

all "members of the club" not entitled to lower or special preferential rates; Part II comprises those tariff items which were the subject of negotiation with Commonwealth countries, and the rates applicable to those areas of the Commonwealth entitled to the benefits of the British Preferential Tariff. All items in Part II, bearing a preferential rate, also appear in Part I, bearing the rate applicable to those other countries which are parties to the Geneva negotiations. The rates of duty specified in Part I are designated as the duties under the "most-favoured-nation tariff" and apply, provisionally, to not only those countries which participated at Geneva but to all countries with which Canada has, in the past, exchanged most-favoured-nation treatment.

The term of the General Agreement is the standard one of three years (i.e.—Jan. 1, 1948, to Jan. 1, 1951) but the Agreement contains the usual provisions for continuance in force thereafter, subject to six months' notice of termination.

Study of the terms of the new Agreement and Schedules thereto, reveals that it is the most far-reaching and comprehensive agreement of its kind in Canadian history. The Canadian portion of the multilateral instrument is a vital part of what is probably the most comprehensive multilateral trade agreement ever attempted.

A revision has been concluded of the Canada-United Kingdom Trade Agreement of 1937. By an exchange of notes each country undertakes, with respect to goods covered by the relevant Schedules of the Multilateral Agreement (Schedules V and XIX), to continue to accord to the products of the other treatment no less favourable in general than was accorded under the Agreement of 1937, and recognizes the right of the other to reduce or eliminate preferences. This exchange of notes reflects the attitude that these preferences, freely given, are not matters of rigid contractual right or obligation.

Canadian Concessions to Other Countries.—The tariff treatment to be accorded by Canada to goods, the produce of the negotiating countries, is set forth in Canadian Schedule V the General Agreement on Tariff and Trade, in the multilateral instrument.

Schedule V (Parts I and II) consists of some 1,050 items or sub-items; of these, 590 provide for reductions in most-favoured-nation tariff below existing rates, and about 460 for the binding or consolidation of most-favoured-nation rates effective at present. The British Preferential rates are reduced directly in respect of some 100 items or sub-items, and indirectly in respect of some 50 items or sub-items (in cases where the new most-favoured-nation rates are lower than existing British Preferential rates). As compared with the tariff structure in force until Dec. 31, 1947, the adoption of the duties specified in the Schedule means, in the case of the Canadian Tariff, the elimination of preferences in 94 items or sub-items.

Schedule V provides for one increase in duty, viz.: in the preferential rate on tin-plate under tariff item 383 (b). This is accompanied by a reduction in the most-favoured-nation rate.

Part II of Schedule V relates solely to the British Preferential rates in the Canadian Tariff and segregates those items in which concessions were made in favour of various Commonwealth countries. Each reduction in the preferential rate necessitated a corresponding or compensatory reduction in the rate applicable to favoured nations since, under the provisions of the Charter and the General Agreement, no existing preferential margin could be increased and no new preference could be created.