importance of the industry, the relative costs of production, revenue aspects, trade agreements and other relevant considerations. The present tariff structure is built on three main levels:

British preferential rates apply generally to most countries within the Commonwealth. Canada was first to introduce this method of preferred treatment for the goods of the United Kingdom and British Dominions. Among the countries accorded this special treatment under specific trade treaties are the United Kingdom, Eire, Australia, New Zealand, Union of South Africa and the British West Indies.

Intermediate rates are applied under trade agreements. They have been granted to some countries not entitled to the British preferential rate and are lower than the general rate. There are instances of rates lower than the intermediate tariff under the Canada-France, Canada-Poland and Canada-United States agreements. Most-favoured-nation countries are entitled to all intermediate and lower than intermediate rates that have been granted.

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

At the present time Canada carries on trade with the following non-Commonwealth countries under trade agreements, conventions of commerce or by participation in treaties made by the United Kingdom: Argentina; Benelux (Belgium, Luxembourg and the Netherlands) Belgian Colonies, Surinam and Curacao; Bolivia; Brazil; Chile; China; Colombia; Costa Rica; Cuba; Czechoslovakia; Denmark; Dominican Republic; Ecuador; France and French Colonies; Greece; Guatemala; Haiti; Italy; Lebanon; Mexico; Nicaragua; Norway; Panama; Paraguay; Poland; Portugal, including Madeira, Porto Santo and Azores; Salvador; Spain; Sweden; Switzerland; Syria; Turkey; United States; Uruguay; Venezuela and Yugoslavia. All these countries except Paraguay enjoy most-favoured-nation treatment in Canada, i.e., there is a mutual agreement that the two nations involved will give each other, either generally or on specific commodities, rates which are as low as those given to any other country.

## Canada's Post-War Trading Problems

Although Canada's external trade, both in exports and imports, has been at record peace-time levels since the end of World War II, she must nevertheless make a fundamental adjustment in her foreign commerce in the years immediately ahead. In the first place, the pattern of world trade that prevailed in the years before World War I and persisted on an unstable footing in the inter-war period has gone forever, and a new pattern must be worked out. In the second place, the Canadian economy was subject to material changes during the war which will reflect themselves in a different disposition to export and to import goods. Thirdly, Canada emerged from the war not only as one of the world's most important exporters of goods but potentially as an exporter of capital.

These three factors and what Canada is doing to deal with the problems they present will be dealt with in the sections that follow.

### The New Pattern of World Trade

The fact that Western Europe as a whole is no longer a world creditor means that in future its commodity exports and imports must be more nearly in balance. There is also a possibility that there will be a greater interchange of goods between its countries, particularly if present exploratory consultations into the advantages of custom union and free-trading areas come to fruition. Bringing exports and imports into better balance means that commodity exports must in future be larger

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