

The Preferential Tariff and Empire Trade.—Canada was the first of the British Dominions to grant a preference on goods the produce and manufacture of the United Kingdom and reciprocating British Dominions and possessions. This preference was extended from time to time to other portions of the British Empire until now it is applicable to practically every British Dominion and possession. In the case of Newfoundland, in addition to the preference, Canada grants free admission to fish and fish products. The British West Indies receives special concessions under the Agreement of 1925 referred to at p. 385 of the 1941 Year Book.

The British Preferential Tariff enacted in 1897 has had the effect of stimulating Canada's Empire trade. When this preference became effective in 1897, Canada's total imports from the United Kingdom amounted to only \$29,401,000, compared with imports in 1887 valued at \$44,741,000 and in 1873 at \$67,997,000, so that from 1873 to 1897 imports from the United Kingdom declined by \$38,596,000 or 56.7 p.c. After the introduction of the British Preferential Tariff, the downward trend in the value of imports from the United Kingdom was reversed, although the proportion of total imports coming from the United Kingdom continued to decline. Imports from other Empire countries, which were insignificant before the beginning of the century, have increased both in actual value and proportion of total imports.

Average Rates of Duty under the British Preference.—Table 11, at p. 459, shows the average ad valorem rates of duty on imports from the United Kingdom, United States and all countries in each year since 1919. 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. After these adjustments are made, the average rate of duty on imports from the United Kingdom is lower for each year since 1922, and the difference in favour of the United Kingdom is 50 p.c. or more in recent years. This subject is treated in more detail at pp. 58-59 of the "Condensed Preliminary Report on the Trade of Canada, 1936", and at pp. 509-510 of the 1937 Year Book.

9.—Dutiable and Free Imports from Principal British Empire and Foreign Countries, 1939 and 1940

NOTE.—This table and that at pp. 418-419 of the 1941 Year Book continue the series appearing as Table 17 or 18 of the External Trade chapter of former Year Books, but the division between General, Preferential and Treaty Tariffs is not available after Mar. 31, 1939.

Country	Imports, 1939			Imports, 1940		
	Dutiable	Free	Total	Dutiable	Free	Total
	\$	\$	\$	\$	\$	\$
British Empire						
United Kingdom.....	52,588,567	61,418,842	114,007,409	54,370,884	106,845,468	161,216,352
Eire.....	9,737	123,365	133,102	12,050	360,227	372,277
Africa—British East.....	757,284	1,869,024	2,626,308	124,689	1,614,201	1,738,890
British South.....	784,410	3,206,471	3,990,881	596,579	2,846,887	3,443,466
Southern Rhodesia.....	717	1	717	108	139,576	139,684
Gold Coast.....	250,570	370	250,940	401,521	602,232	1,003,753
Bermuda.....	7,677	57,567	65,244	4,035	57,371	61,406

¹ None recorded.