Mr. RHODES: I would have to get the figures in each case from the Department of National Revenue. As my hon. friend knows, the exchange rate varies every two weeks. I could not give it at the moment.

Mr. DONNELLY: I understand it is about $3.73. You ought to be able to figure it out.

An hon. MEMBER: Why don't you figure it out?

Mr. YOUNG: I do not think the minister's explanation has been quite satisfactory. The Minister of National Revenue (Mr. Ryckman) is in his seat, it is his duty to figure that out. If none of the ministers know, the minister's officials are before them, there are no men in Canada better qualified than these officials to tell us what these rates would be.

Mr. RHODES: I hope that my hon. friend is not under the impression that we do not desire to give complete and full information. If my hon. friend from Willow Bunch (Mr. Donnelly) wishes a specific answer with respect to the duty on a pound of putty as of today I will have the computation made and brought down before the committee rises.

Item agreed to.

Customs tariff—254. Gums, viz.: amber, arabic, Australian, copal, damar, elemi, kaurie, mastic, sandarac, Senegal, tragacanth, gedda, and barberry; gum chicle or sappato gum, crude; lac, crude, seed, button, stick and shell; ambergris; pontianac: British preferential tariff, free: intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The imports last year under this item amounted to $750,000, of which $14,000 came from the United Kingdom, $617,000 from the United States, $81,000 from British Honduras, and $23,000 from New Zealand.

Mr. HOWARD: Does the finance minister realize that most of the items mentioned in No. 254 are the raw material for manufacturers in Canada, and that when he increases those items it means he is increasing the cost of their product and their sales price to the Canadian consumer?

Mr. RHODES: All the gums in this item are available through empire sources of supply; and the London market in gums, if not the greatest, is one of the greatest markets in the world. Therefore I do not subscribe to the statement of my hon. friend that it involves an increase in price. As a matter of fact three of the items embraced in this list can be obtained only within the empire.



Mr. HOWARD: I was basing my statement on the figures the minister gave. There were practically no imports from the British Empire last year, nearly all were from the United States.

Mr. RHODES: Because they were purchased from United States sources it by no means follows that the articles originated within the United States. The three items I referred to, and they are very important items, are lac, kaurie and copal; there are also perak and damar.

Mr. TOTZKE: The minister might tell us whether this London market was in existence prior to this date. The exports from there might have come in under the old rates. They were free then?

Mr. RHODES: Yes, but there was no preference and for that reason we might very well buy them all, as we have many other commodities, through New York.

Mr. TOTZKE: It would follow that the price would be increased to the consumer in Canada.

Mr. ELLIOTT: In view of the very small amount that came in from empire countries last year and the large amount from the United States, does the minister think that the difference in duty will enable British countries now to ship these articles in?

Mr. STEVENS: This happens to be one item that I discussed with the representatives of the colonial governments and the practical men, the advisers, from the West Indies and other colonies. Some of these gums are produced in the West Indies. The large dealers in New York bring the gums there, and from there they are warehoused and merchandised to Canada. The large market in the United States naturally gives a merchant in New York some advantage over one in Canada, particularly where there is no duty, as in the case prior to this. Under this tariff, as far as the West Indies are concerned, we will trade directly through Canadian channels by Canadian National boats to Canadian ports, without any additional cost to the consumer, because the market is a fairly standardized market. Others of these gums come from India and the African colonies, I have not in mind the details. These are dealt in on two big markets, as far as we are affected, namely New York and London. Heretofore there has been no duty, the result was that the propinquity of the New York market to Canada has given them some advantage; but with this duty the business will in all probability, be diverted to the London market giving the