

Hon. Mr. SINCLAIR: Mr. McKinnon, you got some concession on potatoes?

Mr. McKINNON: Yes, senator.

Hon. Mr. SINCLAIR: Would you describe them to the committee?

Mr. McKINNON: Very briefly, senator, I may say that we got no change at all in the quota for table potatoes.

Hon. Mr. SINCLAIR: No change in the duty?

Mr. McKINNON: No, sir.

Hon. Mr. SINCLAIR: But was there not a change in the quota?

Mr. McKINNON: Not on table potatoes. And quite frankly, sir, we did not press too far on the table stock, because we felt that we should put the weight of our fire on seed potatoes instead, so as to try to get a substantial betterment in the treatment of seed stock, of which we are becoming now so important a source of supply. As you know, we did get the quota on seed potatoes increased from one and a half million to two and a half million bushels.

Hon. Mr. SINCLAIR: Did you get a further concession on seasonal duties?

Mr. McKINNON: On seed potatoes or on table potatoes?

Hon. Mr. SINCLAIR: On both.

Mr. McKINNON: No, sir, there is no change in the duty of 37½ cents on seed potatoes, but the quota is enlarged from one and a half million to two and a half million bushels. There is a small change in the duty on table stock. The 60 cents seasonal rate was dropped, and the rate of 37½ cents within the quota of one million bushels is now applicable throughout the year. Beyond the quota the rate remains at 75 cents per hundred pounds.

Hon. Mr. SINCLAIR: Newspaper reports some weeks ago were that the seasonal duty of 60 cents per 100 pounds from the 1st of December to the last of February was cancelled. Is that right?

Mr. McKINNON: That is right.

Mr. KEMP: Yes, the 60 cents duty disappears.

Hon. Mr. SINCLAIR: Would that be done by executive order?

Mr. McKINNON: Yes.

Hon. Mr. SINCLAIR: They cancelled the whole duty.

Mr. McKINNON: I think we had better let that wait until we come to the details on the potatoes item.

Senator Crerar asked about furs. We already had exceptionally good treatment on most furs, and it was largely a case of binding the existing free entry or low rates, which we were able to do. What I have said about the United States applies in general to all the countries, particularly in Europe. In Europe we got concessions on such agricultural products as wheat, grain seeds, apples, apple juice, dried apples, and canned apples, and on several of the base metals, not only in the primary form but on the rolling mill products which we are becoming more and more equipped to make, and on quite a number of manufactured goods.

There is one particularly interesting feature about negotiations with several of the European countries, and this relates to Mr. Deutsch's explanation of yesterday regarding state trading, Mr. Chairman. As he said yesterday, in the past Canadian exporters of wheat to most of the European countries were faced with a formidable if not insurmountable barrier, particularly during the last ten, twelve or fifteen years. In many countries this was comprised of not only a customs tariff, which is a known factor, but a trading margin by the state monopoly on top of the customs tariff, and the trading margin was a completely unknown factor. We might illustrate it by the case of France, where the