

is to be established. These sections of the charter will be discussed in great detail in Havana, and I do not know whether it would be worthwhile going into them now.

Hon. Mr. HAIG: No, I do not think so because they may be changed at Havana.

Hon. Mr. McLEAN: What would you say as to the future of the old empire tariffs, as we called them, between the Commonwealth of Nations? Would their operations be altered in a major or minor way; that is, the preferences?

Mr. DEUTSCH: Well, the first round is already over, that is, the negotiations at Geneva where members having preferences undertook to negotiate for their reduction or their elimination. The results of the Geneva negotiations are now known in regard to preferences. I think Mr. McKinnon will agree that the preferential system has only been modified.

Hon. Mr. McLEAN: In a major way?

Mr. DEUTSCH: Not in a major way. I think it is correct to say seventy per cent of the preferential structure remains, and perhaps a little more than that.

Hon. Mr. KINLEY: Over-all?

Mr. DEUTSCH: Yes.

Hon. Mr. LAMBERT: In a very liquid form?

Mr. DEUTSCH: If any further negotiations are conducted in the future they may be modified further. Of course no country needs to modify the preferences unless it is satisfied that it gets adequate compensation for that. There is no obligation on any member to make any unilateral modification.

Hon. Mr. McLEAN: Well, we had preferences with, say, New Zealand and South Africa, and other nations will now practically just sit around the empire table and receive substantial preferences from those markets that we built up since 1933. Take, for instance, Norway in the fish business. Will they be allowed, without our consent, to enter the markets of South Africa and New Zealand on practically the same basis as we in Canada?

Mr. DEUTSCH: That depends entirely on what we have agreed to.

Hon. Mr. HAIG: Mr. McKinnon is the man to answer that question.

Mr. McKINNON: Senator McLean, that question would have to be answered in respect to each particular item that would be brought up. If it is a certain kind of fish in which Canada has had a preference of threepence a pound in New Zealand over Norway, and now if as a result of these negotiations that preference that we enjoyed has been reduced to twopence a pound in return for something we got, then to that extent, answering your question, Norway would get into the New Zealand market on better terms than she did before, but not on our preferential terms because we still maintain a residuum of the preference, and in some cases, we retain a very large percentage of the preference.

Hon. Mr. McLEAN: I have one other question that I should like to ask. Under these Geneva agreements, if we bar certain goods from the United States where we have to pay in dollars, are we obliged to put an embargo on the same kind of goods from the West Indies where we pay in pounds?

Mr. DEUTSCH: No, not at the present time. The charter, in general, provides against discrimination. In other words, the whole purpose of these provisions is to reduce discrimination in the world in general.

Hon. Mr. McLEAN: I understood that we started out to do that, but it may have been altered since. With regard to the importation of certain vegetables from the West Indies it seems that we are just getting in a vicious circle because the West Indies are as short of Canadian dollars as we are of American dollars.