

the Commonwealth. Amongst the Commonwealth countries, Canada has trade agreements with the United Kingdom, 1937, which also provides for the extension of the preferential system between Canada and British Colonies, Eire (1932), Australia (1931), New Zealand (1932), the Union of South Africa (1932) and British West Indies (1925). The agreement concluded between Canada and Southern Rhodesia in 1932 was terminated in 1938, but each country continues to grant tariff preferences to the other.

Many Canadian products are given tariff preferences when entering the United Kingdom, Australia, New Zealand, the British West Indies, Bermuda, British Guiana, British Honduras, Fiji, Northern Rhodesia (Zambesi Basin), Gambia, Sierra Leone, the Seychelles, British Somaliland, St. Helena, Western Samoa, the British Protectorate of Tonga, the British Solomon Islands, the Gilbert and Ellice Islands, Cyprus, the Channel Islands, the Isle of Man, Southern Rhodesia, Mauritius, Ceylon, and Malta. Preferences are granted to a considerable extent to Canadian goods in Eire and the Union of South Africa; also, on some goods, in the Malayan Union, British North Borneo, Sarawak, Brunei, and the Cayman Islands. Canadian motor-cars, together with those from other Commonwealth countries, enjoy preference in Hong Kong and the Straits Settlements; spirits, wines, malt liquors, and tobaccos in Gibraltar; and wines in the Falkland Islands. The preferential system within the British Commonwealth was modified to some extent in the General Agreement on Tariffs and Trade, some preferences being retained, some reduced, and some eliminated.

*Foreign Countries.*—Most of the trade agreements between Canada and foreign countries are on the basis of reciprocal exchange of most-favoured-nation treatment. Usually this means that Canada and the other contracting State agree to accord each other the benefit of the lowest duties applied to similar goods of any other foreign origin. There may be reservations such as concessions which one State may grant to another on historical, political, or geographical grounds, or some other special relationship.

The concessions arising out of most-favoured-nation treatment under the Canadian tariff consist of the rates of the intermediate tariff and lower rates on some goods provided in trade agreements with France, the United States and Poland and in Schedule V of the General Agreement on Tariffs and Trade.

The benefit to Canadian exports of most-favoured-nation treatment in any country depends on the customs and treaty system of the particular importing country concerned. Several foreign nations have maximum and minimum schedules, involving two scales of duties for practically all goods imported. There may be also an intermediate scale of duties. In some countries the minimum rates involve reduced duties only on specified items of their tariffs, which they have conceded in one or more commercial treaties. Some countries adhere strictly to a single-column tariff. Even when they make concessions in a commercial treaty they may incorporate these in the normal tariff, thus avoiding discrimination in favour of or against any country. The number of countries maintaining single-column tariffs, however, is becoming smaller from year to year.

**Trade Agreements at Present in Force.**—At the present time (May 1, 1948), Canada's tariff relations with other countries are affected by trade agreements, conventions of commerce or similar arrangements made directly between Canada and the country concerned or by participating in treaties made by the United Kingdom with foreign powers, listed as follows:—