

third largest trading nation in the world. For that reason no country in the world should be more interested than this one in freeing the channels of trade. On a per capita basis our trade is three times that of the United States and twice that of the United Kingdom. Through the Geneva agreement the world has made its greatest advance towards freer trade. As a result of that agreement twenty different countries are now benefiting by the removal of restrictions on world trade; but in Canada, the United States, and many other countries, certain statutory restrictions prevent the implementing of the Geneva agreement to its fullest extent. I am very glad to see that the Speech from the Throne mentions the further freeing of trade, and I hope that legislation will be passed this session to enable Canada to do her full part in implementing this agreement. As I have said, twenty countries are now benefiting by it, and three additional countries which have recently signed it will shortly be participating in its benefits.

The different countries of the world have been resorting to many devices to shut out foreign goods.

First: In addition to import duties, it has been a common practice to impose so-called excise taxes on imported goods—taxes which are not imposed on domestic goods. These taxes, although they are often called excise taxes, are really additions to the tariff. Under the Geneva agreement no country may tax imports from any other contracting party more heavily than its own domestic products of the same kind. Under this clause we get rid of a most objectionable tariff feature.

Second: It has been a common practice in the past to impose heavy dumping duties on imported goods. Under the agreement dumping duties on imports are not to be levied unless the imports in question threaten material injury to an established domestic industry. In any event, dumping duties must not exceed the difference between the export price and the domestic fair market price. This, too, is a step in the right direction.

Third: A practice has grown up of subsidizing certain industries in a country. Under the agreement, subsidies must not be paid to assist a domestic industry and thus give its products an advantage over imported competing goods.

Fourth: In the past government officials have been authorized to place fictitious values on goods being imported, and in this way swell the tariff receipts. This practice is prohibited by the agreement, and properly so.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farquhar: Fifth: Another indirect practice that has prevailed has been the imposition of excessive charges for clearing imports. The agreement does away with this practice, and the only charges that can be imposed for clearing imports are the actual costs of the services.

Sixth: In the past some countries have found it to their advantage to restrict or prohibit imports. This agreement provides that if they restrict or prohibit imports in future they must not discriminate in favour of or against any country which is a party to the agreement.

Seventh: In rare cases subsidies may be paid on the export of goods, but such subsidies must be very limited.

The agreement affects some 45,000 tariff items, covering three fourths of Canada's trade. It is permissible to lower the tariff on any of these items, but not to raise it at any time.

It will be seen that we are getting rid of a number of vicious practices that have prevailed among the countries which are parties to the agreement. In terms of 1939 trade, 90 per cent of our exports to the United States will benefit. Almost all restrictions against Canadian goods entering the United States have been substantially reduced. Large tariff reductions will apply to those products entering the United States which compete with products of the same kind. The agreement will be a great boost to Canadian farmers and businessmen. It is to be hoped that the necessary legislation will be enacted at an early date.

In the Speech from the Throne the following paragraph occurs:

A bill will be introduced to broaden the scope of the Family Allowances Act, as a further instalment of the policy of the government to provide a national standard of social security and human welfare designed to assure the greatest possible measure of social justice for all Canadians.

The government has not yet announced the details of its plans for the improvement of the family allowances measure, which has been described as the outstanding single piece of social legislation enacted in our time. In Canada 3,830,000 children in 1,707,000 families are now receiving \$270 million a year. This expenditure is making a tremendous contribution towards equalizing opportunity for Canada's children.

The government, in emphasizing its intention of assuring the greatest possible measure of social justice in this country, is building on the solid foundations laid by Liberal administrations over the past twenty-two years. The Right Honourable W. L. Mackenzie King will be remembered as one of the great men in Canadian history, but no part of his