

At the third session, a considerable number of matters affecting trade were studied in detail. Among the more important of these was the examination of statements submitted in support of measures notified under Article XVIII of the General Agreement on Tariffs and Trade. This article pertains to trade restrictions imposed in connection with governmental assistance for economic development. Special exchange agreements for contracting parties, which are not members of the International Monetary Fund were also discussed.

Other Tariff Relations.—Apart from the agreements concluded at Annecy and Geneva, Canada has numerous reciprocal tariff arrangements with both Commonwealth and foreign countries. These consist of:—

- (1) application to Canada of some old commercial treaties of the United Kingdom;
- (2) participation in commercial treaties of the United Kingdom by Canadian Acts of Parliament or Orders in Council;
- (3) Canadian Conventions of Commerce or Trade Agreements; and
- (4) exchanges of notes respecting tariff matters.

Although Canada has extended preferential tariff rates to the United Kingdom since 1897, it was not until after the First World War that the first most-favoured-nation agreements were concluded between Canada and foreign countries. In 1922, a Franco-Canadian agreement was signed and, although it did not grant most-favoured-nation treatment as such to France, its provisions were very similar. The following year a most-favoured-nation treaty, including schedules of concessions, was concluded with Italy. As Canada's position as a world trader grew in importance agreements were signed with 32 countries. A number of these lapsed during the War and have not been replaced by new agreements.

Although Canada's trade in many parts of the world was interrupted during the War, nevertheless, it expanded in some areas even during this period, and new commercial agreements were entered into with the Dominican Republic, Paraguay, Venezuela, and Ecuador. Since the end of the War, most-favoured-nation agreements have been made with Turkey, Greece, Italy, China, Nicaragua, Germany and Austria.

Many of Canada's bilateral trade treaties are simply exchanges of most-favoured-nation treatment and do not include schedules of tariff concessions. There are several cases, however, where schedules of tariff concessions have been negotiated and are incorporated into the agreement. The Canada-United States trade treaties of 1935 and 1938 are examples of this type. The benefit received by Canadian exports under most-favoured-nation treatment in any country depends on the tariff and treaty system of the country in question. Some countries possess a single-column tariff and extend any concessions that they may make to all countries without discrimination. Other countries have minimum, intermediate and maximum rates, and their most-favoured-nation rates may be either the minimum or intermediate schedules. In other instances, most-favoured-nation treatment may be subject to certain reservations, such as the withholding of preferential rates granted by one State to another on historical, political or geographical grounds.

The Canadian Tariff Act of 1898 established a purely British preferential column in the Canadian tariff. Since that time, Canada has continued to grant preferential tariff rates on a considerable number of items to many parts of the Commonwealth. In return, a number of Canadian goods receive preferential tariff treatment in most Commonwealth countries.