

later of a remission of $33\frac{1}{2}$ p.c. of the ordinary rate of duty (July 1, 1900), was established. This method of preference was abandoned in 1904 for a specially low rate of duty on almost all imported dutiable commodities.

Subsection 2.—Tariff Relationships with Other Countries.*

Tariff of 1907 and Empire Preferences.—A new Canadian Customs Tariff was adopted on April 12, 1907, containing three columns of duties, British preferential, intermediate and general. This tariff with amendments is still in operation. The Customs Tariff itself mentions, as being entitled to the British preference, those parts of the Empire which were already enjoying it under previous measures. Power was taken to extend the same advantages, by Order in Council, to other parts of the Empire. Under this authority the British preference has since been extended to include, at various dates, almost all parts of the Empire and areas under British protectorates, mandates and spheres of influence. (See p. 520 of the 1934-35 Year Book.) A Canadian Act of June 13, 1935, amended Section 4 of the Customs Tariff, and authorized the Governor in Council to extend most-favoured-foreign-nation treatment to any British country, or territory administered by a British country under mandate of the League of Nations. Orders in Council of July 19, 1935, granted most-favoured-foreign-nation treatment to the United Kingdom and the Union of South Africa and Orders in Council of Aug. 21, 1935, to Australia and New Zealand. (The Irish Free State under a Trade Agreement with Canada is guaranteed duties as low as apply to the United Kingdom.)

Trade Agreements with Australia.—A formal Trade Agreement between Canada and Australia (superseding an arrangement of 1925, exchanging limited preferences by legislation) was brought into force on Aug. 3, 1931, providing for exchange of British preferential rates, except as set forth in two schedules—one of which concedes special Canadian rates on some Australian products, while the other specifies the tariff treatment given by Australia to Canada on certain items, as well as enumerating items which Australia reserves as regards granting preferential treatment. Canada is accorded the British preferential tariff of Australia on all but 18 of the 439 items comprising the entire tariff. On six items intermediate rates apply and on the other twelve, the general tariff. An important concession to Canada is the creation of new or larger margins of preference than existed in the former tariff on some products of importance to Canada. Other general provisions waive anti-dumping laws, and permit either country to apply its general tariff rates to imports from the other which are injuriously affecting the sale of similar domestic goods, provided that, after three months' notice, the exporting country has failed to remedy the situation.

Trade Agreements with British West Indies.—To the British West Indies concessions independent of the British preference were made in an Agreement of 1912. In 1920 a second Trade Agreement, broader both as to the extent of the preferences exchanged and the number of West Indian signatories, superseded the first. This in turn was replaced on July 6, 1925, by one still more extensive, brought formally into force by proclamation as from April 30, 1927. It is binding for a 12-year period and thereafter until terminated, on a year's notice. It includes: Jamaica, Trinidad, Barbados, Bahamas, Leeward Islands, Windward Islands, Bermuda, British Guiana and British Honduras. The larger colonies give a preference of 2s. per bbl. on flour, and various stated amounts on some other commodities of importance. The preference on manufactured goods in general, when

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