

of a declaration being made on the part of Canada to the effect that the provisions of the convention may be administered upon the understandings set forth in the said convention. Is it your pleasure, honourable members, to adopt the motion?

Hon. Mr. BARNARD: On division.

The motion was agreed to, on division.

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons to acquaint that House that the Senate doth unite with the House of Commons in the approval of the provisions of the convention between Canada and the United States of America for the protection, preservation and extension of the sockeye salmon fisheries in the Fraser River system, signed at Washington, May 26, 1930, being administered upon the understanding set forth in said resolution.

The motion was agreed to.

## UNITED KINGDOM TRADE AGREEMENT BILL

### FIRST READING

A message was received from the House of Commons with Bill 79, an Act respecting a certain Trade Agreement between Canada and the United Kingdom.

The Bill was read the first time.

### SECOND READING

Hon. RAOUL DANDURAND moved the second reading of the Bill.

He said: Honourable members, I would ask leave of the Senate to move the second reading of this Bill now. It contains the trade agreement modifying and extending the Ottawa convention of 1932. The agreement has not been amended in the other Chamber, and I am under the impression that no honourable senator would now desire to make any change.

May I give this concise explanation of the agreement? It is to come into force at a date to be agreed upon, and is to remain in force until August 20, 1940, and thereafter, subject to six months' notice by either Government. Reductions in duty on United Kingdom products became effective at midnight February 25, when article 9 and schedule E of the 1932 agreement were, by agreement with the Government of the United Kingdom, replaced by articles 6, 7 and 8 and schedules IV and V of the new agreement.

These are the advantages secured by Canada:

(a) Continuance of unrestricted free entry for all products except those which had been reserved under the 1932 agreement.

(b) Guarantee of margins of preference on scheduled list, including lumber, canned salmon, apples, dairy produce, tobacco and patent leather.

(c) Reductions in rate on natural silk stockings, and guarantee against any increase in duty on motor cars and parts.

(d) Assurance of opportunity for expansion of bacon and ham exports to annual maximum of 280,000,000 pounds.

(e) Safeguarding of exports of cattle and meat within framework of United Kingdom programme for regulation of meat supplies.

The advantages secured by the United Kingdom are as follows:

(a) Reduction in the Canadian customs duties on commodities under 179 tariff items. These include reduced rates, or free entry, on textiles, including those of wool, cotton, silk and artificial silk, as well as on clothing and wearing apparel, knitted goods of all kinds, blankets and carpets; on glass tableware and cut glass; on various primary forms of iron and steel, and on a wide range of processed steel goods, including machinery, vacuum cleaners and sewing machines, enamelled ware and electrical goods; on leather and leather products; on boots and shoes; on numerous paper products; and on paints and varnishes, earthenware, canned fish, soaps, brushes and silverware.

(b) Guarantee against upward revision of existing British preferential rates on commodities dutiable under 246 items of the Canadian Tariff. These bound rates may be reduced, but cannot be increased during the term of the agreement.

(c) Guarantee that margins of preference in favour of United Kingdom goods under 91 items of the Canadian Tariff shall not be reduced. Except as regards certain primary steel products (enumerated under 23 tariff items), this commitment to maintain fixed margins in favour of United Kingdom goods relates almost entirely to products not of a class or kind made in Canada. Important commodities upon which fixed margins are covenanted include various chemicals, vegetable oils, window and plate glass, printing presses, diesel engines, X-ray apparatus, cotton yarns for mercerizing, linen fabrics, anthracite coal, wide steel plate, tin-plate, galvanized sheets, black steel sheets for galvanizing or tinning, steel wire and finished structural steel.

Of course, when there is a reduction of duties on certain items, the industries concerned fear that they may be prejudiced; but I do not think any Canadian industries will be adversely affected by this convention. We all know that the Ottawa convention did not give British industries the openings in our markets that