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ANNECY TARIFF NEGOTIATIONS

The Secretary of State for External Affairs announced today the detailed results of the trade negotiations that took place in Annecy, France, last summer. A new over-all agreement was reached covering proposed tariff reductions involving thirty-three countries.

2. The new agreement, if ratified, will add ten new countries to the group of twenty-three that reached a similar agreement in Geneva in 1947. In order to include these countries in the group, some 140 two-sided tariff negotiations were successfully concluded at Annecy.
3. The Annecy conclusions provide that Canadian exports will continue to get most-favoured-nation treatment and will now get new tariff concessions in all of the ten new countries. These countries are Denmark, Dominican Republic, Finland, Greece, Haiti, Italy, Liberia, Nicaragua, Sweden, and Uruguay.
4. In return, Canada is to give tariff concessions to the same countries. These concessions will go into effect on or after January 1, 1950. The exact date will depend on when the other countries take similar action.
5. All the concessions negotiated at Annecy will probably be in effect by May 30, 1950.
6. Under the most-favoured-nation principle, all tariff reductions agreed by other countries at Annecy automatically become available to Canada, whether those reductions were negotiated with Canada or with some other country. Similarly, Canada automatically extends its own tariff reductions to each of the other thirty-two countries.
7. Since the Annecy discussions ended in August, the thirty-three Governments have had time to review what their negotiators did. These Governments, including Canada, can now signify their approval by signing the "Annecy Protocol of Terms of Accession to the General Agreement on Tariffs and Trade".
8. The Protocol opens for signature tomorrow, October 10, at the Headquarters of the United Nations at Lake Success. A representative of the Canadian Government will sign in the near future.
9. Canada's signature will, in effect, cast Canada's vote in favour of inviting all ten new countries to put the new arrangements into force. Each new country must have a two-thirds majority to be included.
10. Full details of all these concessions are being printed by the United Nations and will become available. There follows a summary of those which are of interest to Canada.

/11. The Annecy....

11. The Annecy tariff negotiations were conducted at the time of the Third Session of the Contracting Parties to the General Agreement. A report on the proceedings of the Session will appear in the October issue of "EXTERNAL AFFAIRS", the Monthly Bulletin of the Department of External Affairs.

SUMMARY OF PRINCIPAL CONCESSIONS SECURED BY CANADA

The tariff concessions secured by Canada fall into two groups: concessions given by the twenty-two countries already included under the Geneva arrangements and concessions given by the ten new countries.

The following are concessions important to Canada granted by countries previously in the Geneva agreement:

United States is reducing its duties on hollow bars and drill steel, forgings, wallboard, paperboard and pulpboard, wrapping paper, miscellaneous manufactures of paper, plywood of birch and alder, wood manufactures, butter, Oka cheese, leather manufactures, hides, footwear with fabric uppers, cellulose compounds, granite and limestone.

Czechoslovakia is reducing duties on seed barley and oats, apples, sardines, herring and dried milk.

France is reducing its duty on plywood, softwood lumber, seed barley and oats, honey, horses, horse meat, newsprint and corrugated paper.

Norway is reducing its duties on electric motors and limiting for a further period the protection that may be accorded to domestic wheat through the operations of the state grain monopoly.

Among the tariff reductions granted by the ten new members are the following:

Denmark, which already had a low tariff, is reducing its duties on lobster, crayfish, shrimps and fresh, salted or canned salmon, and artificial silk stockings.

The Dominican Republic reduces its rates on lamps and lanterns and their parts, copper wire, aluminum bars, sheets, wire and powder, radios, machines for harvesting sugar cane, herring, mackerel and other fish in brine, whisky, and incandescent mantles for lamps.

Finland reduces its rates on clover seed, whisky, chemicals and medicaments, aluminum powder, and electrical equipment.

Greece reduces its duties on meat, concentrated milk, herrings, lobster, sardines, wheat flour, whisky, gin, cocoa, box shooks, plywood, asbestos, agricultural machinery, nickel, aluminum, calcium carbide, cod liver oil, paper pulp, wrapping paper, rubber belting, rubber tires, and inner tubes.

Haiti has made reductions on aluminum articles, patent medicines, cod liver oil, soap powders, extracts and perfumes, printed advertisements, radios and parts, sewing machines, apples, cheese, kippered herrings, canned salmon, sardines, hats, and incandescent mantles.

Italy reduces duties on herrings, codfish, stockfish, seed potatoes, apples, wheat, rye, oatmeal, canned meat and vegetables (mixed), canned salmon, sardines, kippered herring, kipper snacks, mackerel and

/lobster....

lobster, polystyrene, sawn lumber of conifers, asbestos cords and threads, brake linings, and several types of agricultural machinery in which Canada has an export interest.

Liberia reduces its duties on meat and fish, dried eggs, plywood, lamps and lanterns, agricultural machinery, insecticides, fertilizers and toilet preparations.

Nicaragua reduces its rates on patent medicines, newsprint, plywood, oatmeal, whisky.

Sweden, which already had a low tariff in general, reduces its rates on tomato purée, apples, pears, sauces, vitamin concentrates, and nylon stockings.

Uruguay reduces its rates on apples, cardboard, paper (except newsprint), zinc, harvesters, typewriters, adding machines, cash registers, industrial machinery, washing and ironing machines.

CONCESSIONS SECURED BY CANADA FROM ACCEDING COUNTRIES

The Tariff Schedules of the various countries are necessarily drawn up in terms of the tariffs of those countries, just as Schedule V (the Canadian Schedule) has been written in terms of the Canadian tariff. Before the Annecy conference Canada had not, with minor exceptions, negotiated individual tariff rates with any of the new acceding countries but had merely exchanged most-favoured-nation treatment with them. In consequence the form and appearance of some of the new Schedules may be unfamiliar to Canadian eyes. It will be appreciated that the full detail of all the schedules is comprehensive. Inquiries on matters of detail may be addressed to the Foreign Tariffs Section of the Department of Trade and Commerce, Ottawa.

The following are the principal concessions of importance to Canada which have been given by the acceding countries:

DENMARK

The Annecy negotiations represent the first direct commercial negotiations between Canada and Denmark, although most-favoured-nation treatment had been exchanged between the two countries for many years under the terms of an ancient treaty between the United Kingdom and Denmark dating from 1660. Trade between Canada and Denmark has not reached large proportions because many of the items which Denmark exports are also exported from Canada. The Danish tariff has been a low one and many of the concessions obtained by Canada represent bindings of free entry or bindings of existing low rates of duty.

It is not practicable to match Canadian statistics of exports to Denmark exactly with the Danish tariff. The best available estimate indicates that the principal items in the Danish schedule of concessions of importance to Canada accounted for \$3,892,000 out of a total of \$4,328,000 of Canadian exports to Denmark during 1947. On the basis of 1948 exports, the scheduled items of principal importance to Canada account for \$2,200,000 out of total exports in the latter year valued at \$7,700,000. Canada's 1948 exports included large sums for barley and ships, not scheduled in the present agreement but both free of duty under the Danish tariff.

Under the Annecy agreement, bindings of free entry were secured for Canadian exporters to the Danish market on fish liver oils, fodders, clover and forage seed, synthetic rubber, asbestos, rye, wheat flour, mowing machines, unmanufactured metals, phosphate fertilizers and paraffin.

