

Mr. McKINNON: It was not only wheat, sir; flour followed wheat and in respect of flour we had a very substantial trade. As the result of this agreement, having got the wheat duty down, the duty charged on flour has been reduced in the same proportion, to retain the relativity between the raw material and the flour. In most cases the compensatory duty on flour is now down to an almost insubstantial tax.

The CHAIRMAN: Is the rate on flour 50 per cent, the same as on wheat?

Mr. McKINNON: It varies with every country, Senator Euler.

The CHAIRMAN: I am referring to France. Do not bother with that detail now. We can get it later.

Mr. McKINNON: If the committee would accept what I have said as a statement of what we got in general terms they may now wish to question Mr. Kemp as to the details on the various commodities.

The CHAIRMAN: Is the committee ready to hear Mr. Kemp?

Hon. Mr. CRERAR: I should like to know what we gave in return for all that we have received.

Mr. McKINNON: Perhaps having summarized it the one way, Mr. Chairman, it is quite in order to summarize it the other way.

Hon. Mr. PATERSON: Mr. McKinnon, before leaving the wheat question, may I ask you if we can ship our oats, wheat and barley to the United States as soon as this agreement goes into effect?

Mr. McKINNON: As far as the United States goes, the duties are down to 21 cents on wheat, four cents on oats, seven and a half cents on barley and six cents on rye. That is the only barrier as far as the United States is concerned.

Hon. Mr. HAIG: I would like to ask the senator from Thunder Bay to go to the government and get them to cut off the prohibition, and let our grain go to the United States.

Hon. Mr. PATERSON: I should like to find out if this agreement cancels the Canadian government regulations.

Hon. Mr. HAIG: No, they do not. You do not need to ask Mr. McKinnon that question—ask me.

Mr. McKINNON: Mr. Senator, my reply was that in so far as the United States regulations are concerned, those are the duties after the 1st of January.

Hon. Mr. HAIG: Being a small-town lawyer, Mr. McKinnon, I know the regulations; we cannot send our stuff over there because our government won't let us.

Hon. Mr. CRERAR: That is a different question from the one Mr. McKinnon was explaining.

The CHAIRMAN: We are now getting into a matter of policy.

Hon. Mr. HAIG: Senator Paterson asked a question, and we wanted to help a young man who is trying to make a living and get along in the world.

Hon. Mr. McDONALD (*King's*): Could Mr. McKinnon tell us something about the apple preferences?

Mr. McKINNON: I would prefer to leave apples, *qua apples*, to Mr. Kemp, but to answer Senator Crerar's question and yours in a general way: We paid for these concessions we got from fourteen or fifteen countries in two ways—either by impairment of the margin of preference that we enjoyed in some other commonwealth country or by reduction in our own tariff. Speaking generally with respect to the elimination of the margins of preference that we enjoyed in other commonwealth countries, they were extremely few in numbers, the most important elimination being, as Senator McDonald has stated, that of the apple preference in the United Kingdom.