

The total Canadian post-war direct credits to the United Kingdom under the United Kingdom Financial Agreement Act and to other countries under Part II of The Export Credits Insurance Act are shown in Statement I, p. 860.

Subsection 6.—The Easing of Controls on Enemy Trading Regulations

Throughout the war years, this Subsection has dealt with the controls of trading with enemy countries that it was found necessary to impose. At pp. 866-867 of the 1947 Year Book the winding up of many of these controls was dealt with although, at that time, a few were still outstanding or had merely been modified in the light of the international situation then existing.

So far as enemy trading regulations are concerned, at the time of going to press of the current edition of the Year Book, an Order was issued in July, 1947, modifying the Order of June, 1946, regarding trade with Japan. The new Order was made subject to the same conditions as those for Austria, see p. 867 of the 1947 Year Book.

Generally speaking, regulations for trading with enemy countries are now at an end.

Section 2.—The Development of Tariffs

A short sketch of trade and tariffs prior to Confederation is given at pp. 480-482 of the 1940 edition of the Year Book. The 1942 Year Book, at pp. 427-428, traces the development from Confederation to the adoption of the present form of preferential tariff in 1904.

Owing to the limitations of space in the Year Book, it has been necessary, in regard to tariffs, to adopt the policy of confining any detail regarding commodities and countries to tariff relationships at present in force, and to summarize as much as possible historical data and details of preceding tariffs, giving references where possible to those editions of the Year Book where extended treatments can be found.

Subsection 1.—The Canadian Tariff Structure

The Canadian Tariff consists mainly of three sets of rates, viz., Preferential, Intermediate, and General. British Preferential rates consisted at first (1898) of a remission of 25 p.c. of the duties ordinarily paid but later (1900) were advanced to 33½ p.c. and, after 1904, took the form of a specially low rate of duty on almost all imported dutiable commodities. This is the first broad category of the tariff structure and these rates are applied to specified goods from British countries if shipped direct to Canada. On certain goods special rates may be applied under the British Preferential tariff; these special rates are lower on those goods than the ordinary British Preferential scale.

The second stage in the tariff edifice is the Intermediate rates. These rates apply to goods from countries that have been accorded tariff treatment more favourable than the General Tariff but which are not entitled to the British Preferential rate. To certain non-British countries, a special concession under the Intermediate rates may be granted and rates lower than the Intermediate apply by agreement.

The third class of duties is the General Tariff. This is levied on all imports that are not covered by Preferential or Intermediate rates.