

of the Geneva decision. He even admits that it was not necessarily the half cent reduction on raw fish which has created the situation, or even, greatly worsened it; but, as he has stated yesterday, and again very fairly, that reduction had not done anything to alleviate the situation.

I believe that Senator McKeen has made a very fair statement—one that I would have made myself, had I been under examination—that in the face of the premium that obtains in the United States on raw materials, I doubt very much, as he has stated that, even a 50 per cent reduction in the canned product in the American tariff would have remedied the situation. There are so many circumstances involved, as Senator McKeen has said, such as the different methods of fishing, the price levels in the two countries and so on, that this reduction of a half cent a pound on raw material—which we secured simply because we were doing our utmost to get a 50 per cent reduction on everything, thinking only in terms of tariff and trade, and keeping out of our minds other temporary factors that apply at the present time or from time to time—is an important factor in the situation.

Hon. Mr. McKEEN: Of course on your approximately 20 million dollar inland fisheries' fish that amount may represent a real advantage at some future time. At the moment I think all the fish can be sold, but maybe there will be some advantage there in the future.

Hon. Mr. HAIG: Could an embargo be placed on Canadian raw fish going to the United States?

Mr. McKINNON: That is a perfectly fair question, Senator Haig, and since it would relate not to the tariff schedules at all but to the general principles in the Agreement, I think Mr. Deutsch would probably care to answer you on that point.

Mr. DEUTSCH: Senator, it is possible that for a temporary period we probably could embargo the salmon; that is, for perhaps a year or two, because there are a number of exceptions in the charter that take care of the problems of post-war transition; and under that heading we might be able to continue to embargo the salmon. I must say, however, that as a permanent policy, I am afraid, the charter would not permit it.

Hon. Mr. McKEEN: Well, Mr. Deutsch, regarding that, if we put the embargo in there to retain fish enough to take care of our minimum requirements of canning, and then released the fish after that, would that be a form of embargo that would be prohibited under the charter?

Mr. DEUTSCH: I am afraid it would, senator, yes.

Hon. Mr. McKEEN: Even though it was going to put our canning industry out of business we still could not do it under the charter?

Mr. DEUTSCH: No, not under this charter, sir. I should say that the charter does permit countries to discuss problems with other countries and to try to work out some scheme which will meet our problems, and if it was decided that we should try to do that, we could use the consultation provisions of the charter. I am not sure what the result would be. We would have to go to the United States and say, "we have got this difficulty—"

Hon. Mr. HAIG: Let me put this supplementary question before you finish. Has the price of 8 cents for the raw fish in the United States market anything to do with the general cost of living of meat and food of that character in the United States? Is that one of the basic reasons?

Mr. McKINNON: I think maybe Senator McKeen could answer that better than I, but my inclination would be to believe it was a reflection of the high cost of foods generally.

Hon. Mr. McKEEN: It is reflected in your canned fish.