

duty collected was slightly less than 22 per cent of their value. Senator Euler, when he was presiding, asked me if I could give him a rough idea of the weight or the height of the Canadian tariff on imports from the United States, and, as nearly as one can average a situation like that, that is it. On all goods imported from the United States in 1939, dutiable and free, the duty represented about 13 per cent of the value; and on dutiable goods alone, the duty represented about 22 per cent of the value.

Hon. Mr. ROBERTSON: That was in 1939. What is the change as a result of the Geneva trade agreement?

Mr. McKINNON: We did not attempt to make any precise calculation of that; first, because, having in mind the abnormal nature of trade during the war and immediate post-war years, we kept to the trade figures of 1939 as the only sound basis on which to calculate; and secondly, because it is very hard to tell just what might result in either the United States or Canada from the lowering of a rate of duty. For instance, the cutting in half of even an extremely high duty need not necessarily result in a great movement of goods. The same is true of a further reduction in a very low rate of duty: I am thinking, for example, of the rate on oats entering the United States from Canada. It was 8 cents, and we have got it cut to 4 cents. If through further negotiations oats were admitted free, that might not result in the flow of a great many more bushels of oats to the United States, because 4 cents is so close to free. My own impression would be that on the dutiable goods, allowing for a return to fairly normal trade in both volume and value, the net incidence of our tariff on imports from the United States would, as a result of the changes made at Geneva, more likely be in the neighbourhood of 17 or 18 per cent than 22 per cent. That is merely a rough estimate made by one person, who may not be any more competent than anybody else to make it. In other words, it is a guess.

Hon. A. L. BEAUBIEN: In the average figure that you gave a moment ago, did you take into account the arbitrary valuations for duty purposes?

Mr. McKINNON: No, Senator Beaubien. The figures issued by the Dominion Bureau of Statistics do not take into account, in the determination of value, the special duties that are applied, such as you have in mind. It is with that particular factor in mind that I say that in my own opinion the net rate will drop from probably 22 per cent to 17 or 18 per cent.

Hon. Mr. BUCHANAN: Will the embargo against the export of beef cattle to the United States have to come off, because of the agreement?

Mr. McKINNON: No, Senator Buchanan. That is entirely a matter of domestic policy, in respect of which I have no information whatever. The embargo was imposed for certain domestic reasons, I believe arising particularly out of the price ceiling in effect during the war. Obviously, as long as the embargo is on we cannot take full advantage of the reductions that were secured at Geneva, but I have no idea as to when the embargo might be lifted. Have you, Mr. Deutsch?

Mr. DEUTSCH: No. The agreement would not require the Canadian government to remove that embargo at the present time. That is a matter for the government to decide.

Hon. Mr. BUCHANAN: Is it not contrary to the spirit of the agreement?

Mr. DEUTSCH: In normal circumstances export embargoes are not permitted under this Agreement, but there is a leeway whereby countries may make adjustments necessitated by conditions arising out of the war. For instance, where commodities are in short supply, the agreement permits the countries to maintain for a certain period the same trade controls that were in effect during the war, but those controls must be removed after the limited period.