

Canadian Preference on Imports from Empire Countries.—As indicated in the paragraph above dealing with trade with Empire countries, a declining trend in the imports from Empire countries down to 1897 was changed after the British preferential tariff of 1897 to a rising trend. Imports from the United Kingdom since 1868 are shown in Table 6. Table 8 shows the average *ad valorem* rates of duty collected on imports from the United Kingdom, the United States and all countries. This shows an appreciable drop in the rates of duty on imports from the United Kingdom after 1897. However, even after this, average rates of duty are shown in many years to be higher on both dutiable imports and total imports from the United Kingdom than from the United States in spite of the British preference being in effect. A number of factors explain this situation. Dutiable imports from the United Kingdom consist very largely of highly manufactured goods normally subject to high rates of duty, whereas dutiable imports from the United States include a large proportion of semi-manufactured goods for further processing in Canadian factories and such goods carry a reasonably low rate of duty. The United States is also the chief source of Canadian imports of raw materials free of duty. Furthermore, alcoholic beverages and manufactured tobaccos which are subject to very high duties are an important element of imports from the United Kingdom but are insignificant in imports from the United States. Finally, especially in recent years, there is a large range of imports which are free of duty under the British preference but are subject to moderate duties when coming from the United States. The values of such imports from Empire countries in the latest fiscal year are shown in Table 18. Imports from the United Kingdom which are free only under the preference tariff have increased from 0.6 p.c. in 1925 to 41.3 p.c. in 1936 of our total imports from that country. To make a fair comparison between the United Kingdom and the United States of the average rates of duty collected on ordinary dutiable imports, imports of alcoholic beverages and manufactured tobaccos should be eliminated, while imports free of duty under the British preference but dutiable when imported from the United States should be added to the dutiable imports from the United Kingdom. This is done in Statement IV which follows.

IV.—COMPARISON OF THE AVERAGE *AD VALOREM* RATES OF DUTY ON DUTIABLE IMPORTS FROM THE UNITED KINGDOM AND THE UNITED STATES WITH DUTIABLE IMPORTS OF ALCOHOLIC BEVERAGES AND TOBACCO ELIMINATED AND IMPORTS FREE OF DUTY UNDER THE BRITISH PREFERENCE ADDED TO DUTIABLE IMPORTS FROM THE UNITED KINGDOM, FISCAL YEARS 1922-36.

NOTE.—Figures in this statement do not include dumping and other special duties.

Fiscal Year.	United Kingdom.				United States.		Average <i>Ad Valorem</i> Rate on Dutiable Imports.	
	Dutiable Imports less Beverages and Tobacco.	Imports Free under British Preference.	Total Adjusted Imports.	Duty Collected.	Dutiable Imports less Beverages and Tobacco.	Duty Collected.	U.K.	U.S.
	\$	\$	\$	\$	\$	\$	p.c.	p.c.
1922...	75,384,256	790,869	76,175,125	15,977,248	310,641,315	71,056,875	20.97	22.88
1923...	97,753,953	972,878	98,726,831	19,033,512	331,557,774	74,254,698	19.28	22.39
1924...	107,322,128	918,525	108,240,653	19,107,658	355,602,796	79,034,573	17.65	22.23
1925...	108,139,903	937,875	109,077,778	19,275,978	286,837,866	66,092,666	17.67	23.04
1926...	110,911,676	1,242,274	112,153,950	19,513,817	337,745,276	80,561,886	17.39	23.85
1927...	108,754,494	3,563,212	112,317,706	20,002,688	392,414,228	90,502,549	17.89	23.06
1928...	110,589,187	4,655,899	115,245,086	19,874,228	415,776,746	96,825,728	17.24	23.29
1929...	113,419,780	10,864,569	124,284,349	20,665,148	523,564,068	122,449,986	16.63	23.39
1930...	110,424,784	10,668,033	121,092,817	19,897,185	522,993,501	121,773,816	16.43	23.28
1931...	78,434,058	18,288,442	96,722,500	15,135,145	359,393,734	88,888,918	15.65	24.73
1932...	57,463,404	12,315,899	69,799,303	13,000,442	229,463,754	62,988,474	18.62	27.45
1933...	44,279,784	22,014,358	66,294,142	9,618,288	143,699,800	40,326,933	14.52	28.06
1934...	44,201,298	39,665,543	83,866,841	10,046,378	139,882,492	39,924,268	11.97	28.54
1935...	46,072,232	41,468,717	87,540,949	10,534,028	181,095,348	49,565,647	12.03	27.37
1936...	49,176,329	48,736,725	97,913,054	10,898,722	189,775,685	49,843,622	11.13	26.26