

The immediate effect of Confederation was to abolish the tariff barriers which existed between the provinces entering the Dominion. As the area of Canada increased until, except for Newfoundland and Labrador, it became conterminous with British North America, the area of internal free trade was thereby extended, while protection against outside competition was maintained. The tariff was the same against all countries, British or non-British, until 1897, when the British preferential tariff was established in the shape of a remission of a percentage of the duty generally imposed, a method of preference abandoned in 1904 for a specially low rate of duty on almost all imported dutiable commodities. In 1907 an intermediate tariff was established for use as a basis of negotiation with foreign countries in the interests of Canadian trade, the list of countries whose goods are entitled to special treatment being in 1922 as follows: France, her colonies and protectorates, Belgium, Italy and the Netherlands (all these under special Treaties); Argentine Republic, Colombia, Denmark, Japan, Norway, Russia, Spain, Sweden, Switzerland and Venezuela (under reciprocal most favoured nation clause treatment). The general tariff is in force with respect to the products of all other foreign countries. There is also in the Canadian customs tariff an anti-dumping clause, providing that in the case of imported articles of a kind made or produced in Canada, if the export or selling price to the Canadian importer is less than the fair market value in the country whence imported, there shall be levied, in addition to the duties otherwise payable, a special duty according to the difference between the selling price for export and the fair market value for home consumption, but such special duty shall not exceed 15 p.c. *ad valorem*, nor be levied on goods when the normal duties are 50 p.c. *ad valorem*, nor on goods subject to excise duty.

Drawbacks of 99 p.c. of duties paid on imported materials are allowed by the customs laws and regulations in cases where articles manufactured from such materials are afterwards exported.

Trade Statistics.—In the consideration of the foreign trade statistics of Canada, the following facts should be borne in mind: First, statistics are given since 1907 for the fiscal years ended March 31. Secondly, imports means always “imports for consumption” and this term does not necessarily imply that the goods have been actually consumed in Canada, but only that they have passed into the possession of the importer; the value given for goods imported is the fair market value thereof when sold for home consumption on the principal markets of the country whence and at the time when the goods were exported to Canada. Thirdly, the term “Canadian produce” includes all imported articles which have been changed in form or enhanced in value by further manufacture in Canada, such as sugar refined in Canada from imported raw sugar, flour ground from imported wheat, and articles constructed or manufactured from imported materials; the value of “Canadian produce” is its value at the time of exportation at the Canadian ports from which it is shipped. Fourthly, the term “foreign produce”