A reduction of 50% from 1 kroner per kilo to .5 kroner per kilo on lobster, crayfish and shrimps and from .8 kroner per kilo to .4 kroner per kilo on salmon, fresh or salted. Reductions of duty were obtained on artificial silk stockings reduced from 11 kroner per kilo to 10 kroner per kilo; and on canned lobster and canned salmon reduced from 1 kroner per kilo to .8 kroner per kilo.

Existing rates were bound on whisky and gin, the rates being 1.5 kroner where the alcohol is not more than 50% by volume and 3 kroner per litre on other whisky and gin. Present rates were also bound on apples and pears .05 kroner per kilo; automobile casings and tubes .8 kroner per kilo; felt hats at 20% but with minimum duties ranging from .3 kroner to 1.5 kroner each; aircraft parts of aluminum at .3 kroner per kilo (or if for international air traffic, free); leaf tobacco 2.3 kroner per kilo; and aircraft 7½% or when for use in international air traffic free.

At present official rates (September 25, 1949), the Danish krone is valued at \$0.1592 Canadian currency, and 1 krone per kilogram is equal to 7.22 cents per pound.

/DOMINICAN....

DOMINICAN REPUBLIC

The Annecy negotiations of 1949 provided for scheduled tariff concessions on a much wider scale than the previous agreements. It is estimated that items covered by concessions represented exports from Canada, valued at \$1,352,000 out of a total of \$1,914,000 in 1947 and at \$1,915,000 out of a total of \$1,985,000 in 1948. The inclusion of Newfoundland figures would increase these totals.

Items of importance to Canada on which duty is reduced include: Glass lamp founts, pedestals, etc. from \$11 per 100 kilograms or if higher 30 per cent, to \$9 per 100 kilograms or if higher 25 per cent; lamps and parts and parts of lanterns, of iron or steel, from 10¢ per kilo or if higher 20 per cent to 7½¢ per kilo or if higher 15 per cent; hand lanterns, of iron or steel, from \$1.80 per dozen, or if higher, 20 per cent to \$1.35 per dozen, or if higher, 15 per cent; wall lanterns, of iron or steel, from \$3.00 per dozen, or if higher, 20 per cent to \$2.25 per dozen, or if higher; 15 per cent; lamps and parts and parts of lanterns, of copper or alloys, from 20¢ per kilo, or if higher, 25 per cent to 16¢ per kilo, or if higher, 20 per cent; incandescent mantles, from \$2.50 to \$1.66 per 100 units; prepared oat cereals, from 5¢ to 3¢ per kilo; unsweetened biscuits, from 15¢ to 10¢ per kilo; and preserved fruit from 15¢ to 12¢ per kilo. The duty on fountain pens is reduced by 50 per cent.

Duties have been reduced by one-half on a number of important aluminum items, namely, bars, sheets and wire from 50¢ to 25¢ per kilo, and powder, leaves, liquid or paste, from 60¢ to 30¢ per kilo. The rate on aluminum pigs and ingots has been bound at \$10 per 100 kilos, on aluminum roofing sheets, at 1¢ per kilo, tubing and accessories at 10 per cent ad valorem, and on aluminum barbed wire at 5¢ per kilo. The rates on copper wire, bare and insulated, have been reduced - the former from 20¢ to 15¢ per kilo and the latter from 15¢ to 12¢ per kilo.

Among fish products, the rates on herring, mackerel and other fish in brine, have been reduced from 2¢ to 1½¢ per kilo, while the existing rates on dried and salted fish, including cod, and on smoked fish have been bound at 2½¢ per kilo.

Other items on which duty reductions were obtained include: iron fencing wire; iron kitchen utensils; sugar cane harvesting machines; radio and television apparatus; and whisky. The rate on rubber tires for passenger vehicles and bicycles has been changed from \$30 per 100 kilos to 25 per cent ad valorem, and on tires for trucks from \$20 per 100 kilos to 15 per cent ad valorem.

Continued free entry is guaranteed for printing paper; natural and artificial fertilizers; sewing machines and parts; live animals and birds of all kinds; wheat; and horticultural seeds, the latter item including also seed potatoes.

Existing rates have been bound on malt; Portland cement; pharmaceutical products; soaps and washing preparations; paints and varnishes; calcium carbide; writing paper; cotton fabrics; typewriters; automobile parts; electricity meters; electric dynamos, generators and transformers; and rubber transmission belts.

Under an existing trade agreement with the Dominican Republic which came into effect on March 15, 1940, the two countries had already provided for the unconditional exchange of most-favoured-nation treatment in tariff matters. In addition, the Dominican Republic had agreed to remove certain internal revenue taxes from imported dried salted hake, pollock and cusk, and some other fish, and to admit Canadian seed potatoes and wheat free of customs duty and internal revenue tax.

Newfoundland had also concluded an agreement with the Dominican Republic providing for exchange of most-favoured-nation treatment and the removal of the internal revenue tax in the Dominican Republic on dried codfish.

Dominican tariff rates are expressed in United States dollars, the specific rates being expressed in terms of United States dollars per kilogram of 2.204 lbs.

#### FINLAND

While the trade of Canada with Finland has never been large, Finland has given tariff concessions on items responsible for more than three-quarters of the trade. The approximate value of Canadian exports of these items was \$1,740,000 as compared with total exports of \$2,280,000 during 1948.

The Finnish duty on apples, fresh, in the Canadian season, was reduced from 13.5 marks per kilo to 20% and apples, dried, from 54 marks per kilo to 15%. Seeds of red clover will enter free, as compared with the previous rate of 13.5 marks per kilo. Apple extract was reduced from 126 marks per kilo to 8 marks per kilo. Reductions in duty were also obtained on whisky; leather for machine belting; rubber tires and tubes; rubber transmission and conveyor belts; iron and steel bars; aluminum powder; certain machinery and apparatus; and ploughs. Bindings were made of existing rates on apple pulp, preserved; sole leather; aluminum bars and wire; and automobile parts. Free entry was bound for celluloid; viscose; synthetic plastics; synthetic resins; and unworked aluminum.

Prior to the war Canada and Finland exchanged most-favoured-nation treatment in accordance with the terms of a Treaty of Commerce and Navigation concluded between the United Kingdom and Finland in 1923. This agreement became inoperative during the war but the two countries agreed by an exchange of notes in November 1948 to extend most-favoured-nation treatment to one another pending the negotiation of a trade agreement.

The rates of duty in the Finnish schedule are expressed in marks per unit of quantity or in ad valorem terms. The Finnish mark is officially quoted as equivalent to \$.0048 Canadian, and 1 mark per kilogram therefore equals 0.217¢ per lb.

#### GREECE

Among the commodities listed in the Greek schedule, concessions on the following items are of chief interest to Canada:

Wheat and wheat flour; canned sardines; dried or salted codfish; plywood; pulp for paper-making; newsprint paper; rubber belting; rubber tires and inner tubes; agricultural and metal working machinery; chemical fertilizers; medicinal cod liver oil; raw nickel and aluminum; aluminum sheets; spectacles and mountings; canned meat; solidified milk; and wooden boards for packing cases.

