

A trade agreement between Canada and the United Kingdom, signed Aug. 20, 1932, at the Imperial Economic Conference in Ottawa, guaranteed, as part of a larger scheme of reciprocal preferences, that Canadian goods would be exempt for five years from duties established by the Import Duties Act of 1932 (see p. 486 of the 1936 Year Book).

A new trade agreement between Canada and the United Kingdom was signed at Ottawa on Feb. 23, 1937, to remain in force until Aug. 20, 1940, and thereafter until the expiry of six months notice of termination given by either party. The 1937 Trade Agreement guarantees duty-free entry of all Canadian goods, free of duty at the date of signing the Agreement, with a reservation carried forward from the 1932 Agreement, which limited to August, 1935, the assurance given of duty-free entry of eggs, poultry, butter, cheese, and other milk products. These products are still duty-free when of Canadian origin, but the United Kingdom Government may at any time, after notifying the Canadian Government, impose duty, maintaining preferential margins, or, in consultation with the Canadian Government, bring such produce under a system of quantitative regulation of supplies from all sources. With only this modification, the wide range of goods comprised in the Import Duties Act, 1932, and some others, are assured free entry when of Canadian origin. A special schedule guarantees margins of preference on: wheat, 3*d.* per bushel; butter, 15*s.* per cwt.; cheese, 15 p.c. *ad valorem*; raw apples (excluding cider apples) and raw pears, 4*s.* 6*d.* per cwt.; canned apples, 3*s.* 6*d.* per cwt., plus sugar preference; eggs, 1·2*d.* to 2·1*d.* per dozen; unsweetened whole condensed milk, milk powder, and other preserved milk, 6*s.* per cwt.; sweetened whole condensed milk, 5*s.* per cwt., plus sugar preference; honey, 7*s.* per cwt.; copper, unwrought, 2*d.* per lb.; chilled or frozen salmon, 1½*d.* per lb.; fresh sea fish, canned salmon, other canned fish, timber, asbestos, zinc, and lead, 10 p.c. *ad valorem*; patent leather, 15 p.c. *ad valorem*. Duty on foreign wheat, copper, zinc, or lead is not obligatory if at any time Empire producers "are unable or unwilling to offer these commodities on first sale in the United Kingdom at prices not exceeding the world prices and in quantities sufficient to supply the requirements of United Kingdom consumers". Furthermore, the United Kingdom is allowed to make the duty on non-Empire lead 7*s.* 6*d.* per ton, and non-Empire zinc 12*s.* 6*d.* per ton, in lieu of 10 p.c. *ad valorem*. A preference margin of 2*s.* 0½*d.* per lb. on tobacco is assured until Aug. 19, 1942. The rate on Canadian motor cars and parts is stabilized at 22½ p.c. *ad valorem* (present general tariff 33½ p.c.). The margin of preference on socks and stockings of natural silk is increased from one-sixth to one-third, making the rate 28½ p.c. *ad valorem* or 8*s.* per lb., whichever is higher. Canadian-made reed organs are reduced from 22½ p.c. *ad valorem* to duty-free. The United Kingdom Government undertakes that any duty or levy which may be imposed on bacon and hams shall not apply to imports from Canada and that it will impose no regulation of such imports unless the rate at which the trade from Canada progresses towards 280,000,000 lb. per annum should become abnormal and such as to endanger effective regulation of supplies, and then only after consultation with the Canadian Government. The Canadian Government agrees, so far as their power extends, to assist in the promotion of orderly marketing of meats in the United Kingdom, and in particular to furnish from time to time estimates of forthcoming shipments of bacon, hams, cattle, and beef. Canadian cattle and beef are guaranteed freedom from import duty and within the framework of a scheme for regulating imports in general, Canadian fat cattle and beef are to be free from quantitative control so long as annual shipments do not exceed what the agreement describes as "recent levels". The United Kingdom is