

Hon. Mr. HOWARD: Give us the rate as it was at that time, and then what it is now.

Mr. MCKINNON: With these general observations, Senator Howard, I would like now to ask Mr. Kemp to carry on the detail, because it was his problem, and his success to the extent we got reductions.

The ACTING CHAIRMAN: Will you proceed, Mr. Kemp?

Mr. KEMP: We will give you the exact rates of duty, sir, beginning in 1922. In 1922, under the tariff at that time, the rate of duty on milk was two and a half cents a gallon, and on cream was 20 cents a gallon. In the 1929 tariff revision both of these rates remained the same—two and a half cents a gallon and 20 cents a gallon respectively. In 1930 the Hawley-Smoot tariff raised the rate to six and a half cents a gallon on milk and $56\frac{6}{10}$ cents a gallon on cream. 1930 is the year in which the export into the United States began to go down very seriously. The new tariff went into effect, as I recollect, on the 1st of July of that year, so that it would not begin to affect the imports till the second half of the year. In 1939, under the trade agreement made with the United States in that year, both of these rates were cut in half. The rate on milk was reduced to three and one-quarter cents a gallon, and the rate on cream was reduced to $28\frac{3}{10}$ cents a gallon. These rates continued in force until Geneva, at which time the rate on milk was reduced to 2 cents a gallon, and the rate on cream was reduced to 20 cents a gallon. Thus, the reduction in the rate of duty on milk made at Geneva, although it was not quite a half, was well over a third. It was pretty close to the maximum that it was within their power to make. The rate of duty on cream came down from $28\frac{3}{10}$ cents to 20 cents a gallon, a reduction of about one-third.

Hon. Mr. ROBERTSON: Was the quota changed?

Mr. KEMP: The quota remained the same. Under the 1939 agreement the quota was 3,000,000 gallons of milk and one and a half million gallons of cream; and these two quotas remained the same following the negotiations at Geneva.

Hon. Mr. DAVIES: Then they are practically back to where they were prior to 1929, are they, Mr. Kemp?

Mr. KEMP: The rate on milk is now lower than it was before the Hawley-Smoot tariff, and the rate on cream is the same as in the period 1922-1930.

Hon. Mr. ROBERTSON: My advice is that in 1927 there were 4,495,000 gallons of cream shipped to the United States, and that the quota put on under the Hawley-Smoot tariff is one and a half million gallons and has not been enlarged.

Mr. KEMP: That is right.

Hon. Mr. ROBERTSON: The milk quota put on under the Hawley-Smoot tariff is three million gallons. Our shipments in 1927 were almost five million gallons. The quota has not been changed but the duties have been reduced?

Mr. KEMP: That is right.

Hon. Mr. BURCHILL: What quantity is going over now?

Mr. KEMP: At the present time, sir, the movement is almost imperceptible. In 1946 the imports of milk into the United States from all countries were less than five hundred gallons, and there is no trace at all of any cream going in.

Hon. Mr. BURCHILL: Is that due to duty restrictions or to pure milk regulations?

Mr. KEMP: We think it is due to sanitary regulations such as those of New York State, sir. Those regulations provide that the only fluid milk that can be sold in the State of New York is milk that has been produced on farms inspected and approved by the state authorities, and those authorities have let it be known that they will not send their inspectors outside the boundaries of