Greece and Canada exchanged most-favoured-nation treatment under the terms of a modus vivendi which became effective in August, 1947. Prior to that time, imports from Canada were subject upon importation into Greece to the Greek maximum tariff, except imports of wheat and flour which benefited by the minimum rates of duty under special decrees issued from time to time. The modus vivendi concluded in 1947 did not deal with individual tariff rates. The Ancey conference thus represents the first time when detailed tariff concessions have been negotiated between Greece and Canada.

/The method....

The method of calculating Greek customs duties is complicated, and further details are available from the Foreign Tariffs Section of the Department of Trade and Commerce. Most of the rates in the Greek tariff are specific and are expressed in terms of metallic drachmas per unit of quantity. Duties, however, are payable in paper drachmas. Owing to severe and repeated currency depreciations, the rates of conversion for duty purposes from metallic to paper drachmas, which is performed according to an elaborate formula, have changed from time to time. Conversion is performed by the use of a system established before World War II involving the use of coefficients which differ among the various commodities. These coefficients were bound at Annecy. An additional coefficient, variable from time to time but applicable to all commodities alike, compensates for the further depreciation which has occurred since the war.

The concessions granted by Greece to Canada consist in principle of two things: first, the reduction or binding of a number of rates expressed in metallic drachmas; secondly, an undertaking that the conversion of metallic to paper drachmas for duty purposes shall be performed by an agreed method. This method ensures that any future adjustments in specific duties during the life of the agreement will not be more than proportionate to changes in the value of the paper drachma.

In the case of wheat, for example, the statutory rate of duty has been bound at 6 metallic drachmas per 100 kilograms of 220 pounds. At the rate of conversion which was in use during the Annecy negotiations, this was equivalent to 49 cents a bushel (Canadian funds). On the basis of wheat at \$1.55 per bushel Fort William, this was equivalent to 32% ad valorem. Using the exchange coefficient agreed at Annecy, and before the devaluations of September 1949, the 6 drachma rate would have resulted in a duty of 41 cents per bushel, representing about 20% on values then current. Any adjustment consequent upon the September devaluations should not result in any increase above the last mentioned ad valorem rate. As Greece is far from self-supporting in cereal foodstuffs, it is to be expected that it will always constitute a market for wheat within the limits of its domestic food requirements and purchasing power.

The following list shows reductions in specific rates on a number of items of interest to Canada. The rates are expressed in metallic drachmas, and the figures in brackets show the coefficients which have been bound for each article as indicated above. Conversion from metallic to paper drachmas is to be made by the agreed method at rates which may vary from time to time but will be limited according to the value of the paper drachma.

- Food products derived from meat, n.e.s., from 30 to 25 per 100 K.G. (40)
- Herring, from 6 to 4 per 100 K.G. (11)
- Lobster, shrimp, tuna, and the like, canned, from 20 to 15 per 100 K.G. (36)
- Sardines and similar fish, canned, from 20 to 12 per 100 K.G. (36)
- Wheat flour, from 10.7 to 9 per 100 K.G. (20)
- Whisky, gin, from 140 to 70 per 100 K.G. (40)
- Cocoa in powder etc., from 250 to 100 per 100 K.G. (40)
- Common wooden boards for packing cases, 10 to 7.5 per 100 K.G. (15)
- Plywood of common wood, from 48 per cubic metre to 40 per cubic metre (30)

/Asbestos....

Asbestos, from 30 to 8 per 100 K.G. (36)

Bars or plates of iron or steel, from 2 to 1 per 100 K.G. (22)

Agricultural machinery and parts, for cultivating or harvesting, from 5 drachmas per 100 K.G. to 3%.

Nickel and its alloys, in lumps or ingots, from 50 to 20 per 100 K.G. (20)

Aluminum, in lumps, pigs, plates, from 15 to 10 per 100 K.G. (20)

Aluminum sheets, from 25 to 20 per 100 K.G. (20)

Calcium carbide, from 14 to 10 per 100 K.G. (20)

Cod liver oil, medicinal, from 30 to 10 per 100 K.G. (15)

Pulp, mechanical or chemical, for paper-making, from 1.50 to 1 per 100 K.G. (36)

Rubber belting; (a) pure rubber, from 40 to 30 per 100 K.G.; (b) rubber mixed with other materials from 50 to 40 per 100 K.G. (36)

Rubber tires for automobiles, from 30 to 16 per 100 K.G. (40)

Inner tubes for automobiles, from 140 to 33 per 100 K.G. (40)

Milk, skimmed or not, in solid form, bound at 20 per 100 K.G. (15)

Codfish, dried or salted, bound at 4 per 100 K.G. (11)

Wheat, bound at 6 per 100 K.G. (15)

Sawn wood, n.e.s. (oak, chestnut, poplar, elm, ash, maple, plane, cyrus, cedar, lime, willow), bound at 12 per cubic metre. (30)

Railway sleepers, bound at 1.50 per cubic metre (15)

Chemical fertilizers - superphosphates, bound at 2 per 100 K.G. (20)

Common newsprint paper, bound duty free.

#### HAITI

Exports from Canada to Haiti in 1948 amounted to \$1,393,000. It is not possible to indicate precisely the amount of this trade covered by the Haitian tariff concessions because the Canadian trade statistics cannot be identified exactly with the Haitian tariff classification. It is estimated, however, that concessions by Haiti cover Canadian trade valued at approximately one-half million dollars in 1948.

Trade relations between Haiti and Canada have been covered by the terms of a trade agreement between the two countries signed on April 23, 1937, which provided for the exchange of most-favoured-nation treatment.

Items of importance to Canada on which reductions in the Haitian tariff were obtained at Annecy include a wide variety of products.

Free entry has been guaranteed for text books; agricultural implements and machines; live animals for breeding; and seed potatoes. In connection with seed potatoes, an important change was the extension of the tariff classification to include whole potatoes. The tariff item previously applied only to seed potatoes cut in pieces.

/Of interest....



Of interest to Canadian fisheries are reductions in the duty on kippered herrings from .60 gourde per kilo, or if higher, 20 per cent to .50 gourde per kilo, or if higher, 15 per cent; on canned salmon, .50 gourde per kilo to .40 gourde per kilo; and on sardines and imitations, from .75 gourde per kilo, or if higher, 20 per cent to .50 gourde per kilo, or if higher, 15 per cent.

Included among the other items on which reductions in duty were obtained are hand-operated sewing machines, fresh apples and pears, incandescent lamp mantles, felt hats, cheese including cheddar, processed milk, patent medicines, iron pipes and fittings, sail cloth, motor cars up to \$1,500 and motor car parts.

Other reductions include patent medicines, reduced from 1 gourde per kilo or not less than 20 per cent, to 0.58 gourde per kilo or not less than 11.5 per cent; crude gypsum, for which free entry is provided in the Ancey agreement compared with a tariff of .05 gourde per kilo at present; gypsum, calcined, reduced by 50 per cent, from .06 gourde per kilo or if higher 20 per cent, to .03 gourde per kilo or if higher 10 per cent; lamps and lanterns, reduced from 1.75 gourdes per kilo or if higher 30 per cent, to 1.20 gourdes per kilo or if higher 20 per cent; cod liver oil, reduced from .30 gourde per kilo to .15 gourde per kilo; soap powder and detergent preparations, reduced from .30 gourde per kilo or if higher 20 per cent to .20 gourde per kilo or if higher 15 per cent; commercial advertisements printed on paper, reduced from .50 gourde per kilo to .40 per kilo; sewing machines with pedals, reduced from .75 gourde per kilo or if higher 20 per cent, to .655 gourde per kilo or if higher 8.8 per cent. Similar reductions in rate were obtained for parts of sewing machines. Wireless receiving sets were reduced from 30 per cent to 13.1 per cent.

