

Mr. KEMP: The second restriction to which they were subject was that they were not allowed to transfer any item from the dutiable list to the free list. We have occasionally been asked why we did not succeed in getting some duty, which was already low, wiped out altogether. The answer is that however willing the negotiators might have been to wipe out the duty altogether, they were not allowed to transfer anything to the free list. I think it is possible that there are some low duties that are hardly worth the cost of collection.

Mr. McKINNON: My memory is that there is one that is two per cent ad valorem now but they could not put it on the free list because their powers did not provide for doing that.

Mr. KEMP: In the case of Christmas trees the duty at the present time is only five per cent, and when many of these Christmas trees go into the United States they are valued at only ten or fifteen cents apiece. I am quite sure that that is a duty which does not pay the cost of collection. Nevertheless, our American friends were not permitted by their existing legislation to wipe out that duty, even though they might have been disposed to do so.

There is a third limitation that has not been mentioned by my colleagues that I might call to your attention. Before the Geneva conference began, the authorities of the United States prepared what we call a statutory list, of which I have a copy in this gray book of products on which possible tariff concessions might be considered in reciprocal trade negotiations. Unless an item was found on this list, which had been drawn up with great care in Washington, the negotiators in Geneva were not allowed to do anything about it. Quite possibly when you come to ask questions about individual items later on, we may have to reply that this item or that item could not be dealt with because it was not on the statutory list.

Mr. McKinnon has given you one of the principal reasons why items were left off the statutory list, and this was the fact that the United States preferred to negotiate in each case with the principal supplier of a particular article. When the principal supplier was a country that was not going to be represented at Geneva, they very often decided to leave that particular article off the statutory list so that there was nothing that either they or we could do about it until the time comes when they are in a position to negotiate with the principal supplier.

Hon. Mr. TURGEON: Was that statutory list made under congressional authority or by executive authority?

Mr. KEMP: It is prepared by the Interdepartmental Trade Agreements Organization representing the Departments of State, Commerce, Agriculture, Treasury, War, Navy and the United States Tariff Commission.

The CHAIRMAN: Was it ratified by legislation?

Mr. KEMP: It is made under authority which has been given to this body by legislation.

There is still one other restriction that I should like to mention to you as illustrating some of the difficulties of negotiating. The representatives with whom we negotiated did not have the final word when it came to offering a concession or refusing one. They themselves had to go back to the Tariff Agreements Committee. We never met the Tariff Agreements Committee although we met some individual members of it. We did not have an opportunity to negotiate with the committee. On the committee there were represented the organizations of which I have spoken: the Departments of State, Commerce, Agriculture, Treasury, War, Navy and the Tariff Commission. Occasionally it happened that the people with whom we negotiated showed some sympathy with a request that we made but they found on applying to this committee that one