

Concessions Made by Canada.*—It has been noted that Canada did not adopt the linear approach to the trade negotiations, but undertook to offer concessions equivalent in terms of their impact on Canadian trade to those offered by other countries. The concessions made by Canada cover some \$2,500,000,000 worth of imports in 1966 terms and, as a result, the general pattern and structure of the Canadian tariff between now and 1972 will be simplified and improved. Import duties† of 20 p.c. or more will now be rare. Rates on final manufactures will generally be in the range of 17½ to 20 p.c. Those on production machinery and producers' equipment will be around 15 p.c. On intermediate products, the rates will be 15 p.c. or less, while some basic materials will be free or almost free.

Duties will be reduced or eliminated on a number of tropical products, both as a measure of assistance to the developing countries and in order to give relief to the Canadian consumer in terms of reduced prices. Likewise, duties will be reduced or removed on a number of agricultural products which will move freely between the United States and Canada. Free entry will now be allowed into Canada in the case of fresh, frozen, dried and pickled fish, including shrimp. There will be a 50-p.c. reduction on most prepared and canned fish. Fish oils will also be subject to reduced duties. A 50-p.c. tariff reduction will apply to unmanufactured Turkish tobacco, and some reduction is being made in the protective rates on cigars, cigarettes and cut tobacco. There is also a 50-p.c. reduction in the net protection element of the duty on whisky, gin, brandy and vodka.

Canadian rates of duty on lumber are being brought more into line with the United States rates. A number of items in the wood products group continue the existing provisions for free entry, and reductions from the present rate of 10 p.c. or more are being made in others. Significant reductions have been provided for in some items in the paper group. Reduced duties on earthenware and stoneware will assist the construction industry, and the consumer may benefit from reductions in tariffs on china, porcelain and semi-porcelain.

Substantial reductions have been made in duties on non-ferrous metals, with free entry for lead, zinc and copper in pigs, blocks and slabs. Reductions have been made also in duties on the manufactures of these metals. In iron and steel, duties are being removed on pig iron and ingots of iron or steel, with reductions on bars, rods, sheet and strips and plates of iron or steel, and on forgings, axles, chains, pipes or tubes, and for manufactures of iron or steel. Duties have been reduced or removed on wire and wire products.

The tariff structure with lower rates in respect of machines and related products has been simplified by the establishment of a single item for machines and control equipment in contrast to the earlier "class or kind made in Canada" concept. A Review Board would recommend full remission of duty for machines not available from indigenous sources. The effect of the remissions along with the new consolidated rate on machines will result in average duties of 9 p.c. or less. Duties are also being reduced on a range of related producers' equipment, such as engines, electric dynamos, generators, transformers, electric motors and insulators, and some dairy machinery, and eliminated on certain poultry-processing equipment, veneer-drying machines and some printing presses. There will be reductions in duties on other electrical and electronic equipment such as telegraph and telephone apparatus, batteries, radios, television sets and phonographs, and the general tariff item for electrical apparatus.

In the field of chemicals, Canada has undertaken not to levy duties above 15 p.c. ad valorem. The duty of 5 p.c. on fertilizers is being removed. On plastics, the rates will be no higher than 10, 12½, 15 or 17½ p.c., depending on the nature and degree of processing of the product. The reductions in duties on textiles agreed to by the industrial

* In Canadian dollars. Source: Department of Trade and Commerce, Ottawa.

† At most-favoured-nation rates, except where otherwise indicated.