

This method of preference was abandoned in 1904 for a specially low rate of duty on almost all imported dutiable commodities.

*Customs Tariff of 1907.*—In 1907 a new customs tariff was introduced, establishing three scales of duties, British preferential (the lowest), intermediate and general, the intermediate tariff being set up as a basis for negotiation with foreign countries in the interest of Canadian trade. This tariff of 1907 is still in operation, with modifications. Under it, the British preferential tariff applied in 1925 to nearly the whole of the British Empire except Australia and Newfoundland, while to the British West Indies, under an agreement of June, 1920, rates of duties are granted even lower than those of the ordinary preferential tariff—in nearly all cases a remission of 50 p.c. of the duty ordinarily charged. The regular British preference was further increased in 1923 (13-14 Geo. V, c. 42) by a discount of 10 p.c. of the amount of duty computed under the British preferential tariff, when goods paying 15 p.c. duty or over are conveyed without transshipment from a port of a country enjoying the British preferential tariff into a sea or river port of Canada.

The intermediate tariff applied in 1925 to the products of the following countries:—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). New commercial treaties with France (including her colonies and protectorates) and Italy were approved at the 1923 session of Parliament (13-14 Geo. V, cc. 14 and 17), a commercial convention with Belgium at the 1924 session (14-15 Geo. V, c. 9), and agreements with Australia, Finland and the Netherlands (including the Dutch colonies) at the 1925 session (15-16 Geo. V, cc. 30, 11 and 19). The general tariff is in force with respect to the products of all other 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 equal 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 duties.

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.

*Surtax.*—In 1903, the Customs Tariff Act of 1897 was amended to provide for a surtax of one-third of the duty on goods the product of any foreign country which treats imports from Canada less favourably than those from other countries. This surtax was at once applied against certain German goods, but was removed on Mar. 1, 1910, when Canada obtained the conventional rates of the German tariff on a specified list of goods. Under the Customs Tariff Act of 1914, the rate of surtax is left to be fixed in each case by the Governor in Council, but is not to exceed 20 p.c. *ad valorem*. The surtax may also be applied to goods ordinarily on the free list, but is not to exceed 20 p.c. *ad valorem*.

**British Preferential Tariff to Canadian and Empire Products.**—Soon after the inauguration of the British preferential tariff by Canada, there commenced a movement for specially favourable treatment by Great Britain to "Empire" pro-