

This agreement is made on the express condition that, if either government is satisfied that any preferences hereby granted in respect of any particular class of commodities are likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices for such class of commodities through state action on the part of any foreign country, that government hereby declares that it will exercise the powers which it now has or will hereafter take to prohibit the entry from such foreign country directly or indirectly of such commodities into its country for such time as may be necessary to make effective and to maintain the preferences hereby granted by it.

A great deal of discussion has arisen as to exactly what this article means. I take it that the meaning attached to it by the hon. member for Comox-Alberni (Mr. Neill) is about as good an explanation of it as can be found anywhere. The meaning which he attached to it in a speech he made some weeks ago is that all the article purports to impose upon any government is that the preferences shall not be frustrated. In this case the preference given to Canadian timber in the British market is ten per cent, so that if the interpretation of the hon. member for Comox-Alberni is a correct one, this is simply a guarantee on the part of the British government that in spite of Russian competition, in spite of state-aided competition, we shall still retain a preference of ten per cent in the British market as against Russia. I humbly submit that a preference of ten per cent against Russia is of no value to us, even if such a thing could be enforced. The state produces the timber in Russia, and it must be impossible to ascertain what are the costs of production. It must be extremely difficult to find out from any source whatsoever what are the conditions of operation and how lumbering is carried on in that country. But taking it that we shall enjoy a ten per cent margin of preference over Russia, I submit that that is not enough and that it will not prevent Russian timber from entering into Great Britain in large quantities.

Mr. NEILL: Hear, hear.

Mr. POWER: We read in the newspapers that Great Britain's treaty with Russia, the most favoured nation treaty, has been abrogated, or at least that notice of abrogation has been given, but there is no justification in any announcement made at that time for the statement being boldly and I think recklessly made both in this house and in the country that the British government has now imposed an embargo on the importation of Russian timber. What is the situation? It is that

[Mr. Power.]

notice has been given of the abrogation of the treaty in the hope that a new and more favourable treaty will be signed.

An hon. MEMBER: No.

Mr. POWER: I am simply repeating the statement which the Right Hon. Mr. Thomas made in the British House of Commons. It must be remembered that under article 21 the country which proposes to stop what we have been pleased to call dumping is the country into which these goods are being imported, in this case the United Kingdom, which itself does not produce the softwood timber—and I am now referring only to softwood—which would be covered by this treaty. We can very readily understand that in Canada it is not very difficult to impose anti-dumping provisions. The people who have the power, the prestige, the influence, and in some cases I will admit public support, are those who go to the minister and say: We are being seriously injured by the importation at a low price of such and such goods. The minister under the authority conferred on him by the Customs Act, finding that certain Canadian producers or manufacturers are being injured, thereupon imposes the dumping duty. But the situation will not be the same in Great Britain. In Great Britain it is to the interest of everybody, of the consumer, of the merchant, of the importer, of everybody with power and influence, that the timber should come in at the cheapest possible price, so that every influence which we have here in Canada making it easy to impose dumping duties will be exerted in Great Britain, and exerted to the full, I believe, and perhaps rightly, to prevent the imposition of dumping duties against importations from a foreign country. There is nothing in this article which states that these dumping duties shall be imposed other than at the will of the government in power in the country into which the goods are being imported.

I should like to refer for a moment to some of the observations made by the hon. member for East Algoma. I do so with some hesitation, because I am fully aware that in the practical operation of the timber trade he knows far more than I do, and under any other circumstances I should be glad to listen to his advice. But from what I read in Hansard I take it that he gave the house the impression that it would take two or three years for these clauses to be effective. I have not before me the exact words he used, but he gave the impression that even had we received orders from the United Kingdom for quanti-