

concerned if some of the benefits to our exchange situation that are supposed to emanate from this arrangement had been negotiated earlier in a bilateral agreement with the United States?

Mr. McKINNON: Perhaps Mr. Deutsch can answer that.

Mr. DEUTSCH: In the past it has been the practice to generalize among the countries that we have treated as most favoured nations. And so far as the United States is concerned, it would have extended its benefits to its own most favoured nations.

The CHAIRMAN: It would have to do that.

Mr. DEUTSCH: Yes, so there would have been no possibility of making a purely bilateral treaty with the United States. Whatever arrangement was made with the United States would automatically extend to the countries that were represented at Geneva, anyway. Furthermore, I think it would have been difficult to negotiate a treaty prior to Geneva, because ever since 1945 and indeed earlier the United States has had this project in mind and has been working actively on preparations for these negotiations. I do not think the United States would have been very receptive to a suggestion by Canada that we get off somewhere by ourselves and make our own arrangement. That country was doing its best to bring about a conference as quickly as possible, and the earliest time that could be arranged was this summer.

The CHAIRMAN: The United States would probably have declined to negotiate a bilateral agreement, in view of what it was planning to do as soon as possible.

Mr. DEUTSCH: I cannot make a definite reply, but my guess is that the United States would have discouraged such an approach from us.

Mr. KEMP: I might perhaps add that since the middle of 1945 our department has in fact made representations to the United States authorities with regard to certain items on which we felt that there were situations that might be corrected or improved, and each time we have done that they have replied that they recognized that something might be done but they would prefer not to touch it until the general negotiations began. After we had that experience a few times we realized there was no use in trying to take up individual cases in advance of the general negotiations.

The CHAIRMAN: Did you get pretty well what you wanted in those cases when the negotiations were begun?

Mr. KEMP: In some cases we did, sir, and in some we did not.

The CHAIRMAN: Does the committee desire to go into these schedules now, before adjournment?

Hon. Mr. HAIG: I do not think so, Mr. Chairman.

Mr. KEMP: Mr. Chairman, I had some thought of saying a few words about other countries.

The CHAIRMAN: Then you may proceed, Mr. Kemp.

Mr. KEMP: I mentioned the United States first, because it is the country with which our export trade was largest, but from some points of view I should perhaps have begun by saying something about the British Empire. The United Kingdom is of course our traditional export market for many important commodities. Besides, it has suffered very greatly from the effects of the war. We had every reason, therefore, for desiring to improve our trade relations with the United Kingdom. Notwithstanding that, there were very great restrictions upon any trade agreement that we might make on this occasion with the United Kingdom. To begin with, they themselves had accepted the principle that there should be no new preferences, no widening of existing preferences, and that in fact there should be negotiations for the narrowing of existing preferences.