

Hon. Mr. HAIG: What suggestion have you to make to the department for solving the problem? Could you state your suggestion, so that the department could make its answer?

Hon. Mr. McKEEN: I wanted to know whether the department had any solution to suggest.

The CHAIRMAN: It is a matter of policy.

Hon. Mr. McKEEN: British Columbia's preferred position in the fishing industry has been traded away. Now, what has the department in mind to get back as an advantage for that industry?

Mr. KEMP: I realize that much of what you have said is for the consideration of the Department of Fisheries, senator, and covers matters with which the Geneva delegation could not have dealt; but I am right in recollecting from what you said that the American canners have been paying about 8 cents a pound more for raw fish than the Canadian canners have been paying?

Hon. Mr. McKEEN: They have been this year, but not always. There was a time up to 1935, I believe, that there was a prohibition. At that time the Canadian price of fish was higher than the American price, so the prohibition was removed. There was very little change in that situation up to about 1939. It has not always been that the Americans have paid more, but at the moment they are doing so. That is why I ask that something be done to overcome the situations that may arise at the present.

Mr. KEMP: In recent months the Americans have been paying about eight cents a pound more.

Mr. McKEEN: When prohibition came off they were paying eight cents a pound more on high grade fish.

Mr. KEMP: That is right. As a result of the Geneva conference the Americans have reduced the duty on fresh fish about one-half cent a pound. Is that right?

Mr. McKEEN: That is right.

Mr. KEMP: So that it is not really that reduction of a half cent a pound that is the cause of our difficulty in getting and retaining the raw material on this side?

Mr. McKEEN: Not altogether; but we had to put a prohibition on in July in order to retain sufficient for packing. That half cent does not do it. The way that it works out is this: The half cent means that on 75 pounds of fish going into the United States in the form of fresh fish there is a duty of 37½ cents, but on the same quantity of fish going in as canned salmon the duty is 25 per cent ad valorem and each case is worth, I believe, approximately \$25, making the duty about \$6.25 a case. The difference in duty on 75 pounds of canned fish against the same quantity of fresh fish would be \$5.92 per case.

Mr. KEMP: The main complaint about Geneva is not that the duty was reduced half a cent a pound on fresh fish, but that it was not reduced 12½ per cent on canned fish.

Hon. Mr. McKEEN: And that it was not reduced half on canned fish.

Mr. KEMP: That is correct.

Hon. Mr. McKEEN: I am free to state that I doubt that that would have solved the problem for the canners; I do not think that even a 50 per cent reduction in canned fish would give us the fish.

Mr. McKINNON: I think at this point I might remark that we as officials should be, in my personal opinion, indebted to Senator McKeen for the purely objective way in which he has stated a very difficult problem. He has made it clear and has not attempted to slant in one way or another the fact that this premium was being paid by American users of fish prior to the announcement