

countries with which Canada has most-favoured-nation agreements (but not necessarily to all countries enjoying the benefit of the Intermediate Tariff).

General Tariff duties are levied on all imports not covered by the above two categories.

At the present time, Canada's tariff relations are affected by trade agreements, conventions of commerce or participation in treaties made by the United Kingdom with foreign powers listed as follows:

#### Empire Countries

United Kingdom, Eire, Australia, New Zealand, Union of South Africa and British West Indies.

#### Non-Empire Countries

France and French Colonies, Paraguay,  
(Exchange of most-favoured-nation treatment)

Argentina; Belgium and Luxembourg and Belgian Colonies; Bolivia; Brazil; Chile; Colombia; Costa Rica; Dominican Republic; Ecuador; Guatemala; Haiti; Mexico; Netherlands, Netherlands Indies, Surinam and Curacao; Panama; Poland; Portugal, including Madeira, Porto Santo and Azores; Salvador; Spain; Sweden; Switzerland; United States; Uruguay; and Venezuela.

'Most-favoured-nation treatment' indicates a mutual agreement that the two nations will give each other, either generally or on specific commodities, rates which are as low as those given to any other country.

A long-sought trade treaty with the United States was agreed to by both countries in 1935, and modified in 1939. Through it the U.S. granted concessions on fish, potatoes, silver fox furs, cream, hay, salmon, lumber, cattle and many other items. Canada reciprocated by removing a special three percent excise tax levied in addition to the regular duty during the depression; also reduced rates on most fresh vegetables, cigarettes, cotton goods, wall-paper, proprietary medicines, motorcycles and a wide range of other articles from insecticides to dynamos and electric refrigerators, imported from the U.S.

The general intention of the above mentioned treaties was to gain admittance for Canada's primary staple products - surplus foodstuffs, processed and raw materials such as wheat and flour, newsprint, lumber, meat, fish, dairy products, and non-ferrous metals to other countries at favourable rates in return for the reduction of duties on the admission of their products into Canada.

#### A war-changed scene

Wars, on two occasions have made great changes in Canada's trading habits. During World War II, per capita exports increased from \$82 in 1939 to \$287 in 1944, the record exporting year. Total exports of domestic products reached the unprecedented value of \$3,440,000,000, an increase of more than 271 per cent over 1939. About four fifths of the total, however, was of a wartime character; more than half of the increase was of foodstuffs, including meat and dairy products to the U.K. and large shipments of grain to the U.S. The high urgency of production for war has fostered the development of new capacities and skills in industry. Canada has come out of World War II with vastly expanded facilities for producing a greatly widened range of commodities. The war made necessary the establishment of new industries, new factories, shipyards and munitions plants while many existing industries underwent tremendous expansion. Great advances were made in the production of finished goods and equipment, some of which were of a type quite new to Canadian industry and had previously been imported from abroad.