

Kingdom, provision will be made for free entry of Canadian bacon and hams of good quality up to a maximum of 2,500,000 cwt. per annum.

ARTICLE 7.—His Majesty's Government in the United Kingdom will invite Parliament to pass legislation which will secure for a period of ten years from the date hereof to tobacco, consigned from any part of the British Empire and grown, produced or manufactured in Canada, the existing margin of preference over foreign tobacco, so long, however, as the duty on foreign unmanufactured tobacco does not fall below $2/0\frac{1}{2}$ d. per lb., in which event the margin of preference shall be equal to the full duty.

ARTICLE 8.—His Majesty's Government in the United Kingdom will invite the Governments of the non-self-governing Colonies and Protectorates to accord to Canada any preference which may for the time being be accorded to any other part of the British Empire, provided that this Clause shall not extend to any preferences accorded by Northern Rhodesia to the Union of South Africa, Southern Rhodesia and the Territories of the South African High Commission by virtue of the Customs Agreement of 1930; and further will invite the Governments of the Colonies and Protectorates shown in Schedule D to accord to Canada new or additional preferences on the commodities and at the rates shown therein.

ARTICLE 9.—His Majesty's Government in Canada will invite Parliament to pass the legislation necessary to substitute for the duties of customs now leviable on the goods specified in Schedule E the duties shown in that Schedule, provided that nothing in this Article shall preclude His Majesty's Government in Canada from reducing the duties specified in the said Schedule so long as the margin of British preference shown in that Schedule is preserved or from increasing the rates under the intermediate or general tariff set out in the said Schedule.

ARTICLE 10.—His Majesty's Government in Canada undertake that protection by tariffs shall be afforded against United Kingdom products only to those industries which are reasonably assured of sound opportunities for success.

ARTICLE 11.—His Majesty's Government in Canada undertake that during the currency of this Agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration may be given to the case of industries not fully established.

ARTICLE 12.—His Majesty's Government in Canada undertake forthwith to constitute the Tariff Board for which provision is made in the Tariff Board Act 1931.