

any other foreign country, the provisions of this agreement shall not extend to prohibitions or restrictions

(a) imposed on moral or humanitarian grounds;

(b) designed to protect human, animal or plant health or life;

(c) relating to prison-made goods; or

(d) relating to the enforcement of police or revenue laws.

Article agreed to.

On article XIII:

If a wide variation should occur in the rate of exchange between the currencies of Canada and the United States of America, and if the government of either country should consider the variation so substantial as to prejudice the industries or commerce of that country, it shall be free to propose negotiations for the modification of this agreement; and if agreement with respect thereto is not reached within thirty days following receipt of such proposal, the government making such proposal shall be free to terminate this agreement in its entirety on thirty days' written notice.

Mr. COLDWELL: I was wondering just what is meant by this particular article. Does it not tend to tie our currency to that of the United States?

Mr. DUNNING: No.

Mr. COLDWELL: I notice there is provision for negotiation and so on, but I have in mind 1931 and 1932 when we kept our currency in line with that of the United States, I think very much to the detriment of our primary producers. It seems to me that if, inferentially at least, we are going to do this under this article, it will be somewhat dangerous from the point of view of the primary producer. To negotiate variations in this treaty at a time when exchange fluctuations overseas are rather serious would, in my opinion, militate rather seriously against the primary producer. I should like to have a word from the minister on this.

Mr. DUNNING: If this ties us to the United States exchange-wise, then the other trade agreement ties the United Kingdom to the United States, because the same conditions are present in each treaty. I may say that it would be quite impossible in these days to negotiate a treaty without a provision which would enable each country to be free with respect to exchange. My hon. friend will appreciate that when he considers the matter. This article does not change our situation in the slightest degree, but of course the existence of a trade treaty with any country compels us to count the cost exchange-wise with respect to anything we may be contemplating at any time.

Article agreed to.

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On article XIV:

The government of each country reserves the right to withdraw or to modify the concession granted on any article under this agreement, or to impose quantitative regulations on the importation of any such article if, as the result of the extension of such concession to other foreign countries, such countries obtain the major benefit of the concession, and if in consequence imports of the article concerned increase to such an extent as to threaten serious injury to domestic producers: Provided, that before any action authorized by the foregoing reservation is taken, the government proposing to take such action shall give notice in writing to the other government of its intention to do so, and shall afford such other government an opportunity within thirty days after receipt of such notice to consult with it in respect of the proposed action.

Article agreed to.

On article XV:

1. Should any measure be adopted by the government of either country which, while not conflicting with the terms of this agreement, appears to the government of the other country to have the effect of nullifying or impairing any of the objects of the agreement, the government which has adopted any such measure shall consider such representations and proposals as the other may make, with a view to effecting a mutually satisfactory adjustment of the matter.

2. The government of each country will accord sympathetic consideration to, and when requested will afford adequate opportunity for consultation regarding, such representations as the other government may make with respect to the operation of customs laws and regulations, quantitative restrictions on imports or the administration thereof, the observance of customs formalities, and the application of sanitary laws and regulations for the protection of human, animal or plant health or life.

3. In the event that the government of either country makes representations to the government of the other country in respect of the application of any sanitary law or regulation for the protection of human, animal or plant health or life, and if there is disagreement with respect thereto, a committee of technical experts on which each government will be represented shall, on the request of either government, be established to consider the matter and to submit recommendations to the two governments.

Mr. HARRIS: Could the minister enlarge on the meaning of the second paragraph where it says, "adequate opportunity for consultation regarding such representations as the other government may make with respect to the operation of customs laws and regulations." My next question, which is perhaps more important, is with reference to the consultations covering quantitative restrictions on imports. What sort of machinery is being set up for the administration of this part of this act?

Mr. DUNNING: Normally, External Affairs, from Canada's end, with the Department of the Secretary of State at Washing-