Bindings of existing rates were obtained on copper wire, plain and covered; aluminum articles; extracts and essences; dried and salted codfish, and canned meats; prepared oat cereals; artificial silk fabrics.

In addition to the duties quoted above, surtaxes of 20 per cent of the duty and of 3 per cent ad valorem continue, with some exceptions, to be levied on imports into Haiti.

Haitian tariff rates are frequently expressed in terms of gourdes per unit of quantity. The gourde equals 22 cents Canadian, and 1 gourde per kilo equals 10 cents Canadian per pound.

#### ITALY

The principal concessions of importance to Canada cover items exported to Italy from Canada in 1948 valued at approximately \$18,500,000 out of total exports to Italy from Canada in the same year valued at \$32,378,000.

Concessions of interest to Canada include a reduction in the duty on wheat from 50% to 30%. A similar reduction applies to rye. For both wheat and rye Italy has also undertaken that in accordance with Article II, paragraph 4, of the General Agreement on Tariffs and Trade, the re-sale price of wheat or rye imported by the Italian Government or any of its agents shall not exceed by more than 15% the landed cost, duty paid, of rye or wheat imported during the previous crop year. Account is taken of the cost of transport, and normal commercial expenses including a reasonable profit. The undertaking does not require the Italian Government to reduce the price of imported wheat or rye in any year by more than 20% below the prices in the previous crop year.

/Other....

Other important reductions in the Italian tariff include agricultural machines for working, preparing and draining the soil, and manure spreaders from 35% to 18%; harvesting machines with binder attachments reduced from 40% to 20%; potato diggers 35% to 18%; herrings, reduced from 10% to 5%; codfish and stockfish, dried, reduced from 15% to 8%; canned salmon reduced from 30% to 25%; canned lobsters reduced from 30% to 10%; kippered herrings, canned, including kipper snacks and mackerel, reduced from 35% to 25%. The duty on fresh apples is bound at 10% for the period July 1 to March 15 in each year and is reduced to 8% for the remainder of the year. The duty on oatmeal and oat flour, which have found a good postwar market in Italy, has been reduced from 35% to 25%. Polystyrene reduced from 30% to 25%; sawn lumber from 15% to 10%; asbestos cords reduced from 25% to 18%; asbestos threads reduced from 25% to 20%.

Other items on which reductions in duty or bindings of existing rates were secured include seed barley, linseed, fish liver oil, canned meats, whisky, paper pulp, nickel and zinc, while duty free entry was bound for hybrid seed corn for a quota of 50 million quintals per year, pedigreed cattle, seed potatoes, rags and waste, and asbestos, crude.

The tariff system actually in force in Italy is based upon a customs tariff put into effect in 1921. The duties are specific and originally had to be paid either in gold or in legal tender. In the latter case an additional sum was collected, the amount being established by the Treasury on the basis of the average price of gold and the rates of exchange. In 1931, however, the duties provided for in the tariff in gold lire was substituted for duties expressed in legal tender and from that time (i.e. March 1, 1931), the duties shown in the tariff were the legal currency duties.

Considering the devaluation that the Italian lira suffered since before the war, the incidence of the Italian duties in ad valorem terms had decreased by the early part of 1949 to an average of about 1%. It was recognized at Annecy that Italy was entitled to undertake a re-valuation of the duties provided for by the Italian customs tariff before the negotiations were undertaken.

The negotiations took as their starting point a new draft tariff put forward by the Italian government on the basis of the League of Nations nomenclature which had already been followed by France and several other countries. Duties are on an ad valorem basis. Insofar as possible, the Italian government indicated that they had tried to maintain the incidence of the prewar rates; and they had chosen the year 1934 as the basis of comparison as it seemed to be the only one which could be considered a more or less normal year in the prewar period. The Italian draft tariff was accepted as a basis of negotiations by the Contracting Parties at Annecy subject to any considerations which might be raised in the bilateral negotiations.

Previous commercial relationships between Canada and Italy had been regulated by a Convention of Commerce dated January 4, 1923, which provided for the exchange of most-favoured-nation treatment in tariff matters. This convention was terminated by the war, but the exchange of most-favoured-nation treatment was re-established and confirmed after the war by an exchange of notes in April 1948.

#### LIBERIA

The Annecy discussions represented the first trade negotiations to be conducted between Canada and the Republic of Liberia. Trade between the two countries has been small and limited to a relatively few items. The Liberian schedule, however, contains a number of concessions of actual or potential interest to Canadian exporters.

/Substantial.....

Substantial reductions were obtained on fish, dried or smoked, reduced from 4¢ lb. to 3¢ lb., and canned fish of all kinds from 6¢ lb. to 4¢ lb. Eggs, except in shell, were reduced from 50% to 20%. Lamps and lanterns, except electric, were reduced from 30% to 20%.

Tlywood was reduced from 30% to 15%; agricultural implements, 10% to free; insecticides, fungicides and similar preparations were reduced from 30% to free; fertilizers reduced from 20% to free; toilet preparations reduced from 40% to 30%; and ham, bacon, sausages, pig's feet and other canned meat products were reduced from 5¢ lb. to 4¢ lb.

The revenue duty of \$1.00 per 100 lbs. on wheat flour was bound. On rubber tires the rate was bound at 20% and on enamel pots and pans at 30%; on radio receivers and parts the rate was bound at 25%.

### NICARAGUA

Commercial relations between Canada and Nicaragua have been governed since December 1946 by a trade agreement which provides for the exchange of most-favoured-nation treatment.

Although trade between Nicaragua and Canada has not been of major importance to either country, a canvass of the Nicaraguan schedule indicates items of importance to Canada which would account for a minimum of \$450,000 out of a total export in 1948 of \$700,000.

The Nicaraguan schedule agreed at Amcey includes a number of items of actual or potential importance to Canadian exporters. Reductions in duty apply to newsprint, which will become dutiable at \$.25 per 100 kilos, a reduction from \$.34 per 100 kilos. Free entry is guaranteed for road making machinery; dynamos and generators; and agricultural machinery and parts. The existing rate was bound on wheat flour at \$2.8875 per 100 kilos. Other items on which the duties were reduced or bound at low rates include copper wire, calcium carbide, sodium cyanide, patent medicines, pharmaceutical products, rayon fabrics, sewing machines, malt and processed milk, paints and varnishes, nylon and rayon hosiery, batteries, radio receivers, typewriters, automobiles and trucks, whisky and fountain pens.

Specific rates in the Nicaraguan tariff are expressed in gold cordobas per unit of quantity, and 1 gold cordoba is equal to \$1 U.S.

