

hoped that the United States might possibly negotiate Douglas fir plywood with some other country. The United States did not negotiate with Canada at Ancey but the United States did negotiate with other producers of plywood. At Ancey, however, while the United States did make further reductions on other types of plywood, Douglas fir plywood was again exempted from the lists of their concessions.

This one type of plywood remained in the United States tariff with a very high rate. It was perfectly obvious that this was one of the remaining concessions which Mr. McKinnon referred to in the United States tariff, when he said that we attempted at Torquay to exhaust the powers of the United States administration under the reciprocal trade agreement act.

A fifty per cent reduction from forty per cent leaves twenty per cent. Our objective, therefore, was to get the United States' negotiators to make a maximum concession on this item. Representations were made to us in advance of Torquay by word of mouth, by people connected with the plywood industry both in trade associations and in various companies which produce plywood. They approached me and they approached other officials of my department to urge upon them the desirability of obtaining this particular concession. This item was included in the earliest list of requests which was addressed to the United States.

That takes us up to the commencement of the Torquay negotiations. I could not begin to give the committee a daily diary of discussions relating to plywood during the six months of negotiations. The formal procedure followed in tariff negotiations, however, involved the United States making an official response to our request with respect to this item. Their first response was negative.

It is fair to say that this was an item to which the Canadian delegation attached the greatest importance. We made it clear to the United States negotiators from the beginning that we were interested not only in receiving a concession with respect to Douglas fir plywood, but it was essential to receive a maximum concession. By the time the Torquay negotiations were finally concluded, the United States did give us a maximum concession which will come into effect on June 6. I hope that is a complete answer to your question or to the points in which you are interested.

Mr. SINCLAIR: When you say to them that we want a concession for plywood, do they come back and say to you: We will give it to you if you give us a concession on one specific item? Is it done on an item against item trade basis, or is it done by means of bulk trade?

The WITNESS: In the process of exchanging important concessions back and forth, we would not normally proceed to trade on an item by item basis, but rather by an evaluation of the relative importance of lists back and forth.

Mr. FLEMING: I think you made very clear the steps you took in advance of the meetings to consult the interests of Canadian exporters?

The WITNESS: Yes.

Mr. FLEMING: Could you enlarge on that to indicate what response you got from Canadian exporters, and what volume of representations were made as to their desires and can you give us some idea of the number of items they covered, and how the agreements compared in the number of items on which you reached agreement with those on which you were asked to negotiate and seek concessions, and the details of the steps which you took to consult the interests of Canadian producers who might be affected by the agreements in the domestic market.

The WITNESS: With respect to the first part of your question I regret to say that I cannot possibly answer it, and I shall explain why.