government in signing the Geneva trade agreements agree to remove the embargo against the importation of oleomargarine?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Secretary of State for External Affairs has been giving special attention to the situation that arises with regard to oleomargarine under the agreements. I would suggest that my colleague reply.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The trade agreements signed at Geneva, Mr. Speaker, are being applied provisionally between Canada and the signatories of the protocol of provisional application which is printed at page 85 of our document, treaty series 1947, No. 27.

Under that protocol, the signatories are applying parts 1 and 3 of the general agreement on tariffs and trade and they are required to apply part 2 only to an extent not inconsistent with existing legislation.

Articles XI and XX of the general agreement are those which deal with the exclusion of prohibitions or restrictions other than duties; they are both in part 2 and there is no obligation to apply them in any way that would require now the modification of existing legislation.

The general agreement itself will not come into force in such manner as to make part 2 a requirement that any signatory modify existing legislation until the thirtieth day following the day on which instruments of acceptance have been deposited with the secretary general of the united nations on behalf of governments signatory to the Final Act, the territories of which account for 85 per centum of the total external trade of the territories of the signatories to the Final Act as provided in article XXVI, subsection 5, of the general agreement.

There are twenty-three signatories to that Final Act, and the percentage shares of total external trade to be used under article XXVI to determine when you reach the 85 per cent is stated in annex A-H, which is printed at page 76 of our publication.

It is apt to be some months yet before the requirements of article XXVI for the coming into force of the general agreement shall have been satisfied.

The signatories of the protocol of provisional application are: Australia, Belgium-Luxembourg-Netherlands, Canada, Cuba, France, United Kingdom and United States. They are extending to each other the benefits of the concessions negotiated between them respectively and some of them are even extending to each other the benefits of concessions negotiated with countries whose governments have not yet signed the protocol, but they are not bound to do so, and we ourselves have excluded from the provisional application the concessions we negotiated with Norway because Norway has not yet signed the protocol. This was done by order in council P.C. 5270 of December 23, 1947.

The question of the effect of articles XI and XX of the general trade agreement, when it does become binding on the signatories, is now being considered by the Department of Justice. Hon. members will see that the general exclusion of prohibitions or restrictions other than tariff charges or tariff duties is followed by paragraph 2 which declares that those provisions do not apply in certain cases. The effect of the exceptions on such legislation as exists in Canada that would amount to prohibitions is being considered at the present time by the Department of Justice.

Mr. BRACKEN: Perhaps the minister would permit one other question. From his answer are we to understand that at the moment we are not in the position of having agreed to remove this embargo? And further are we to understand that the minister is not in a position now to say what the final effect of the signing of these agreements is with regard to the embargo on oleomargarine? Is that a correct interpretation of what the minister had to say?

Mr. ST. LAURENT: I would prefer to put it this way. An agreement has been signed which has not yet come into force. Certain portions of it are being applied under a protocol of provisional application. None of the things which are required by the protocol of provisional application makes it necessary for us to modify any of our legislation. The Department of Justice is studying the question whether, when it does come into effect, the general trade agreement would require us to modify the Dairy Industry Act which deals with oleomargarine or certain tariff provisions which exclude secondhand machinery or commodities. These questions are being studied at the present time by the Department of Justice.

Mr. BRACKEN: When the agreement does come into effect, the government is in the position that it does not know what position it is in with respect to this particular matter?

Mr. ST. LAURENT: The government knows that articles XI and XX are the general rules which will apply, but there are exceptions. It is a question on which the government will have to act on its responsi-