

Hon. Mr. LAMBERT: Did the credit which this country extended to France have any bearing on our negotiations with that country?

Mr. KEMP: Yes, it did.

Hon. Mr. LAMBERT: It would make it easier to negotiate with that country.

Mr. KEMP: It was frequently quoted to us as a reason why we should reduce the duties against them. But quite apart from that, sir, it was obviously regarded by the French people with whom we were dealing as a mark of friendship on the part of Canada, and I am sure it had an important effect in helping along our negotiations, as indeed did the loans that we have made to several other countries. We experienced a substantial sense of gratitude which was not, I am sure, limited to words only.

Hon. Mr. HAIG: France did not suggest to you that we should give them reductions so that she could pay back her debt to us?

Mr. KEMP: That was the argument.

Hon. Mr. HAIG: That is what I thought the argument would be. They are like certain fellows in Winnipeg who when you lend them some money want you to cut the rate so that they can pay it back.

Hon. Mr. CRERAR: It is not an unreasonable argument.

Hon. Mr. HAIG: It is a human argument.

Hon. Mr. BEAUBIEN: It is the only way they can pay back the loan.

Mr. KEMP: Referring again to Benelux, we found that the countries desired to make concessions to us, as well as to receive them from us; we have actually got some concessions which are well worthwhile, and some have also been extended by the colonies and dependencies of the Netherlands and Belgium. We succeeded in making an agreement with Czechoslovakia on various items. Perhaps it was not so extensive as in some other cases, but nevertheless worthwhile. Norway has a small population and a number of her industries are competitive with our own, such as fish, fur, lumber, paper and so on. But even with Norway we were able to obtain some concessions, as to agricultural products, wheat and other things, and we received some other worthwhile concessions from them.

There were three Latin American countries represented at the conference. First, Cuba was of particular interest to us because it is a country that receives preferences from the United States and grants them in turn to the United States. Although we were in a sense on the defensive with regard to preferences exchanged with the British Commonwealth, as to Cuba we were endeavouring to obtain a narrowing of the existing margins of preferences. We were successful, notably with regard to fish and flour items, of which the details can be given when you are ready to take them up.

Hon. Mr. LAMBERT: Did we not at one time ship a good deal of flour to Cuba?

Mr. KEMP: Yes, we did.

Hon. Mr. LAMBERT: That had been interfered with considerably by a sugar agreement between the United States and Cuba. Is that still in effect?

Mr. KEMP: They have consented to narrowing considerably the margin of preference which they gave to the United States on flour, but they have not wiped it out entirely.

Hon. Mr. LAMBERT: Is that not due to the special agreement or understanding in connection with sugar control?

Mr. KEMP: I do not think it is specifically tied to that by law, but no doubt that was one of the factors which led them to concede it.

Brazil is a large country on the other side of the equator, with which we have felt that we ought to be able to improve our trade. We have obtained