### SWEDEN

Canada and Sweden have exchanged most-favoured-nation treatment for many years under terms of a Convention of Commerce and Navigation between the United Kingdom on the one hand and Sweden and Norway on the other, concluded on March 18, 1826. The present agreement represents the results of the first direct negotiation by Canada with Sweden. The Swedish tariff is generally speaking not a high one. Rates are usually set forth in specific terms in kronor per 100 kilograms. The krona is officially quoted at \$0.2126 Canadian, and at that rate 1 krona per kilogram is equivalent to 9.36 cents a pound.

The Swedish Government wished to reserve the right to translate some of the specific rates into ad valorem terms at a future time, and for that reason a number of the concessions negotiated at Amcey, although expressed in specific terms, are accompanied by ad valorem alternatives.

/Reductions.....

Reductions in duty were secured on tomato purée reduced from 50 kroner per 100 kilograms to 25 kroner per 100 kilograms during the period May 1 to November 30 in each year; vitamin concentrates reduced from 15% to free; and sauces reduced from 60 to 50 kroner per 100 kilograms.

Free entry has been bound on salted salmon, sausage casings, dried apples, clover and alfalfa seed, lubricating oils, hides, skins of sheep and cattle, synthetic rubber, manufactures of asbestos other than engine packings and brake bands, unwrought copper and copper alloys, and crude lead, aluminum, nickel, cobalt and cadmium.

Items on which the existing duties were bound include concentrated soup and canned lobster and salmon, hats and hat shapes of felt, transmission bolts of rubber, tires, certain rubber footwear, asbestos engine packings and brake bands, electric motors weighing not more than 25 kilograms each, and ploughs, harrows, harvesting machines, and horse rakes.

#### URUGUAY

Trade relations between Canada and Uruguay have been governed by a trade agreement signed on August 12, 1936, which provides for an exchange of most-favoured-nation treatment. The Amcey negotiations, however, represent the first time that the two countries have negotiated for scheduled tariff concessions. Although there are few items in which either country is the other country's principal supplier, it was found possible to reach an agreement covering a substantial volume of trade. Total exports from Canada to Uruguay were valued at \$4,200,000 in 1948. The leading items in the Uruguayan schedule of importance to Canada cover approximately \$1,600,000 of this trade.

The tariff of Uruguay is made up of a unique and complex combination of customs duties and several kinds of supplementary charges, partly on an ad valorem basis, and partly on a specific basis. The ad valorem components of the duties are calculated on standard official valuations or "aforos" listed in the tariff. These official valuations are in general considerably below current market prices. The concessions extended by Uruguay at Amcey comprise not only reductions or bindings of existing rates, but also an undertaking not to increase the "aforos" on any item during the period of the agreement.

In the following summary, effective rates have been calculated on the basis of combined imposts in pesos per unit of quantity. For example, the duty plus all surtaxes on calcium carbide has been bound at 61.5%, and since the official valuation is 7.80 pesos per 100 kilograms, the operative rate of duty is 4.80 pesos per 100 kilograms. In a few cases there is no official valuation and the ad valorem rate is levied on the c.i.f. value.

The peso is officially quoted at 72.41 cents Canadian (controlled), and 61.80 cents (uncontrolled). One peso per hundred kilograms is therefore equivalent to .529 cents a pound (controlled) or .281 cents a pound (uncontrolled).

Reductions in duty were extended by Uruguay at Amcey on pedigreed cattle, reduced from 6% to 0.75%; apples reduced during the season October 1 to February 15 from 8.20 pesos per 100 kg. to 6.24 pesos per 100 kg.; cardboards, reduced from 11.49 pesos per 100 kg. to 9.65 pesos per 100 kg.; zinc, rolled or drawn, slabs and leaves, reduced from 9.59 pesos per 100 kg. to 5.20 pesos per 100 kg.; harvesters, from 54.60 pesos each to free.

/other....

Other items on which the duties were reduced or bound include malt, calcium carbide, rubber tires, wood-pulp, wrapping paper, copper ingots, cream separators, refrigerators, sawing machines, other machinery including washing machines, platform type trailers, and other non-automotive vehicles.

Free entry was bound for agricultural tractors. Free entry was also bound for seed potatoes, a commodity of which Canada has exported a substantial amount, when imported by an official government agency. All seed potatoes imported into Uruguay for several years past are shown as coming within this category.

CONCESSIONS OF IMPORTANCE TO CANADA EXTENDED  
BY THE PRESENT CONTRACTING PARTIES.

The countries which negotiated at Geneva, referred to as the Present Contracting Parties, did not conduct further negotiations among themselves at Annecy except in one or two cases where the Geneva discussions had not been entirely completed. In conformity, however, with the multilateral character of the General Agreement on Tariffs and Trade, any concessions extended by the present Contracting Parties to any of the acceding countries are generalized and will apply accordingly to all parties to the General Agreement on Tariffs and Trade when they are brought into effect. Canadian exporters will accordingly stand to benefit by concessions which appear in the schedules of the present Contracting Parties in consequence of their negotiations at Annecy. The United States schedule of Annecy concessions, for example, contains upwards of 300 items, a number of which are of interest to Canada. The principal new concessions accorded by present contracting parties include the following:

UNITED STATES

The United States duty on hollow bars and hollow drill steel valued from 12 to 16 cents per pound, on which a reduction from  $4\frac{1}{4}$  to  $3\frac{7}{8}$  cents per pound was obtained at Geneva, will now be further reduced to  $2\frac{1}{8}$  cents per pound, the effective date (as indicated elsewhere) to be on or after January 1, 1950, depending in this instance on when Sweden puts its concessions into effect. On round iron or steel wire valued above 6 cents per pound, the maximum reduction in duty from 20 to 10 per cent is being given. Similarly the maximum reduction of 50 per cent is being made on flat wire of various widths. On fourdrinier wires and cylinder wires for papermaking machines, the duty is to be reduced from 75 to 50 per cent. On forgings of iron or steel the duty is to be reduced from 25 per cent to  $12\frac{1}{2}$  per cent, and on metal ball or roller bearings from an old rate of 8 cents per pound and 35 per cent to a new rate of 4 cents per pound and  $17\frac{1}{2}$  per cent. The duty on machines for making pulp or paper is reduced from 20 per cent to 15 per cent. Ferrochrome containing less than 3 per cent carbon, formerly dutiable at 25 per cent, will enter at  $12\frac{1}{2}$  per cent.

On wall board not laminated or otherwise processed the duty is reduced from 10 per cent to 5 per cent, and on paperboard and pulpboard not processed, from 10 per cent to  $7\frac{1}{2}$  per cent. The duty on sulphate wrapping paper is reduced from 20 per cent to 10 per cent, on sulphite wrapping paper from 25 per cent to 20 per cent, and on other wrapping paper (except strawboard) from 25 per cent to  $12\frac{1}{2}$  per cent. On miscellaneous manufactures of paper the duty is reduced from 35 per cent to  $17\frac{1}{2}$  per cent.

/On birch.....

On birch plywood the duty is reduced from 25 per cent to 20 per cent, and on alder plywood from 50 to 25 per cent. There is, however, no reduction on plywood made from Douglas fir, which was not negotiated by any of the acceding countries, and still bears a rate of 40 per cent. The duty on unspecified manufactures of wood, which was reduced from 33-1/3 per cent to 25 per cent at Geneva, is further reduced from 16-2/3 per cent.

