mr. STEVENS: Yes, but there again we get into the realm of differentiation of exchange. I agree with my hon. friend that the computation is made on $4.86⅔, but again I say I must make some allowance for the difference in the value of currencies. We do not wish to penalize Canadian industry and Canadian production, and it certainly would not be fair to disregard the difference in currency values. I hope the committee appreciates that this matter is not as simple as it seems, and that one cannot take a hypothetical case and reach a satisfactory solution. If on a certain day we take a given import from Great Britain and compare it with an import from the United States or some other part of the world on the same day, then we can make a comparison between the British preferential, the intermediate and the general rates as the case may be. But it certainly is not as simple as it appears, and we do not feel that we should be called upon merely to do some rapid calculation on hypothetical cases. That is what

I would draw to the attention of the hon. member for Shelburne-Yarmouth, who by the way, was not here this afternoon or yesterday when this matter was discussed so often. He must grant this, that sometimes we become a little weary of reiteration. I say to him and to his colleagues that to-morrow we will endeavour to bring in some comparative cases which we believe will be informative and accurate.

Mr. MACKENZIE KING: I hope the minister will concede that the very circumstances he has mentioned are the reasons why, at this time at least, we should not have further difficulties placed in the way of getting goods from Great Britain. We have been told that the purpose of the agreement is to further inter-imperial trade. We have been told by the Prime Minister that the agreements are to prevent trade with other countries. In view of all that has been said, it is becoming increasingly apparent that the agreements are not going to help inter-imperial trade to any extent. I doubt very much whether there will be a greater tendency to trade within the empire than is evidenced by the information contained on the lead pencil I have in my hand. This article would indicate where the government is making certain of its purchases at a time it is stressing trade with Great Britain.

An hon. MEMBER: Purchased three years ago.

Mr. MACKENZIE KING: No, it was not. This is a lead pencil bearing the notation "40 H.B. Government of Canada", and the United States is indicated as the country of origin.

Mr. McGIBBON: Did not your government do the same thing?

Mr. MACKENZIE KING: No, they did not.

Mr. HANSON (York-Sunbury): He could not get a pencil that is not made in the United States.

Mr. BOURASSA: I cannot understand the position taken by hon. members on this side of the house. For three weeks they have been denouncing—and I denounced with them—these treaties as obstacles in our world trade. We stated that they would have the effect of forcing us to trade too closely within the empire. The argument put forward by the minister is quite sound; and, holding the views I expressed in opposition to the agreements, I consider that these dispositions, the effect of which is to decrease the difference between duties exacted on British goods and