

Mr. KEMP: We made an effort to get the maximum reduction of the United States duty on both the raw fish and the canned fish.

The CHAIRMAN: Did you get it?

Mr. KEMP: We got it on the raw, we did not get it on the canned; and we think we know the reason why our American friends were not willing to give it on the canned. They considered that the potential chief suppliers of canned salmon to the United States market are two Asiatic countries, and neither of these countries was represented at the Geneva conference. The general principle upon which the United States has been operating is that it prefers not to make a concession unless through negotiation with the principal supplier. Now it is quite true that we have in the past been principal suppliers; but they probably regarded these two countries as being the potential principal suppliers, and probably wanted to reserve that item for the time when they will be negotiating with those two countries.

Hon. Mr. McLEAN: In the meantime, however, it is unquestionable that the British Columbia salmon industry is going to go through a period of transition or disadvantage, I would say, because the raw fish will go out at a low rate of duty which will be paid on the raw fish but it will not be nearly as much as it would be if the article were canned. During the war we used embargoes at times but in peacetime they are difficult to handle. I have had experience in that respect and I know it is difficult to have embargoes in the fish business. Although I am not in the salmon business I believe a lot of fish will go to the United States for canning on this low duty, and this fish will pass by the British Columbia factories and then be canned in the United States where the price is higher but not high enough to overcome one-quarter of the value which the duty on the canned article will be.

Hon. Mr. McKEEN: May I interrupt Senator McLean to ask a question here.

Hon. Mr. McLEAN: Yes, I would welcome any questions from British Columbia senators.

Hon. Mr. McKEEN: I may say in regard to this question that there is a great deal of concern on the coast for several reasons. In the first place, I have received a wire from the Vancouver Board of Trade which I should like to read in order to let other honourable senators know the situation which prevails out there. This telegram ties right in with what Senator McLean was saying. That is why I have interjected at this point. The wire reads as follows:

British Columbia salmon canning industries representing investment of approximately 23 million dollars with an annual pack of about 17,500,000 and employing ten thousand persons is placed in jeopardy as a result of the Geneva agreements encouraging export of fresh fish. Stop Urgently request further consideration be given adoption of measures designed to ensure that this important business of the fishing industry representing about forty per cent of the total commercial fish production of British Columbia will have an available supply of raw material on an economic basis.

That was brought out because there was a prohibition on the export of raw fish this year, which was put into effect about July 1. The canneries operated until that went off on October 15. The supply of fish was cut off on October 15 and the canneries had to close down, except for what they had on hand at the moment. From that time on enough fish went over to the United States to pack 150,000 cases of salmon. The Americans paid approximately eight cents a pound more than the Canadians could for the fish. The reason for that was they were getting from \$8.00 to \$10.00 a case more for their canned salmon in their own market which represented an increase of at least \$2.00 to \$4.00 more