it to him. I sat quietly last night while the hon. gentleman spoke about the dumping duty on cigarettes and how much more must be paid, and said that Great Britain could not break through the barricade because of that dumping duty. There is no dumping duty on cigarettes; there is no dumping duty on anything that pays an excise tax, and I believe my hon. friend, with his experience, must know something about that. Now the hon. gentleman has instanced this last case, and he wants to know how business can be expected with Great Britain exporting under a 31 per cent duty as against a 25 per cent duty to the United States.

A moment ago an hon. gentleman opposite gave the case of a Canadian importer taking $100 with which he desired to buy goods. As every hon. member knows who has considered the question—as I am sure the hon. member for Weyburn has considered it—in the country with the currency depreciated to the greatest extent you can buy the greatest amount of goods for your money. Surely that is plain. So what happens to the importer with his $100? He goes to Great Britain and pays less there and contributes more to the revenue. If he goes to France or to the Netherlands with his $100 he pays more to the man who sells him the goods and contributes less to the revenue. The astute English business men who were over here asked for the chance to do business with us, and with the pound depreciated this will work to their advantage. Surely my hon. friend will not object if the revenue of this country is increased. That is the situation. One hundred dollars is not a constant sum all through the game. You can get more goods for less money in Great Britain and contribute more to the revenue, while in France you get less goods and pay the country a smaller sum. It is very simple.

Mr. YOUNG: Yes, it is very simple. If my hon. friend had been in the house some days ago when we were discussing this question of currency and its effect on prices he would have heard some references to its effect on prices in Great Britain. The depreciation of the British pound has affected the price level in Great Britain by something like two and a fraction per cent. The minister says that because the British pound is depreciated we can buy more goods with our Canadian dollar. That is true in terms of the British pound, but when we go over to Great Britain and buy a commodity we pay for it in British pounds, and the British producer determines his price on a cost basis figures in British pounds.

[Mr. Ryckman.]

Mr. STEVENS: With what do you purchase your British pounds?

Mr. YOUNG: You purchase your British pounds with Canadian dollars, and the world price of commodities is not affected by what any country does with its domestic currency. The world price is fixed by world conditions and is always measured in terms of gold; that is the ultimate measure. Now the minister says we can buy more British goods with our Canadian dollars, and that therefore the British exporter will get more goods into this country. As a matter of fact, taking this particular item covering printer's ink, when you buy a given quantity of printer's ink in Great Britain, that ink is sold in competition with the world. Britain's price must be somewhere in close relationship with prices in other countries, and when you bring those goods to Canadian shores, no matter with what currency you pay for them, you must pay a duty of 12½ per cent plus another duty of 18½ per cent in addition to the excise tax. When you buy the same article in New York you pay a duty of 25 per cent, despite what the minister may say.

Mr. STEVENS: Plus exchange.

Mr. YOUNG: Yes, plus exchange in each case.

Mr. STEVENS: You have ignored the exchange with the United States all through your argument.

Mr. YOUNG: I am glad my hon. friend mentioned that, because when we were discussing this matter of exchange the other day I asked the Prime Minister and the Minister of National Revenue if they had imposed an exchange dumping duty on countries whose currencies were not depreciated. They laughed at the idea, and said they had not.

Mr. STEVENS: Of course we did not.

Mr. YOUNG: The United States dollar is valued at par, and the duty on the article is 25 per cent. With the British pound you add an exchange dumping duty of 18½ per cent, making the British rate 31 per cent as against the United States rate of 25 per cent. The minister cannot get away from that.

Item agreed to.

Customs tariff—256a. Rotogravure ink: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.