

Hon. Mr. DAVIES: Do you have any difficulties between the east and the west with regard to shipments? Do you find shipments from the west filling the quota and leaving the east out?

Mr. KEMP: I have not heard of any difficulties. They are all on an equal basis; that is to say, if they get in before the quota is filled they get the benefit, and if it is too late they do not get it.

Hon. Mr. BUCHANAN: Are sales of Canadian cattle not usually made through commission dealers in the United States? I have in mind, for instance, Clay Robinson in Chicago. Do they not handle such deals, and are they not familiar with the situation?

Mr. KEMP: Firms like that would certainly know the situation, as would also our own Canadian firms who do business on a large scale.

Hon. Mr. CRERAR: I think it may be useful to say that we have worked under this quota system for a good many years, and the cattle shippers from Canada to the United States have been able to keep themselves quite well informed as to when the margin would be reached.

Hon. Mr. ROBERTSON: The principle is the same; it is only a larger quota.

Mr. MCKINNON: There might be less difficulties, Senator Crerar, in that we now have a considerably larger quota.

Hon. Mr. CRERAR: That is quite true. Is there a limitation on the light cattle? How are calves defined?

Mr. KEMP: Calves are defined as weighing up to 200 pounds each, for tariff purposes.

Hon. Mr. CRERAR: And what is the quota?

Mr. KEMP: The quota is now 200,000 head per year. I should say that the quota was formerly 100,000 and now it has increased to 200,000 head.

Hon. Mr. BEAUBIEN: And the weight is limited to 200 pounds?

Mr. KEMP: It is limited to 200 pounds for that purpose.

Hon. Mr. CRERAR: As a matter of fact, in the past calves went for the most part from Ontario and Quebec, while heavy cattle went from western Canada.

Mr. MCKINNON: Yes, that is true.

Hon. Mr. CRERAR: What about dairy products?

Mr. KEMP: Dairy products include milk, butter and cheese. So far as milk and cream are concerned we have received a concession—not a very large one, but the duty has been reduced. The principal difficulty in shipping milk and cream to the United States arises from the sanitary restrictions enforced by individual states which prevent these Canadian products from going to that country in large quantities. Otherwise there would be a good market for them in the United States.

Hon. Mr. BUCHANAN: Before leaving agricultural products, what about dairy cattle? Is the quota increased?

Mr. KEMP: There is no quota affecting that type of cattle.

Hon. Mr. BEAUBIEN: There is no restriction on dairy cows?

Mr. MCKINNON: No.

The CHAIRMAN: Is there a duty?

Mr. MCKINNON: Yes.

Mr. KEMP: Dairy cows are not subject to quota. They pay a duty of 1½ cents a pound.

The CHAIRMAN: Is that reduced 50 per cent?

Mr. KEMP: No; it was already 1½ cents under the 1938 agreement.