On meat extracts the duty is reduced from 7½ cents to 3½ cents per pound. On butter there is a reduction from 14 cents to 7 cents per pound, limited however to a quota of 10,000,000 pounds imported from April to October. On miscellaneous cheese, (including Canadian Oka), the duty is reduced from 7 cents with a minimum of 35 per cent to 5 cents per pound with a minimum of 25 per cent. A reduction in the duty on cheddar cheese was previously conceded as a result of the Geneva negotiations, and there is no further change in the rate.

The duty on raw cattle hides is reduced from 5 per cent to 4 per cent. On footwear with fabric uppers and soles other than leather or rubber the duty is reduced from 35 per cent to 17½ per cent. The duty on manufactures of leather was reduced from 25 per cent to 17½ per cent at Geneva, and is now further reduced to 12½ per cent. The duty on finished articles (other than sponges) of cellulose compounds (not including cellulose acetate) is reduced from 60 to 30 per cent. On hewn or manufactured granite, the duty is reduced from 30 to 20 per cent, and on hewn or manufactured limestone from 50 to 25 per cent.

#### BENELUX

The Benclux concessions include a binding of the rate of 6 per cent on plywood of birch.

#### CZECHOSLOVAKIA

Czechoslovakia has extended reductions of duty on seed barley and oats, apples for the period August 1 to October 31, and on canned sardines, herring and dried milk.

#### CHILE

Items on which concessions were granted by Chile include bindings of existing rates or reductions on aluminum foil, pressure lamps and lanterns, electric motors, telephone and telegraph apparatus, electric motors, and parts of vehicles.

#### FRANCE

France has made a number of concessions of actual or potential value to Canadian trade. The duty on common sawn wood of conifers has been reduced from 14% to 7% when in thicknesses of over 75 millimetres, and from 20% to 7% when in lesser thicknesses. On veneers or plywood panels, whether wholly of common wood or coated with fine wood, the duty is being reduced from 25% to 20%. Seed barley and seed oats are reduced (within limits of a quota to be fixed annually) from 50% to 15%; natural honey, from 50% to 30%; horses for slaughtering from 45% to 15%; horse meat, from 50% to 15%; grease proof paper, from 25% to 20%. On paper in a continuous form, other than Kraft or straw, formed of a single layer of pulp, containing more than 60% of mechanical pulp and weighing less than 320 grammes per

square meter, the duty is being reduced from 30% to 25%, and on paper formed of two or more layers, with the interior of Kraft paper, there is a reduction from 35% to 25%. Corrugated paper and cardboard is being reduced from 30% to 25%. The duty on box and crate shooks is bound at 15%.

#### FRENCH EMPIRE

In the French overseas department of Guadeloupe, meat cattle, previously dutiable at 10%, are to be duty free. The duty on table potatoes imported in the period from July 1 to the end of February is being reduced from 30% to 25%. In French Guiana the duty on coniferous wood has been bound at 10%. Martinique has reduced the duty on table potatoes imported from July 1 to the end of February from 30% to 25%. Reductions or bindings of existing rates are accorded by French Equatorial Africa on paper and its manufactures, and on pressure type cooking stoves, while in French West Africa concessions are also made on pressure type cooking stoves and for Kraft and similar papers. In Tunisia the duty on sawn coniferous wood has been bound at 5% and on planed, tongued and (or) grooved soft wood at 10%.

#### NORWAY

Concessions by Norway include a reduction in the duty on felt hats from 1.2 kroner each to .8 krona each (1 krona equals \$0.154 Canadian as of September 26, 1949). There have been reductions in the rates on electric motors from 20 per cent to 10 per cent, circular saw blades from 20 per cent to 10 per cent, and gang saw blades from 20 per cent to 10 per cent, and bindings of free entry on linseed, iron and steel plates forged or rolled, and manufactures of asbestos. In the Norwegian schedule, free entry of wheat, which was bound at Geneva, is bound again in the Lancy schedule. There is also a new undertaking by the Norwegian Government to the effect that protection accorded to domestic grown Norwegian wheat through the operation of any state monopoly shall not exceed 25 per cent of the average landed cost of imported wheat during the previous quarter. This undertaking, however, does not require that the domestic selling price of wheat in Norway shall be reduced in any six months' period by more than 15 per cent or 3½ kroner per 100 kilograms. Under the agreement with Norway concluded two years ago at Geneva, the provision relating to operations of the state grain monopoly has stipulated only that the Norwegian domestic price of wheat should not exceed by more than 30 per cent the average price paid for imported wheat c.i.f. Norwegian ports during the three years ended December 31, 1950.

#### MODIFICATIONS IN PREFERENTIAL MARGINS

Preferences as well as rates of duty were subject to negotiation at Lancy, as they were at Geneva two years earlier.

The rules governing the negotiations set forth the principles to be followed with respect to preferences briefly as follows: No new preferences were to be introduced, no existing preferences were to be increased, and when reductions were negotiated only in M.F.N. rates, such reductions should operate automatically, to reduce or to eliminate the margin of preference with respect to the item under consideration. Where reductions were negotiated in the preferential rate, the M.F.N. rate was automatically to be reduced to the same extent. Where it was agreed that reductions should be negotiated simultaneously in both M.F.N. and preferential rates, the reduction in each was to be that agreed to by the parties to the negotiation.

/Margins of.....

Margins of preference were negotiable in much the same manner as tariff rates and could be reduced, eliminated, or maintained. Reductions or eliminations or margins of preference were subject to agreement by the parties interested in the maintenance of the preference, who were entitled to ask for compensation.

It will be seen that Canada was doubly involved in negotiations concerning preferences: first by the demands of foreign countries upon other Commonwealth areas, for the elimination or reduction of preferences enjoyed by Canada, and secondly by the demands of foreign countries for the elimination or narrowing of preferences granted in the Canadian tariff for the benefit of other Commonwealth countries. Modifications in preferences enjoyed by Canada in other Commonwealth areas were not extensive. The principal ones are summarized in the paragraphs immediately following:

#### UNITED KINGDOM

The United Kingdom tariff on aluminum, unwrought, in blocks, billets, ingots, slabs, notch bars, wire bars, sticks, and granules, was formerly 10% on imports from non-Commonwealth countries, while imports from Commonwealth countries were admitted free. Under the Annecy agreement, aluminum will become free of duty from all sources. The United Kingdom tariff on certain types of softwood imported from non-British countries has also been reduced to make it consistent with rates negotiated on the principal types at Geneva two years ago. Imports of all types of lumber from Canada, however, continue duty free.

By way of further explanation, it may be recalled that, before the Geneva negotiations, some varieties of softwood lumber (including sawn, hewn or in the round), when imported into the United Kingdom from non-Commonwealth sources, used to be subject to a rate of 16 shillings per standard while others were subject to ad valorem rates. As a result of the Geneva negotiations, the items subject to specific rates were reduced from 16 shillings to 8 shillings per standard. This reduction was made in return for a reduction made by the United States. Imports from Commonwealth countries continued free of duty. By the Geneva agreement also, the ad valorem rates were reduced, in the main by 2%, narrowing the preference to that extent. The Geneva negotiations, however, did not cover softwood timber, sawn or hewn, less than 11 inches in width and of a value of less than £16.12s. per standard.

