

Hon. Mr. McKEEN: The question was asked whether this reduction in United States duties would not cause the price of coarse grains to rise in Canada. It is not causing them to rise now.

Hon. Mr. CRERAR: Mr. Kemp, the duty on our barley going to the United States was, as I recall it, 15 cents a bushel prior to this arrangement.

Mr. MCKINNON: That is right, sir; it was cut to 7½ cents, if I remember correctly.

Hon. Mr. CRERAR: And oats were 8 cents.

Mr. MCKINNON: Oats were reduced to 4 cents.

Hon. Mr. CRERAR: They were reduced from 8 to 4 cents?

Mr. KEMP: Yes; and rye from 12 to 6 cents.

Mr. MCKINNON: It was a 50 per cent reduction on all coarse grains.

The CHAIRMAN: 50 per cent is all they can give.

Mr. MCKINNON: Yes.

Hon. Mr. CRERAR: That will be a very definite advantage to our producers in the west.

Mr. KEMP: Shall I now pass on to the cattle concessions? The United States has bound its tariff rate of 1½ cents a pound on cattle weighing 700 or more pounds each; it has enlarged the quota from 225,000 head per year, as it was prior to the Geneva Agreement, to 400,000 head per year. That applies to heavier cattle weighing 700 pounds or more. The rate of 1½ cents a pound on calves has also been bound and the quota benefited by that rate has been increased from 100,000 head to 200,000 head per year.

The CHAIRMAN: Does that include dairy cows?

Mr. KEMP: Dairy cows are covered by a separate item.

Hon. Mr. DAVIES: I was wondering, Mr. Chairman, if those shipments on that quota are regulated from Canada, or are the Canadian farmers quite free to ship until the quota has been filled?

Mr. KEMP: The usual practice is that the cattle move in freely at the quota rate—the low quota rate—until the authorities in Washington hear from their customs ports that the quota is almost full. At that time they send out a telegram to all customs ports saying that from 12 o'clock on a certain date the higher rate is to apply provisionally. Later on they find out which cattle got in before the quota was actually filled.

Hon. Mr. DAVIES: I do not think you quite understand my question, Mr. Kemp. I am asking you, are those shipments regulated from Canada? For instance, is a certain percentage given to the west and a certain amount given to the east?

Mr. KEMP: No, it is on the basis of first come, first served.

The CHAIRMAN: How do Canadians know when the quotas are filled?

Mr. KEMP: The United States authorities notify their customs people that from a certain date they are to apply the higher rate, but later on they go back and make a refund to those shippers who got their cattle in before the quota was actually filled.

The CHAIRMAN: Some information should be given to the Canadian exporter, so that he would not ship his cattle there and find that he would get stopped at an American port?

Mr. KEMP: We try to do that in the Department of Trade and Commerce. We receive telegrams at frequent intervals from Washington, showing how close the quota is to being filled, and we publish that information in the press as we get it.