

apples, pears, eggs, processed milk, honey, fish, timber, asbestos, and patent leather. The preference margin on Canadian natural silk hosiery was increased, the rate on motor-cars and parts stabilized, the duty on reed organs removed, and a fixed preference on tobacco assured until Aug. 19, 1942. Canada obtained the benefit of all British Preferential Tariffs in the Colonial Empire and also exchanged specific preferences with certain colonies. Canada conceded to the United Kingdom reduced duties under 179 tariff items, gave assurance of no upward revision of existing preferential rates under 246 items, and, in the case of 91 items (mainly products of a class not made in Canada), undertook that margins of preference would not be reduced. (See p. 489 of the 1938 Year Book.) The 1937 Agreement was approved by the Canadian Parliament on Mar. 31, 1937, implemented by the United Kingdom Budget of Apr. 20, 1937, and formally proclaimed in force from Sept. 1, 1937. It was to remain in force until Aug. 20, 1940, and afterwards until terminated on six months' notice.

To facilitate conclusion of a United Kingdom-United States Trade Agreement signed Nov. 17, 1938, Canada, Australia, New Zealand, the Union of South Africa, Newfoundland, and India consented to certain modifications of their rights under their existing trade agreements with the United Kingdom, Canada agreeing to cancellation of the 3 pence per bushel preference on wheat, seasonal reduction of preference on apples and pears, and some reduction of preference on canned apples, honey, chilled or frozen salmon, certain timber, and patent leather, as well as to certain changes in Colonial preferences. Similarly, the United Kingdom and the Union of South Africa consented to modification of preferences guaranteed to them by Canada to facilitate a new trade agreement between Canada and the United States, also signed Nov. 17, 1938.

Ireland.—Ireland, at its inception in 1923 as the Irish Free State, granted Canada any preferential rates in force, and in return received the benefit of the British Preferential Tariff. A formal Trade Agreement between Canada and Ireland, signed Aug. 20, 1932, secured for all goods, the produce and manufacture of Canada, the benefits of the lowest rates of duty accorded to similar products of any country. In return, goods, the produce or manufacture of Ireland, when imported into Canada, were to be accorded the same tariff treatment as similar goods imported from the United Kingdom.

Australia.—A Trade Agreement between Canada and Australia (superseding a 1925 arrangement of limited scope) was brought into force on Aug. 3, 1931. British Preferential Tariffs were exchanged, with some reservations by Australia, and some additional concessions by Canada. Enlarged margins of preference were also granted by each country on certain products of importance to the other. (See p. 484 of the 1936 Year Book.) The Agreement, which was obligatory for one year, has remained in force subject to six months' notice of denunciation by either Government. During the fiscal year 1936-37 Canada's exports to Australia reached \$27,000,000. Imports from Australia were \$9,500,000. In view of trade balances being so much in Canada's favour, the Australian Government had intimated that if the Agreement were to continue, further Canadian concessions should be accorded Australian products. After negotiations, the Canadian duties on certain Australian goods were reduced by Order in Council effective Oct. 1, 1937, and the Trade Agreement was kept in force, subject, as before, to denunciation on six months' notice by either Government.

New Zealand.—Canada was granted the British preferential rates of the New Zealand Tariff established in 1903. Canada has extended her British Preferential