

These two taxes, making a charge of 9 per cent, are levied upon the value of the imports plus the tariff which has been paid. Thus, if \$100 of imports are subject to a tariff of 30 per cent, these taxes will amount to 9 per cent of \$130, or \$11.70.

The third of the special taxes is the dumping duty. Until recently, this duty had scarcely any effect upon United Kingdom trade, because it was most unusual for traders in this country to sell their goods in Canada at a price below that charged here. But, owing to the fact that the Canadian government fix arbitrary and different values for the exchange of pounds into dollars when calculating prices in the United Kingdom and in Canada, this duty has become a heavy charge upon British imports into Canada. Under the ordinary regulations concerning this duty if an imported article is offered for sale in Canada at a price less than its "fair market value" in the country of origin, a duty equal to the difference between these prices is payable. At the present time (i.e., the period October 16 to 31, 1932) the value of the pound is declared fixed at \$3.82 for the purpose of calculating the selling price of British goods in Canada; but for the purpose of determining "fair market value" in the United Kingdom the pound is at present fixed at \$4.40. Hence, at the rates now in operation, if the price of an article in pounds is identical here and in Canada, it is still necessary to pay a dumping duty amounting to 58 cents for every pound of the value.

This duty in particular has met with much opposition from Canadian importers of British goods, and even before Ottawa expectations had arisen that it would be reduced. These expectations themselves at the present time are an additional barrier to British trade, because they lead importers to delay buying stocks from the United Kingdom pending a reduction, with the consequence that, when orders have to be executed at short notice, they frequently go to the United States.

I think that that is an exact statement of the situation with which it purports to deal. If in any particular it is wrong, will some member of the ministry please so inform the committee?

The CHAIRMAN: I would remind the committee that members are here to give their own opinions and not to quote editorials. I did not want to stop the right hon. gentleman.

Mr. MACKENZIE KING: I was quoting, Mr. Chairman, the calculation of a recognized financial journal of the highest standing with respect to the effect of these new duties upon trade.

The CHAIRMAN: The committee will understand that it is easy to get the opinion of any man, but members are here to express their own opinions.

Mr. DONNELLY: It is not always easy to get an opinion, Mr. Chairman, because we have been trying in vain all day to get the

ministry to give an opinion and make a calculation. Now when we have the opinion of an expert economist, why should we not be allowed to hear it?

The CHAIRMAN: The committee is always happy to hear the opinions of the hon. member for Willow Bunch, but quoting from books and editorials is absolutely out of order.

Mr. STEVENS: The right hon. gentleman has read an extract from *The Economist*. Naturally one attaches a very great deal of weight to anything that appears in *The Economist*, which is a very reliable journal, and I am not going to call in question the statements it makes except in certain particulars. What is being overlooked in all these discussions is this: Take liquor, for instance. These duties are not applicable to liquor at all. Or take articles not made in Canada—and there are many items in our tariff schedules dealing with that class, far more perhaps than is generally realized. They are classified as goods of a class or kind not made in Canada, and the special duty does not apply to them. It is not as simple as some seem to think to pick out a tariff item at random and state what is the rate on it. The matter is complicated, but there is no mystery about it. Nearly everyone knows just what the nature of these taxes is. There are two phases: One is the imposition of duties, and the other is the meeting of an emergency in the differentiation of currency values. That is an entirely different matter, and that must be borne in mind. It does not matter what our views may be on currency and exchange, and I submit this to my friends to my extreme right; the fact remains that currency is a problem apart and distinct from customs and excise duties, and must be so treated. I do not know whether it would be of any help to indicate what is the usual course pursued with respect to a given article which is actually dutiable, and let me make clear that this special duty does not apply to all articles.

The value of the pound for customs duty purposes is figured at \$4.86½, and by the way, it must be borne in mind that these duties are based upon the application of that rate. Then there is the question: Is the article dutiable or not? Is it subject to the special dump, so called? I will use that term because it is familiar, although I object to it. Assuming that it is subject to the special dump, then we come to the point where the pound is fixed at \$4.40. I pause to interject this: That is not an amount that was arrived at in a haphazard way, not by any means; after the