the negotiation between Canada and India of a commercial arrangement. If no action is taken on this Indian request it is understood that mostfavoured foreign nation treatment will be accorded Indian goods.

Burma

Under present arrangements Burma will continue to receive the benefits of the British Preferential Tariff as a successor state of British India, although its tariff treatment of Canadian goods is identical with that accorded by the Federation of India. This is an anomalous situation which will require further consideration if the British Preferential Tariff is withdrawn from India. So far as possible the two countries should be treated equally in tariff matters.

Colonial Empire

The present exchange of preferences between Canada and the Colonial Empire is governed by: (i) the Canada-British West Indies Agreement of 1925, and (ii) Schedule VI and VII of the Canada-United Kingdom Agreement of 1937. We have given notice of our intention of terminating the former from December 31st, 1939, and have proposed the negotiation of a new Agreement to take its place. It is quite possible that the United Kingdom Government will propose that the Colonial schedules of the Canada-United Kingdom Trade Agreement should

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4.1.1. King Papers, Memoranda and Notes, 1933-1939 (m.9. 26, J 4, volume 220, pages C149883-C150385)

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