

The British preference has also been widened in the field of drugs and chemicals, flat glass, and on manufactured leathers such as belting, sole leather, pig and morocco leathers, and all leather further finished than tanned.

So far as textiles are concerned, the changes made on cotton goods cover a wide group of textile products from yarns to clothing, and the specific duties are generally reduced by one-third, though the domestic industry is still substantially protected. Piece cottons are made free of duty, while a wider preference is given mercerized cotton yarns and other cotton products. The specific duties on woollen goods—from yarns to clothing—are reduced by at least one-quarter on every item where such duties were operative. On blankets and carpets the specific duty is cut in half, and hair yarns, lusters, linings and light weight grey fabrics and articles not made in Canada and certain jute fabrics are given free entry.

Increased preferences were also granted on anthracite coal, alcoholic liquors, vegetable oils, and other miscellaneous commodities.

*Article 10.*—The Canadian Government “undertake that protection by tariffs shall be afforded against United Kingdom products only to those industries which are reasonably assured of sound opportunities for success”

*Article 11.*—“His Majesty’s Government in Canada undertake that during the currency of this Agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established.”

*Articles 12, 13, 14 and 15.*—Provide for the establishment of a Tariff Board in Canada and outline some principles by which it will be guided.

*Article 16.*—“His Majesty’s Government in Canada undertake that Customs administration in Canada shall be governed by such general principles as will ensure (a) the avoidance, so far as reasonably possible, of uncertainty as to the amount of Customs duties and other fiscal imposts payable on the arrival of goods in Canada; (b) the reduction of delay and friction to a minimum; and (c) the provision of machinery for the prompt and impartial settlement of disputes in matters appertaining to the application of tariffs.”

*Article 17.*—“His Majesty’s Government in Canada undertake that all existing surcharges on imports from the United Kingdom shall be completely abolished as soon as the finances of Canada will allow. They further undertake to give sympathetic consideration to the possibility of reducing and ultimately abolishing the exchange dumping duty in so far as it applies to imports from the United Kingdom.”

*Article 18.*—“His Majesty’s Government in Canada undertake to modify the existing Regulations governing the importation of pedigree stock from the United Kingdom into Canada in a manner already agreed upon in principle between themselves and His Majesty’s Government in the United Kingdom.”

*Article 19.*—Provides for the extension to the non-self-governing Colonies, Protectorates and Mandated Territories of the preferential rates of Canadian duties shown in a prescribed list and under certain conditions.

*Article 20.*—Provides that “nothing in the Agreement shall prejudice or diminish any of the benefits enjoyed by any of the parties thereto under the Canada-West Indies Trade Agreement dated the 6th of July, 1925”.

*Article 21.*—“This agreement is made on the express condition that, if either Government is satisfied that any preferences hereby granted in respect of any particular class of commodities are likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices for such class of commodities through State action on the part of any foreign country, that Government hereby declares that it will exercise the powers which it now has or will hereafter take to prohibit the entry from such foreign country directly or indirectly of such commodities into its country for such time as may be necessary to make effective and to maintain the preferences hereby granted by it.”