This class of timber continued dutiable at 10% ad valorem. This latter rate is now to be converted, under the Annecy negotiations, to 8 shillings per standard, conforming with the rates already established for the principal softwood timber items during the Geneva negotiations. The general effect of the Annecy changes, therefore, is to make all wood and timber of coniferous species (other than boxboards, railway sleepers and sleeper blocks) in the round or hewn or square sawn, but not further prepared or manufactured, dutiable at 8 shillings per standard when imported from most-favoured-nations, though remaining free of duty if of Commonwealth origin.

There is also a small reduction in the most-favoured-nation duty from 10% to 7½%, in the United Kingdom tariff covering softwood weatherboards and other softwood boards (except boxboards) less than 2 inches in thickness and 4 inches or more in width, planed, but not further manufactured than tongued, grooved, etc. These products also continue duty free from Commonwealth countries.

The duty on doors of wood imported from non-Commonwealth countries is being reduced from 20% to 15%, subject as, previously, to a minimum duty of 1s.6d. per door. Free entry continues to be extended to imports from Commonwealth countries.



On softwood boxboards, dove-tailed, mortised or tenoned at the ends, imported in sets, which remain free of duty from Commonwealth countries, the most-favoured-nations rate is being reduced to 15%, compared with 20% before the Ancey negotiations.

The duty on prefabricated house sections, wholly or mainly of wood, is reduced from 20% to 15% when imported from non-Commonwealth countries. Commonwealth countries continue to enjoy free entry.

There is a 5% reduction in the duty to foreign countries on some iron and steel bars and rods valued between £35 and £70 per ton. The duty on specified types of seamless pipes and tubes has been adjusted downward so as to permit of a maximum annual quota of 5,000 tons from all sources to be admitted at a rate not exceeding 15% ad valorem. This involves a slight reduction in the rate presently applicable to imports from non-Commonwealth countries. Imports within this quota from Commonwealth countries remain free of duty. On imports in excess of the quota, the rate to non-Commonwealth countries is not to exceed £10 per ton or 25%, whichever is the greater. On such imports the rate to Commonwealth countries may be modified in order to avoid increasing the existing margin of preference.

The duty on ground feldspar, when imported from non-Commonwealth countries, was reduced from 10% to 5%, free entry continuing for imports from Commonwealth countries.

The duty on cod liver oil imported in casks or drums is reduced from 1s.4d. per gallon to 1s. Imports from countries entitled to preferential treatment will continue free of duty.

The duty on taximeters has been reduced from 33-1/3% to 20%. On this item the preferential rate has been reduced from 22-2/9% to 13-1/3%. Although there is some narrowing of the margin of preference, the reduction in duty may be of interest to Canadian producers.

#### AUSTRALIA

In Australia the margin of preference extended to Canada on garden and field spraying machines is being reduced from 22-2/3% to 20%. The actual rate of duty on imports from preferential sources is 5% so that the duty on imports from non-preferential sources, although not specified in the schedule, will probably become 25% instead of the present 27-1/3%. In other cases there are minor reductions in the margin of preference due to the elimination of a number of primage duties, which were formerly 5% higher on imports from non-Commonwealth countries than on imports from Commonwealth countries. Items so affected include rollers and ball bearings, wood-screws, incandescent lamps of the pressure type for liquid fuel, acetylene lanterns for lighthouses, oil or spirit heating lamps, printers' type, strawpaper and strawboard other than corrugated valued at more than £21.5.0 per ton.

#### NEW ZEALAND

In the New Zealand tariff the rates on certain timber items not included in the Geneva negotiations were brought into line with the rates expressed in the Geneva schedule on Douglas fir. This involved a reduction in the margin of preference from 2 shillings per 100 superficial feet to 1 shilling per 100 superficial feet. Doors of wood are reduced from 65% plus 5% of the duty or 9s.6d. each plus 5% of the duty,

/whichever....

whichever is the higher, to 50% or 8s. each, whichever is the higher, when imported from non-preference countries. The rate of 35% or 6 shillings each, whichever is higher, continues to apply to doors imported from Canada. The margin of preference on prefabricated houses imported into New Zealand is reduced from 20% to 10%, the Annecy rate being 30%, when imported from Canada, and 40%, when imported from non-Commonwealth countries.

SOUTH AFRICA

There are no reductions in the margins of preference on items of importance to Canada in the South African tariff. It might be mentioned, however, that the tariff on toilet paper has been reduced from 15% to 7½%, and the 20% duty on spare parts for machinery has been removed. The benefit of these changes applies equally to Canada and to other countries.

CONCESSIONS GRANTED BY CANADA

The list of tariff concessions made by Canada at Annecy contain 138 items or sub-items. These concessions may be divided into five groups. The following table lists these groups and shows the number of items or sub-items falling under each group as well as the approximate value of Canada's imports from all countries under these headings during the calendar year 1947:

Number of Items or Sub-items		Imports from All Countries During 1947 (Approximate Value)
53	Items or sub-items bound at the same rates at which they were bound or to which they were reduced at Geneva in 1947.	\$189,000,000
34	Items or sub-items on which the rates were reduced below the reductions made at Geneva in 1947	\$15,000,000
24	Items or sub-items bound at rates which have been in effect for a number of years and which were not negotiated at Geneva in 1947	\$30,000,000
17	Items or sub-items reduced, which were not negotiated at Geneva in 1947.	\$3,000,000
10	Items or sub-items reduced, which were bound at Geneva in 1947 at the rates then in effect.	\$2,000,000
<u>138</u>		<u>\$239,000,000</u>

The tariff concessions made at Annecy include 53 bindings of items or sub-items without any reductions below the rates arrived at during the 1947 Geneva negotiations. The imports from all countries during 1947 under these items or sub-items amounted to over 189 million dollars in value. Almost 78 per cent of the value of our 1947 imports of the

/products....

products affected by the Lannecy negotiations are covered by these 53 items or sub-items. The principal products included in this group are: bees-wax, butter, cheese, cocoa paste, green coffee, chilli pepper, pineapples, bananas, raisins, currants, figs, lemons, nuts of all kinds, palm kernels, sugar, tobacco, brandy, liqueurs, sawn granite, ferro-tungsten, glass tableware, cream separators, ore crushers, adding machines, ball bearings, roller bearings, hinges, files, rasps, wool, oriental rugs, hides, skins, fur skins, natural rubber latex and natural bristles.

