

**The Imperial Economic Conference, 1932.—The United Kingdom-Canada Agreement.**—Under this Agreement the United Kingdom, while continuing to grant to products of Canada those preferences and exemptions from duty established by the Import Duties Act cited above, provided, for important Canadian products, additional preferences by the imposition of new or increased duties on competing foreign imports. Chief among these products were: eggs, butter, cheese, condensed milk, wheat, fresh and canned apples, and unwrought copper. The continuation of a 10 p.c. preference was guaranteed on dutiable timber, fresh and canned fish, asbestos, lead and zinc. Canada was granted unrestricted entry for a maximum quota of 2,500,000 cwt. per annum of bacon and hams, and for 10 years a margin of preference of 2s. 0½d. per lb. on unmanufactured tobacco. Certain preferences accorded in United Kingdom Agreements with other Dominions apply automatically to Canada as an Empire country. As regards eggs, poultry, butter, cheese and other milk products, free entry was guaranteed for three years, after which the position regarding these articles was made subject to review. Increased preferences to Canada in many of the non-self-governing colonies and protectorates were provided for on selected articles. The British reserved the right to remove duties on foreign wheat, copper, lead and zinc if at any time Empire producers were unwilling or unable to provide, at world prices, the United Kingdom requirements. In return Canada agreed to widen the margin of preference on imports from the United Kingdom on a great variety of goods as set forth in a schedule attached to the Agreement. Actual changes were made in 225 Canadian tariff items, on 223 of which the margin of the British preference was increased. The tariff was lowered on 133 items, more than half of which were placed on the free list, in the other cases the margin was increased by raising the intermediate and general tariffs. By major groups, the tariff changes mainly concerned iron and steel, drugs and chemicals, textiles, leather goods, glass, vegetable oils, as well as a wide list of miscellaneous commodities. Generally speaking, manufactured goods of a class or kind not produced in Canada were made free. (See Section 3, Subsection 4, p. 504, for the effect of the Canadian preference on imports from the United Kingdom.) Additional preferences were also provided for imports into Canada of various commodities produced largely in the non-self-governing colonies and protectorates. Canada agreed that the tariff should be based on the principle that protective duties should not exceed such a level as would give United Kingdom producers full opportunity of reasonable competition in Canada on the basis of the relative cost of economic and efficient production with special consideration to be given to industries not fully established. Canada undertook to institute the Tariff Board, already authorized by statute, to review duties on United Kingdom goods in accordance with these principles and not to increase these duties except in accordance with the Board's findings. Since the appointment of the Tariff Board (see Section 12 of Chapter XXVIII) in February, 1933, it has investigated and reported on, in accordance with the provisions of Articles 10 to 15 of the United Kingdom-Canada Agreement of 1932, a number of United Kingdom applications for review of the tariff on commodities, namely, wool textiles, biscuits, boots and shoes, jute yarns, impregnated canvas, and wooden doors. In a number of Canadian references, it became necessary to apply the principles of the United Kingdom-Canada Agreement by reason of the interest of United Kingdom manufacturers in the Canadian market for such things as silver-bearing articles, brass and copper, nickel silver and German silver, hookless fasteners and zippers, hats and hoods. Canada further agreed at the Conference to abolish surcharges on imports from the United Kingdom as soon as Canada's