

ernment report concludes with one paragraph which I think I should put on record. Speaking of margarine, it says:

Its manufacture has been and is still opposed by the dairy interests. These interests do not appear to realize that the national well-being of a people must come before sectional gains. At present there is not enough butter to meet the purchasing power of the nation, let alone its nutritional needs. Even if butter production is expanded to supply the needs of those who can afford it there will always be a very large group of people whose wages will be so low, in relation to the price of butter, that they could not afford it at any price. The manufacture of margarine is intended to fill the present gap between the production of and the demand for butter, and to supply the nutritional needs of the poorly paid groups in order to improve their health and working capacity.

What a splendid stand for our sister dominion to have taken.

Within the last year another aspect has become apparent in the margarine situation, an international aspect brought about by two things, the Geneva trade agreements and the suggested entry of Newfoundland into confederation. The Geneva trade agreements have been rightly heralded, by the democratic world at least, as a tremendous advance in international understanding and a breaking down of the barriers between nations to encourage world commerce and so stimulate world recovery; and none of the nations has so great a stake in this program as Canada, which is so dependent upon world markets. This great agreement was only reached, of course, through important concessions being made by each of the participating nations. One of those conditions is contained in article XI of the general agreement, which provides that there shall be no ban on the importation of any product of any of the signatory nations.

The Canadian experts who were at Geneva appeared before the senate committee last year and said that Canada had fought very hard against this condition because of our margarine situation, but that in the end we had given up and so were pledged to abide by that clause. Further evidence along that line was given in a statement by the leader of the government in the senate last year, which is found at page 34 of senate *Hansard*, where he said in part:

Under article XI of the general agreement we are bound to remove our ban on the import of oleomargarine. The product is not specifically mentioned, but we have bound ourselves to abstain from prohibitions of that nature.

Almost immediately following this declaration we were informed by a government press release, and I quote

... there is nothing in the Geneva agreement, nor is there apt to be anything in the Havana

modification, to prevent us putting duties and taxes on the margarine as high as may be felt proper to leave the dairy industry completely undisturbed.

If parliament should follow such a course; if we should agree in principle to the spirit of the agreements and then immediately turn around and by a cynical evasion impose tariffs which are in effect the ban which was just removed, then I say we as a nation are guilty of the most arrant hypocrisy. Further I say that if every other nation takes similar evasive methods to escape the concessions they made, then the Geneva trade agreements will not be worth the paper they are written on. They will be even more worthless, I would say, than our own signature if it is our intention to evade the spirit of the concessions by some technicality. If we intend to abide by these agreements, then I say the only sort of tariff we can in honour place on the importation of margarine is one no higher than that we imposed when margarine was last imported into this country.

The Newfoundland proposals have an equally shocking implication. This sister country, with climate and geography much like our own, had another problem in common with us. They found their butter production was insufficient to meet domestic needs; but they did not stick their heads in the sand like an ostrich. They embarked, after mature considerations, upon the manufacture of margarine, using mainly their own domestic oils; and margarine now sells for roughly half the price of butter there. When they inquired about the conditions under which they might enter confederation, naturally they were most anxious to preserve this right and insisted upon it. The Dominion of Canada, in its turn, agreed; with this provision, however, that margarine manufactured in Newfoundland could not cross the provincial boundaries. This amazing condition strikes at the very economic heart of the pact of confederation. Paragraph 121 of the British North America Act reads:

All articles of the growth, produce or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

The fathers of confederation intended Canada to be one economic unit, not nine Balkan states with customs houses lining every provincial boundary. This provision, therefore, strikes at the very heart of the economic foundation of confederation. It can be achieved only by an amendment to section 121 of the British North America Act. This is an amazing thing. Apparently it is almost impossible to secure amendments to the British North