

financially and industrially is to-day coming back more rapidly than any other country in the world.

Hon. Mr. POPE: Hear, hear.

Hon. Mr. BLACK: However, I believe the tariff walls are too high. I believe neighbours should trade with one another. We produce in this Canada of ours certain commodities which we desire to sell to foreign countries, and particularly to our neighbour to the south. But we are at one disadvantage. We have a population of only a little more than ten millions and we produce from the soil, from the mine, from the sea and from the factory, whereas the United States has a population of over 120 millions and produces similar products on a much larger scale. Therefore in making a reciprocal trade agreement, unless we exercise the utmost care and forethought and provide for revision, the chances are we shall be found holding the smaller end of the stick.

I am sorry that the Senate was adjourned when this trade agreement was being debated in another place. Had I been in Ottawa I should have listened to the debate with a great deal of interest, because the subject is a vital one. Generally speaking, I do not think the tariff reductions on either side are large enough to bring about any calamitous result for the United States or ourselves. As I said before, I think the agreement will do some good. I shall attempt to deal with it this afternoon from the point of view of the effect it may have on the Maritime Provinces, that is to say, New Brunswick, Nova Scotia and Prince Edward Island, and it is quite proper that I should do so. Certain features in the agreement I do not like because, in my opinion, we have not received a sufficient concession. I am willing to admit that we got all we could, for I have no knowledge to the contrary.

I shall take up two or three items. First of all, lumber; and by that I mean ordinary rough-sawn lumber. I have here a list of duties on lumber going into the United States under various tariffs of that country. Under the Underwood tariff of 1913 lumber entered the United States free, and it was also free under the emergency tariff of 1921. The Fordney-McCumber tariff of 1922 imposed exceedingly high duties on some things, but lumber of the class I am speaking of remained free. In 1930, however, a duty of \$1 a thousand feet was placed on lumber by the Hawley-Smoot tariff. But that was not all, for in addition there was a revenue tax of \$3. So the total United States duty on lumber from the time of the Hawley-Smoot tariff

until this trade agreement went into effect was really \$4. Now, a person not conversant with the facts might conclude, after looking over this trade agreement, that our lumber can go into the United States to-day under a duty of only fifty cents, but the fact is that while the duty proper has been reduced to fifty cents, there is a customs tax of \$1.50.

Hon. Mr. GORDON: That is \$2.

Hon. Mr. BLACK: Yes, that is \$2 on lumber going into the United States. If there are any lumbermen from the Maritimes or Quebec in this House to-day they will bear me out when I say that a duty of \$2 on rough lumber keeps our product out of the American market.

But we let American lumber come into Canada free. We give the United States most-favoured-nation treatment, under which spruce, pine and fir come into New Brunswick, Nova Scotia and Quebec without any duty. Now, that is not reciprocity. I am not saying that there is much danger of the lumber industry in the Maritime Provinces and Quebec being injured because American lumber can enter this country free; I am simply stating facts.

Our Government was not able to persuade the United States to give us the same privilege which we gave them with respect to lumber. If as at the 1st of March last we could have had a free entry of our lumber into the States it would have meant an extra price of at least \$1.50 a thousand feet on a very large quantity which we produced in the Maritimes. I am calling attention to this because I understand the matter will be up for revision, and it is well that the members of the Government should know the situation, so that when the question is under discussion they may be able to say: "We think that the arrangement with respect to lumber should be adjusted. If we are going to let that commodity come here from the United States free of duty, that country should admit our product free."

I have a list of duties on other classes of lumber, but I am not going to weary the House with references to them.

Some reference has been made to fish. Various kinds of fish caught in American waters are admitted to Canada free, but only some of those classes caught in Canadian waters will be allowed into the United States free. I will not say anything further on this question of fish, as I understand another honourable senator, who is very much more conversant with the subject than I am, intends to speak upon it.

Now I wish to refer briefly to potatoes, which, as honourable members know, are a