

that you can regulate imports on the grounds of health, but you cannot use that as a cover for protection. Therefore, if we felt that they were doing so we would have grounds for complaint.

Hon. Mr. KINLEY: This is a very perishable product and it has got to be good. You cannot ask people to take fish that is not good.

Mr. McKINNON: That raises an interesting point, Senator Kinley. A product that is going into the United States from your part of the country and contiguous territories must be of pretty good quality. I am referring particularly to the fillets. If I remember correctly, the consumption of our fillets in the United States was 40 million pounds last year and this fish was being trucked inland as far as Chicago, and it was the very fact that our producers had reached and exceeded their quota that made them so anxious to get the ex-quota rate bound. We were told by the United States negotiators that that was a complete impossibility because, having exceeded the quota, they felt the most they could do was let us maintain the quota position but not bind the ex-quota rate. In the end we were very fortunate in being able to maintain, not only our quota and the quota rate on this tremendous trade on cod fillets, but to get the ex-quota rate bound as well.

Hon. Mr. KINLEY: That has been a very important problem, and with regard to the present quality of fillets they are now subject to a very minute inspection by light, and I think the inspection on the other side is pretty severe also.

Mr. McKINNON: I should imagine they are very strict.

Hon. Mr. BISHOP: May I ask, do these concessions with the United States require the consent of Congress?

Mr. McKINNON: No, it is under the executive authority, Senator Bishop.

Hon. Mr. BISHOP: If there is a new agreement with the United States along the line indicated by Mr. Abbott yesterday, that would be made by the same authority?

Mr. McKINNON: I was not in the house when Mr. Abbott spoke yesterday and I have not had the advantage of reading what he said. Mr. Deutsch may know what the Minister said.

Mr. DEUTSCH: If we sought to make with the United States a new agreement which would involve transferring American items to the free list, we could not operate under the existing authority. It would be necessary to go to Congress then.

Hon. Mr. BISHOP: But if there is simply a reduction of duty, that can be taken care of under the existing authority?

Mr. DEUTSCH: If it is simply a reduction of duty by not more than 50 per cent, it can be done under the administration's powers, but any reduction beyond that could not be made without authorization by Congress.

Hon. Mr. KINLEY: The charter that we are dealing with now must pass the United States Senate, must it not?

Mr. DEUTSCH: Yes, senator, because in order to implement the charter the United States would have to change a number of its laws, and that can only be done by Congress.

Hon. Mr. KINLEY: But the schedule is brought into operation by the President?

Mr. DEUTSCH: Yes.

Mr. McKINNON: In my answer to Senator Crerar's question I used the United States as a general illustration, but what I said about the United States might be said about most of the other countries to which we have referred.