

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 scale is the Most-Favoured-Nation Tariff. 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 Most-Favoured-Nation rates may be granted and rates lower than the Most-Favoured-Nation 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 Most-Favoured-Nation rates.

British Preferential rates apply to all countries within the Commonwealth. They may, however, be modified downward in their application to specific countries when trade agreements are being revised or discussed between Canada and other Commonwealth countries. The whole tariff structure is very complicated. Almost every Budget that is brought down in the House of Commons changes the incidence of the tariff in some particulars. It would be impossible to attempt here a discussion of tariff schedules. The schedules and rates in force at any particular time may be obtained from the Department of National Revenue, which is responsible for administering the Canadian Tariff.

In all cases where the tariff applies, there are provisions for drawbacks of duty on imports of semi-processed goods used in the manufacture of products later exported. The purpose of these drawbacks is to give Canadian manufacturers a fair basis of competition with foreign producers of similar goods, where it is felt to be warranted. There is a second class of drawbacks known as 'home consumption' drawbacks; these apply mainly to imported materials used in the production of specified classes of goods manufactured for home consumption.

Too often one-sided competition arises out of unfair practices, such as dumping or the manipulation of exchange advantages. Wide powers have been given in certain instances to supplement tariff provisions. Thus, the Minister of National Revenue or, through him, the customs officials have at times been empowered to establish a 'fair market value' as a basis of applying duties to be collected. The term 'fair market value' is vague and open to various interpretations and has been frequently criticized but, in exceptional cases for which they are designed, such valuations have proved effective.

The exchange situation as it affects the Tariff is a different problem. A foreign currency that has become considerably depreciated in relation to the Canadian dollar enables the country concerned to export goods to Canada under a very definite advantage and customs officials have been given power, under conditions such as these, to value imports from such countries at a 'fair rate of exchange'. Much, of course, depends on the manner in which the above powers are applied by