

he is getting in return. In other words, he may not transfer an item from the dutiable list to the free list, nor may he give a reduction of more than 50 per cent.

The CHAIRMAN: Could not they tentatively reduce further than 50 per cent in the hope that Congress would ratify?

Mr. MCKINNON: No, not under their Act, Mr. Euler. They are restricted to 50 per cent. Therefore the United States was in the position of being able to say before they ever went to Geneva, "Well, we have certain powers, certain discretion, but only certain discretion. We may as well make an offer." Other countries, not similarly inhibited, naturally used the trading instinct and asked for what they wanted first, and only when they knew what they were getting were they prepared to make an offer in return.

The CHAIRMAN: Would they be apt to make an offer any greater than 50 per cent since the United States could give only 50 per cent?

Mr. MCKINNON: No, except in the odd case. I will come to some instances where it cost little or nothing to make an offer better than 50 per cent but where that concession was deemed to be most important by the other country.

Now, that having been the technique in the bargaining, it might be the desire of the committee to approach this detailed examination by somewhat the same method. In other words, what I am suggesting before we start to go into the heart of the situation item by item is this, that the committee might like to know what we got first, in detail, and then ascertain what we paid for it, in detail; or, as Senator Ballantyne, I think it was, suggested yesterday, might prefer to ascertain first what we paid and later ascertain what we received? Mr. Kemp and I are in the hands of the committee on that, but it will greatly facilitate discussions if the direction is one way or the other.

The CHAIRMAN: I do not think it makes very much difference.

Hon. Mr. HOWARD: I think we had better get what we received.

Hon. Mr. HAIG: I think we had better get what they offered us, and then what we paid for it. That, as I understand it, is the technique which was followed.

The CHAIRMAN: Is that the wish of the committee? Carried. No opposition.

Mr. MCKINNON: I presume, Mr. Chairman, the members of the committee will probably in most instances refer to a certain commodity and ask what happened on that, and from whom we got concession, and how much.

Hon. Mr. CRERAR: While I am not a member of the committee, Mr. Chairman—I thought I was, yesterday—I presume I am permitted to say a word.

The CHAIRMAN: You are quite in order.

Hon. Mr. CRERAR: We might hear from Mr. McKinnon or Mr. Kemp perhaps in a somewhat general way the concessions we have received, especially from the United States, and what we have been obliged to surrender to reach an agreement.

The CHAIRMAN: You mean, in a general way, without particular items?

Hon. Mr. CRERAR: A general statement, without going at the moment into detailed items.

Mr. MCKINNON: Might I, as chief of the team, just say a word, and then let Mr. Kemp take over in detail? We went to Geneva under instructions to get the maximum possible concessions from every country represented there, and we never lost that as our objective. In most cases we asked for the sky, on the ground that he who shoots at the sky will hit higher far than the man who shoots at a tree. We did not always get everything we wanted, but, if we take the United States concessions first, we were fortunate in being able to secure either substantial or in many cases the maximum reduction on almost