On 34 items or sub-items the most-favoured-nation rate was further reduced at Lannecy. These items or sub-items had been already slightly reduced during the negotiations at Geneva in 1947. The imports from all countries under these items or sub-items were valued at less than 15 million dollars in 1947. Some of the principal products on which the most-favoured-nation tariff was further reduced at Lannecy are: canned hams from  $22\frac{1}{2}$  per cent to 20 per cent; pâtés de foie gras from 10 per cent to  $7\frac{1}{2}$ %; animal liver paste from 20 or 30 per cent to  $7\frac{1}{2}$  per cent; green coffee for the manufacture of coffee extract from 2 cents to 1 cent per pound; olive oil from 10 per cent to  $7\frac{1}{2}$  per cent; rough marble from 10 per cent to free; sawn marble from 10 per cent to 5 per cent; marble for the manufacture of tombstones from 10 per cent to free; electrical resistance wire from 20,  $12\frac{1}{2}$  or 15 per cent to free; wool yarn imported by manufacturers from 15 per cent plus 15 cents per pound to  $12\frac{1}{2}$  per cent plus 15 cents per pound; wool yarn when imported by other than manufacturers from  $17\frac{1}{2}$  per cent plus 20 cents per pound to  $12\frac{1}{2}$  per cent plus 15 cents per pound; sisal bags from 25 per cent to  $17\frac{1}{2}$  per cent; handbags of sisal from  $22\frac{1}{2}$  per cent to  $17\frac{1}{2}$  per cent, silk when of a kind made in Canada, for neckties, scarves and mufflers, from 50 per cent plus  $7\frac{1}{2}$  cents per lineal yard to 15 per cent; web saws from 25 per cent to  $22\frac{1}{2}$  per cent; cellulose sponges from 25 per cent to  $22\frac{1}{2}$  per cent; marine sponges from 15 per cent to  $12\frac{1}{2}$  per cent; accordions from  $17\frac{1}{2}$  per cent to 10 per cent; and domestic textiles (other than linen) such as tablecloths, tray cloths, napkins, dresser scarves, wash cloths, bath mats, pillow cases, quilts, counterpanes, sheets and towels, from 25 per cent to  $22\frac{1}{2}$  per cent. The most-favoured-nation rate on wool fabrics, over 8 ounces and not over 9 ounces per square yard, of  $27\frac{1}{2}$  per cent plus 30 cents per pound was modified by the insertion of a proviso which states that the sum of the specific and ad valorem duties shall not be in excess of \$1.00 per pound.

The most-favoured-nation rate on 24 items or sub-items was bound at the rates that existed prior to 1947. These items or sub-items were not negotiated at Geneva in 1947, and the imports thereunder from all countries during that year were valued at less than 30 million dollars. The principal products covered by this group of items or sub-items are: canned beef, rennet, lard, coffee substitutes, sugar beet seed, canned tomatoes, fruit rinds, tannic acid, palm and palm kernel oil, rough granite, ornamental or decorative marble for churches, iron ore, cryolite, sponge iron, untempered sheets for saws, axes, cork blocks, hat braids, and commercial fishing tackle.

The most-favoured nation tariff was reduced on 17 items or sub-items which were not negotiated at Geneva in 1947. The imports under these items or sub-items from all countries during that year were valued at less than 3 million dollars. The principal products covered by these reductions are: roasted coffee from 5 cents or 5 cents per pound plus 10 per cent, to 4 cents per pound; ground chilli pepper from 3 cents per pound plus 10 per cent to  $7\frac{1}{2}$  per cent; cattle food containing molasses from 20 per cent to 15 per cent; vegetable paste from  $52\frac{1}{2}$  per cent to 25 per cent; fish preserved in oil from 30 per cent to 25 per cent; blackstrap molasses from  $1\frac{1}{2}$  cents per gallon to 1 cent per gallon; manufactures of marble and granite from 35 per cent to 25 per cent; window shade or

/blind.....

blind rollers from 25 per cent to  $22\frac{1}{2}$  per cent; veneers of wood of any kind up to five-sixteenths of an inch in thickness from 25 per cent to 20 per cent; feathers in their natural state from  $11\frac{1}{2}$  per cent to 10 per cent; and hats, hoods and shapes of wool felt from 30 per cent plus 90 cents per dozen to  $27\frac{1}{2}$  per cent plus 90 cents per dozen.

The most-favoured-nation tariff on 10 items or sub-items, which were bound at Geneva in 1947 at the rates then in effect, were reduced. The imports from all countries under these items or sub-items during that year were valued at over 2 million dollars. The principal products covered by these reductions are: meat extracts from 30 per cent to 25 per cent; calabar beans from  $1\frac{1}{2}$  cents per pound to free; ripe olives from 10 per cent to free; fluorescent powder for use in the manufacture of fluorescent lights from 20 per cent to 10 per cent; sesame seed oil from  $22\frac{1}{2}$  per cent to 20 per cent; tempered sheets for saws from 10 per cent to  $7\frac{1}{2}$  per cent; talc or soapstone from 20 per cent to 15 per cent; and veneers of rosewood, mahogany or Spanish cedar from 10 per cent to free.

When reductions were made in the most-favoured-nation rates of duty on items or sub-items which are of interest to the United Kingdom or other Commonwealth countries, a similar reduction was made in the British Preferential rate if that rate were not already free. The 26 items or sub-items in this category are shown in the last part of the schedule of the tariff concessions made by Canada at Annecy. Canada's imports from the United Kingdom and other British Commonwealth areas under this group during the year 1947 amounted to less than 6 million dollars in value. The principal products covered by these reductions are: wool yarns imported by manufacturers from 10 per cent plus 5 cents per pound to  $7\frac{1}{2}$  per cent plus 5 cents per pound; and on wool yarns imported by other than manufacturers from 15 per cent plus 5 cents per pound to  $7\frac{1}{2}$  per cent plus 5 cents per pound. In 1947 Canada's imports from the United Kingdom under the former item were valued at over \$3,900,000, and under the latter item imports from the United Kingdom in 1947 were valued at approximately \$1,142,000. Some of the other reductions made in the British Preferential Tariff were: from 5 cents per pound or 3 cents per pound plus  $7\frac{1}{2}$  per cent to 2 cents per pound on roasted coffee; from 3 cents per pound plus  $7\frac{1}{2}$  per cent to 5 per cent on ground chilli pepper; from 15 per cent to 10 per cent on cattle food containing molasses; from 15 per cent to  $7\frac{1}{2}$  per cent on vegetable paste; from 20 per cent to 15 per cent on fish preserved in oil; from 20 per cent to  $17\frac{1}{2}$  per cent on cellulose sponges; from 30 per cent to 20 per cent on manufactures of marble and granite, from 10 per cent to  $7\frac{1}{2}$  per cent on web saws; from 15 per cent to  $12\frac{1}{2}$  per cent on window shade rollers; from 15 per cent to 10 per cent on veneers of wood of any kind up to five-sixteenths of an inch in thickness, from  $21\frac{1}{2}$  per cent plus 45 cents per dozen to 20 per cent plus 45 cents per dozen on hoods, hats and shapes of wool felt; from 15 per cent to  $7\frac{1}{2}$  per cent on accordions; from  $12\frac{1}{2}$  per cent to  $7\frac{1}{2}$  per cent on handbags of sisal; from 10 per cent to  $7\frac{1}{2}$  per cent on feathers in their natural state; and from 15 per cent to 10 per cent on talc or soapstone. In the case of domestic textiles which carried the same rate under the British Preferential and most-favoured-nation tariffs, namely 25 per cent, the reduction from 25 per cent to  $22\frac{1}{2}$  per cent under the most-favoured-nation tariff automatically applies to imports under the British Preferential Tariff. During the year 1947 our imports from the United Kingdom of domestic textiles such as tablecloths, tray cloths, napkins, dresser scarves, wash cloths, bath mats, pillow cases, quilts, counterpanes, sheets and towels, were valued at almost 1 million dollars.

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