

Ireland, Australia, New Zealand, British West Indies, Bermuda, British Guiana, British Honduras, Fiji, Northern Rhodesia (Zambesi Basin), Gambia, Sierra Leone, Seychelles, British Somaliland, St. Helena, Western Samoa, British Protectorate of Tonga, British Solomon Islands, Gilbert and Ellice Islands, Cyprus, Channel Islands, and Isle of Man, while Southern Rhodesia, Mauritius, Ceylon, and Malta grant preference to most Canadian goods. To a considerable extent preference is granted to Canadian goods in Ireland and the Union of South Africa; also, on some goods, in the Federated and Unfederated Malay States, British North Borneo, Sarawak, Brunei, and Cayman Islands. Empire motor-cars enjoy preference in Hong Kong and the Straits Settlements; spirits, wines, malt liquors, and tobaccos in Gibraltar; and wines in the Falkland Islands.

Import Restrictions.—Import licensing systems in operation in New Zealand since the beginning of 1939, and instituted in the United Kingdom, Australia, and the Colonial Empire soon after outbreak of war, in September, 1939, reduced in volume or prevented altogether the export of various classes of Canadian products to these markets. This control over import trade is designed to conserve exchange by limiting its use to the purchase of goods regarded as essential under war-time conditions and, in some cases, is aimed also at economizing shipping space. Increased sales of certain commodities, however, raised the combined total of Canadian exports to the British Empire to a level higher in 1940 than in 1939.

United Kingdom.—Canada has granted to the United Kingdom her British Preferential Tariff since its inception in 1897. Canadian preferences were extended from time to time and particularly under trade agreements of 1932 and 1937. The War Exchange Conservation Act assented to Dec. 6, 1940, removed, as regards United Kingdom goods, all existing customs duties on cottons, artificial silk, bituminous coal, jellies, jams, marmalades, furniture, gloves and mitts, and some miscellaneous items, and reduced duties on various articles, including medicines, soap, earthenware, table cutlery, bicycles, electric motors, generators and transformers, rugs, carpets, oilcloth and linoleum. The United Kingdom, in 1919, introduced preferences for Canada and the rest of the Empire on the limited number of products then comprising her tariff. In subsequent years, with expansion of the tariff, Empire preferences in the United Kingdom extended to more commodities. (See pp. 521-522 of the 1934-35 Year Book.) The Import Duties Act, effective Mar. 1, 1932, imposed a duty of 10 p.c. ad valorem on all non-Empire goods not already dutiable or specifically exempted. On the report of an Advisory Committee created by the Act, the general rate was increased within two months on many manufactured articles to 15, 20, 25, 30, or 33½ p.c. Less comprehensive Orders issued from time to time have made further changes. The Act exempted products of the Colonial Empire altogether and exempted products of the Dominions, India, and Southern Rhodesia until Nov. 15, 1932. A Trade Agreement between Canada and the United Kingdom signed on Aug. 20, 1932, extended the period of exemption of Canadian goods (see p. 486 of the 1936 Year Book) for five years. The 1932 Agreement was superseded by one signed Feb. 23, 1937, which renewed exemption of Canadian goods from the Import Duties Act, or any other duties not already applicable. Qualifications, as in the previous Agreement, permit the United Kingdom, after notification, to impose duty (preferential) on Canadian eggs, poultry, butter, cheese, and other milk products, or, in consultation with the Canadian Government, it may regulate supplies. The United Kingdom granted specified preferences on Canadian wheat, copper, lead, zinc (conditional on Empire producers supplying the demand at world prices), butter, cheese, raw or canned