

required that British material or labour should represent not less than one-fourth the value of such goods. From the 1st September, 1911, it has been required, in regard to goods only partially manufactured in the United Kingdom, that the final process or processes of manufacture shall have been performed in the United Kingdom, and that the expenditure in material of British production and/or British labour shall have been not less than one-fourth of the factory or works' cost of the goods in the finished state.

Recent editions of this Year Book have contained exhaustive analyses of the imports into the Commonwealth, for the purpose of measuring the effect of the preferential treatment of British goods. The method adopted was to contrast the relative proportion of the trade supplied by the United Kingdom in respect to goods subject to preferential tariff rates with the proportion of goods of the same class supplied in unrestricted competition under the general tariff. The most satisfactory data for the purpose was furnished by two classes of goods, viz., "Apparel and Textiles" and "Machinery and Manufactures of Metals." Under the existing tariff, preferential treatment has been so extended as to cover practically all goods of these classes, and consequently the basis of comparison no longer exists. Prior to the existing tariff, just about one-half of all imports and about 60 per cent. of imports from the United Kingdom were affected by the preferential tariff, whereas, under the tariff now in operation, nearly 80 per cent. of all imports and about 90 per cent. of imports of United Kingdom origin during 1915-7 were affected by the preferential tariff.

3. Preferential Tariffs of the British Empire.—The second report of a Special Committee of the London Chamber of Commerce on Trade During and After the War gives the following outline of the systems of preferential tariffs within the British Empire and the tariff arrangements between British Dominions or Colonies and Foreign Countries, together with a list of countries with whom Great Britain had concluded commercial treaties for "Most-Favoured-Nation" treatment.

PREFERENCE TARIFFS OF THE BRITISH DOMINIONS AND COLONIES IN FAVOUR OF IMPORTS FROM THE UNITED KINGDOM.

1. *Commonwealth of Australia.*—The Tariff Act No. 7 of 1908, as amended by Acts No. 39 of 1910, and 19 of 1911, and by resolution of the Commonwealth Parliament on 3rd December, 1914, since confirmed by the Customs Tariff Validation Act of 1917, provides for preferential rates of duty on goods 5 to 10 per cent. *ad valorem* lower than the general rates of duty.
2. *Dominion of New Zealand.*—Preferential treatment is accorded produce and manufactures of the British Empire under the Tariff Act No. 35 of 1908 as amended in 1915 by the imposition of *additional* duties of 10 per cent. *ad valorem* on certain goods which are *not* the produce or manufacture of some part of the British Dominions.
3. *Union of South Africa.*—Preferential treatment is accorded under the Tariff Act No. 26 of 1914, as amended by Act 22 of 1915, by means of a rebate of import duty on certain British goods to the extent of 3 per cent. *ad valorem*, and in some instances rebates equivalent to one-fifth of the duty.
4. *Rhodesia.*—Provision is made in the Customs Tariffs of Southern and Northern Rhodesia for the preferential treatment of British goods, by according a rebate of duty upon certain articles the produce or manufacture of the United Kingdom.

5. *Dominion of Canada*.—The Customs Act No. 11 of 1907 contains a British Preferential Tariff providing for special rates of duty for British goods, 5, 7½, and 10 per cent. *ad valorem* lower than the general rates of duty.
6. *St. Lucia, St. Vincent, Barbadoes, Grenada, Leeward Isles, Trinidad and Tobago, British Guiana*.—Under the Canadian-West Indian Reciprocity Agreement of 1912, certain goods, the growth, produce or manufacture of the United Kingdom, the Dominion of Canada and Newfoundland, are accorded preferential rates of duty when imported into the countries indicated, equivalent to a rebate of one-fifth of the general rates of duty.

TARIFF ARRANGEMENTS BETWEEN BRITISH DOMINIONS OR COLONIES AND FOREIGN COUNTRIES.

