

customs duty was 50 per cent. That was on the books, a matter of record, and a Canadian shipping wheat to France knew that the duty was 50 per cent. But on top of that was the trading margin exacted by the state monopoly. The monopoly might buy Canadian wheat at, let us say for purposes of illustration, \$1 a bushel, and decide to sell it to its own millers at \$2.50 a bushel, thereby artificially enhancing the price of domestically grown wheat in that country. Now, there was no control over the monopoly in any shape or form, because at that time there was no draft charter, and no item in any agreement dealt with it. Therefore we could not do much by way of complaining. We did know that instead of our wheat having to mount a customs tariff wall of 50 per cent, it was actually faced with a barrier of 150 per cent or more.

Mr. KEMP: It ranged from 90 per cent to 180 per cent.

Mr. MCKINNON: That was by reason of the combination of the duty and the trading charge or profit of the monopoly. We felt at Geneva that we should attempt to attack the state trading technique in so far as it affected our exports. We had to make clear to the countries concerned that the Canadian delegation was not suggesting for one minute that they should change their method of doing business. We said: "We are not attempting to interfere. We are not suggesting that, if you want to grow the maximum possible amount of wheat for security or other reasons, you should not do so. All we are asking is that you let it be clearly known just exactly what the impediment to the importation of wheat is." With France, Belgium, the Netherlands and Norway we were successful in getting not only a reduction in the customs tariff, if any, but also a most substantial reduction in the monopoly charge to be levied by the state monopoly. These things are now agreed to and bound by our schedules, so in future we shall know exactly the total amount that intervenes between the landed cost of imported wheat and the selling cost of that wheat to millers in the country concerned.

Hon. Mr. HAIG: How much is that.

Mr. MCKINNON: It varies with the different countries, sir. Mr. Kemp can show what it is when we get to the schedules, in respect of France, Norway, Belgium and the Netherlands. You see, sir, in one country it may be so many florins; in another country, it is a percentage rate and so on.

Hon. Mr. TURGEON: Do the import countries maintain the right to increase that margin charge so long as they notify the export country.

Mr. MCKINNON: No, they cannot increase it at all. I could illustrate, for instance, in the case of France—subject to correction by Mr. Kemp—that the combination of customs duty and monopoly exaction annually ranged from 90 per cent to 180 per cent. Now we have the duty bound at 30 per cent and the monopoly charge at 15 per cent, or a total of 45 per cent, as against anything from 90 to 180 per cent. Of course the burden of 45 per cent depends upon the price of wheat, but it is better to know that even with dollar wheat, the duty is 45 cents than to export it with the possibility that on arrival in France it might pay 180 per cent.

Hon. Mr. MICHAUD: What portion of our wheat went to the particular countries mentioned before the 1932 agreement?

Hon. Mr. HAIG: Before the 1946 agreement.

Mr. MCKINNON: Mr. Kemp will have to take you back over a considerable number of years with respect to our trade in wheat with the continent.

Hon. Mr. MORAUD: I do not mean with the continent, but with France and the other countries mentioned.

Mr. MCKINNON: Czechoslovakia, Belgium, the Netherlands.

Hon. Mr. MORAUD: Czechoslovakia is out.