

The numerous concessions mentioned above were, however, of a merely temporary character, ceasing to exist in 1898 as a consequence of the denunciation by the United Kingdom of her most-favoured-nation treaties with Germany and Belgium. This left Canada free to confine her lower tariff rates to the United Kingdom and to sister Dominions and colonies. A British preferential tariff, consisting at first of a remission of 25 p.c. of the duty ordinarily paid (Aug. 1, 1898), and later of a remission of  $33\frac{1}{3}$  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, Orders in Council of Aug. 21, 1935, to Australia and New Zealand and an Order in Council of October 20, 1936, to the British West Indies. (The Irish Free State under a Trade Agreement with Canada is guaranteed duties as low as apply to the United Kingdom.) The Intermediate Tariff was extended to Hong Kong as from February 4, 1933.

**Trade Agreements With United Kingdom.**—The United Kingdom, between 1919 and 1931, granted preferences to Empire products within the limited scope of her tariff of that time. By 1931 there were preferences under what were known as the "McKenna duties", "key industry duties", and duties on certain luxuries as sugar, tobacco, spirits, etc. (See pp. 481-482 of the 1931 Year Book.) The scope of the preference was greatly enlarged when goods of Empire origin were exempted from duties imposed under the Abnormal Importations (Customs Duties) Act, passed Nov. 20, 1931 (to remain in effect for six months), and the Horticultural Products (Emergency Customs Duties) Act, passed Dec. 11, 1931 (to remain in effect for twelve months). The Import Duties Act, effective Mar. 1, 1932, imposed a duty of 10 p.c. *ad valorem* on a wide range of goods not otherwise subject to duty. (See p. 385 of the 1932 Year Book.) Products of the Dominions, India, and Southern Rhodesia were exempt from this duty until Nov. 15, 1932, their treatment after that date to depend on the Imperial Conference of 1932. Products of other parts of the British Empire were exempt without limitation as to date. By an Order effective April 26, 1932, the 10 p.c. general tariff was increased to rates ranging from 15 to  $33\frac{1}{3}$  p.c. *ad valorem*, on a wide range of merchandise, chiefly manufactured goods. Some 200 subsequent orders have been issued either increasing rates on particular commodities or exempting articles from duty.

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