

has considered the possibility of developing a four-tier tariff - with two rates for Empire countries, the lower for reciprocating and the higher for non-reciprocating parts, and two rates for foreign countries, the lower for reciprocating and the higher for non-reciprocating countries, with the lower or reciprocating foreign rate only slightly higher than the higher or non-reciprocating Empire rate. If the United Kingdom delegation were authorized to make a bargain fitting into such a framework, or on a three-schedule basis, and if a tentative agreement were reached at Ottawa accordingly, the agreement could then be submitted to the United Kingdom parliament in October for approval. In this way the difficulty would be overcome, at least until the actual bargaining with foreign countries began.

The same question arises in the case of Canadian concessions to the United Kingdom: can we accord fixed margins in advance of our negotiations with France and other countries? It is somewhat easier for us in that we have already an intermediate tariff. Incidentally our West Indies, New Zealand and Australian experiments in fixed rates and margins present difficulties which would be intensified in negotiations with larger countries. Our experience with fixed rates in the French Treaty led to its denunciation.

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The difficulty is not peculiar to the present discussion; it arises in all tariff negotiations, but the narrowness of the British tariff greatly increases the difficulties in the present case. It therefore seems essential to consider the attitude the United Kingdom delegation may take on these points, and how it may best be dealt with.