

Canada-Poland Trade Agreement

Canadian trade with Poland hitherto has been handicapped by the absence of a trade agreement. Up to October 11, 1933, the Polish tariff system comprised (1) normal tariff; (2) maximum tariff (three times as high as the normal tariff); and (3) conventional rates on some goods lower than the normal tariff. While the normal tariff was extended to Canada, conventional rates were withheld and, moreover, the import licence system of Poland was administered in a manner so as to make it very difficult to obtain licences to import Canadian goods.

A new Polish tariff came into force on October 11, 1933, which has restricted the sale to Poland of most Canadian products. This tariff established two sets of rates, those in column I being applicable to merchandise originating in countries with which Poland does not have commercial treaty arrangements. The rates in column II are applicable to countries enjoying "most favoured nation" treatment, and are, on the average, about 20 per cent lower than those in column I. In addition there is a third column consisting of special rates of duty provided for in trade treaties which Poland has concluded with other countries. These special rates of duty usually represent considerable reductions below the rates provided for in column II of the Polish tariff.

The convention of commerce will result in Canada securing most favoured nation treatment in Poland. Consequently, Canadian goods would benefit not only from the rates in column II of the Polish tariff, but also from the special rates provided for in treaties concluded with other countries. If no convention of commerce is concluded, Canadian goods would be subject to the rates of duty provided for in column I, or the highest rates of duty in the Polish tariff.

In addition, schedule A of the convention of commerce provides for special reduced rates of duty on some products which are of particular interest to Canada. These reductions in Polish duties, expressed in Canadian currency at par of exchange, are as follows:

Herrings, preserved:

Weighing more than 500 grams, 12½ reduced to 4½ cents per pound.

Weighing 500 grams or less, 17½ reduced to 6 cents per pound.

Canned salmon, 40 reduced to 12 cents per pound.

Sardines, 40 reduced to 14 cents per pound.

Canned lobsters, \$1 reduced to 25 cents per pound.

Patent leather:

In whole or half skins, \$1.11 reduced to 50 cents per pound.

In cuttings or pieces, \$1.22 reduced to 55 cents per pound.

Silver fox skins, \$25 reduced to \$5 per pound.

[Mr. R. B. Hanson.]

Chemical wood pulp for the manufacture of paper, 75 reduced to 40 cents per 100 pounds.

Chemical wood pulp, other, 75 reduced to 50 cents per 100 pounds.

Ice skates, 15 reduced to 10 cents per pound.

These calculations have been made at par of exchange. In order to arrive at the equivalents of the Polish duties at the current rate of exchange it would be necessary to add approximately 66 per cent to the amounts given in this statement.

In addition, the convention of commerce provides that Canada shall receive treatment in respect to quotas as favourable as that extended to the importation of similar articles from other countries. Many classes of goods are subject to restrictions on importation into Poland. As a result of the conclusion of the convention of commerce, quotas will be established for the principal products which we desire to ship to Poland on a basis agreed upon between the two governments. Among other products which should benefit from the establishment of a quota is fresh apples, the trade in which has hitherto been restricted by the difficulty which importers in Poland have experienced in securing licences for the importation of apples from Canada owing to the fact that there has been no trade treaty between the two countries.

The tariff concessions granted by Canada to Poland are embodied in schedule B to the convention. These relate to twenty-one items of the Canadian customs tariff. In the case of nine items the effect of the concession is to consolidate free entry for articles which are now free of duty under all tariffs. Books printed in Poland and in the Polish or Ukrainian language, covered by items numbers 169 and 171 of the Canadian customs tariff, will be made free of duty. In the case of item 171 it was necessary to obtain the concurrence of His Majesty's government in the United Kingdom because this item being included in schedule E to the trade agreement between Canada and the United Kingdom, the margin of preference had been guaranteed. The duty on positive moving picture films made in Poland and speaking the Polish or Ukrainian language, if one and one-eighth of an inch in width and over, will be cut in half. To this item and to those relating to books in the Polish or Ukrainian language the government of Poland attach importance from the point of view of cultural rather than of commercial relations. The concessions in respect to the remaining nine items covered by the convention involve discounts from the intermediate tariff varying from 10 to 45 per cent. In the case of two items, those relating