

Under mutual most-favoured-nation customs treatment each contracting country accords to the goods of the other the lowest duties applied to similar products of any foreign origin, unless there are reservations. These reservations would be tariff concessions, not considered of relatively great importance, which one country may grant to another on historical, geographical, or some related ground. Most-favoured-nation obligations do not include Canadian preferences given to other parts of the Empire. Canada's concessions to France in the Convention of Commerce of 1922 at present establish the rates applicable to most-favoured foreign nations, these being: on 125 items rates lower than intermediate and on all other items the intermediate tariff, also guarantee of most-favoured-nation treatment. In return Canada receives: (1) the French minimum tariff and most-favoured-nation treatment on some goods; (2) percentage reductions from the difference between minimum and general on another list or, if lower, the rates which are granted to the United States; (3) on all other goods the French general tariff as prior to Mar. 28, 1921, to the extent that it is accorded to the United States. The Convention of Commerce with France was for an indefinite period subject to termination (Article XXVII) on either party giving six months' notice. Canada gave such notice on Dec. 16, 1931, so that the Convention will expire on June 16, 1932. The Canadian Government expressed its willingness to enter immediately on negotiations for a new Convention beneficial to the commerce of both countries.

The value to Canada of most-favoured-nation treatment in foreign countries depends on the customs system of the country concerned. Several countries have maximum and minimum schedules, meaning that there are reduced duties for practically all goods imported from reciprocating or treaty countries. Some countries, on account of rates conceded in treaties, maintain reduced duties on specified items of their tariffs. Many countries throughout the world have a uniform tariff regardless of the origin of the goods. The benefit of most-favoured-nation treatment depends also on the extent to which tariff favours apply to countries competing with Canada in the market in question.

*Dumping Duties*¹.—In the Canadian custom tariff there is also an anti-dumping clause. In 1930 and 1931 the statutory provisions relative to the levying of special or dumping duty were amended. Special or dumping duty is now leviable upon goods exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation, or is less than the fair market value, or value for duty thereof, as determined or fixed under the provisions of the Customs Act, R.S.C., 1927, c. 42 (see also sections 36, 37, paragraphs "a" and "e" of 41, and section 43, Statutes of 1930, c. 2).

It is provided that the special duty shall not exceed 50 p.c. *ad valorem* in any case and that goods of a class subject to duty under the Excise Act shall be exempt.

Provision is also made for the levy of additional special or dumping duty not exceeding 50 p.c. when it appears that any person owning or controlling or interested in a business in Canada and also in any other country, or carrying on a business in any other country and owning, controlling or interested in a business operating in

¹ Revised in the Customs and Excise Division, Department of National Revenue.