

2. Commercial Relations with the United Kingdom

Faced with renewed balance of payments difficulties in 1955, the United Kingdom did not find scope for important measures of further trade liberalization. At the same time it refrained from intensifying the existing restrictions or imposing new ones but relied rather on internal measures aimed at correcting the conditions which had given rise to the difficulties. The United Kingdom—Canada Continuing Committee on Trade and Economic Affairs met in Ottawa on December 8 and 9 to discuss trade questions and other economic matters of mutual interest.

3. Commercial Relations with the United States

Proposals for increased protection in the form of higher tariffs or import restrictions were advanced in the United States on behalf of a number of industries. But in the main cases where Canadian interests were directly involved (notably crude oil, lead and zinc, and hardboard) action affecting imports from Canada was generally avoided. Import restrictions which had previously been established for oats and barley were abolished as conditions changed; restrictions on imports of cheese and other dairy products, however, remained in force. The United States programmes for the disposal of surplus agricultural products continued to cause the Canadian Government concern (particularly in the case of wheat) and discussions took place between United States and Canadian authorities on several occasions. The United States Congress gave to the President during the year some additional authority to make tariff reductions while at the same time broadening the scope for increased protection of domestic industries in certain situations.

The second meeting of the Joint United States—Canadian Committee on Trade and Economic Affairs was held in Ottawa on September 26. At this meeting economic and trade matters of common interest to Canada and the United States were reviewed by the Canadian Ministers of Trade and Commerce, Agriculture, and Finance, and the Secretary of State for External Affairs, and the United States Secretaries of State, the Treasury, Agriculture, and Commerce.

4. Other Economic Matters

The instruments of ratification for the trade agreement between Canada and Portugal, which was signed in Lisbon in 1954, were exchanged in Ottawa in April 1955. In June 1955 Canada and Ethiopia, by an exchange of notes, agreed to extend to each other most-favoured-nation treatment in trade matters. An agreement between Canada and Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed in Ottawa in September 1955.

Discussions took place in Ottawa in May between representatives of the Governments of Canada and Poland concerning customs valuation procedures and general trade matters. These talks were held at the request of the Government of Poland, which had expressed its concern at the special valuation procedures which Canadian customs authorities had found it necessary to apply to certain imports from Poland. Arrangements were worked out by agreement between the two governments to permit satisfactory verification of the values of goods imported from