- Canada*.—1. The French Convention Act of 1908 provides that certain articles of French produce or manufacture on importation into Canada are entitled to enjoy the benefit of the Intermediate Tariff, or the benefits of a special tariff provided for in that convention, affecting a limited number of goods of special interest to French manufacturers and producers.
2. Certain commercial agreements have also been made with Belgium, the Netherlands and Italy, extending the advantages of the intermediate tariff to certain products of those countries.
 3. In addition, in view of treaties or conventions with His Majesty, certain products of the following countries are accorded the terms and conditions granted in respect of similar French products :—

Argentine Republic	Denmark	Norway	Spain	Switzerland
Colombia	Japan	Russia	Sweden	Venezuela

INTER-COLONIAL RECIPROCAL AGREEMENTS.

1. There exist reciprocal tariff agreements between Australia and South Africa, New Zealand and South Africa, Canada and New Zealand, and the West Indies and Canada.
2. In addition Canada grants the preferential tariff rates to India, Ceylon, Straits Settlements and other British Colonies and Southern Rhodesia; and New Zealand gives the preferential tariff to produce or manufactures of any part of the British Dominions.
3. Rhodesia grants preferential treatment to products of Canada, Australia and New Zealand.

MOST-FAVoured-NATION TREATMENT.

In commercial treaties concluded between Great Britain and the *foreign (neutral) countries* named in the appended list there are "most-favoured-nation" clauses.

Argentine Republic	Denmark	Netherlands	Portugal*	Switzerland
Bolivia	Greece*	Nicaragua	Roumania*	United States*
China	Honduras	Norway	Salvador	Uruguay
Colombia	Liberia	Paraguay	Siam	Venezuela
Corea	Mexico	Persia	Spain	
Costa Rica	Morocco	Peru	Sweden	

* Since joined the Allies.

Similar clauses exist in commercial treaties with the undermentioned *allied countries* :—

Belgium France Italy Japan Montenegro Russia Serbia.

Most-favoured-nation treatment was also granted by the undermentioned *enemy countries* :—

Austria-Hungary Bulgaria Germany Turkey.

No commercial treaties have been concluded between Great Britain and Brazil, Chile, Cuba, or Guatemala.

§ 13. Customs Tariff, 1914.

The following tables shew as nearly as possible the results which would be obtained by applying to the imports of 1913 the rates of duty imposed under the tariffs of 1908-11 and 1914 respectively. The figures for 1913 have been selected in preference to those for 1914-15, because it was considered that the trade of the earlier year would represent normal conditions more approximately :—

TOTAL IMPORTS.—COMPARISONS OF TARIFFS FOR 1908-11 and 1914 APPLIED TO TOTAL IMPORTS DURING 1913.

Class*	Value of Imports, 1913.	Under Tariff of 1908-11.				Under Tariff of 1914.			
		Dutiable Imports.		Equivalent <i>ad val.</i> rate of duty.		Dutiable Imports.		Equivalent <i>ad val.</i> rate of duty.	
		Value.	Per cent. on Total Imports.	On Dutiable Goods.	On all Goods.	Value.	Per cent. on Total Imports.	On Dutiable Goods.	On all Goods.
£	£	%	%	%	£	%	%	%	
I.	947,697	848,910	89.58	17.23	15.43	848,910	89.58	20.30	18.19
II.	3,315,825	3,127,278	94.32	35.79	33.76	3,126,811	94.30	36.68	34.59
III.	1,833,235	471,777	25.73	20.74	5.34	471,777	25.73	22.02	5.67
IV.	2,095,896	2,095,896	100.00	136.94	136.94	2,095,896	100.00	195.86	195.86
V.	1,114,949	1,114,949	100.00	159.03	159.03	1,114,949	100.00	202.20	202.20
VI.	145,216	17,842	12.29	0.59	0.07	17,842	12.29	0.59	0.07
VII.	417,039	109,022	26.14	17.77	4.54	109,022	26.14	17.78	4.65
VIII.	1,344,204	231,746	17.24	18.78	3.24	265,263	19.73	20.42	4.03
IX.	19,705,768	11,498,498	58.35	22.44	13.09	19,210,357	61.95	24.79	15.36
X.	1,969,628	1,326,051	67.32	16.44	11.07	1,426,339	72.41	17.74	12.85
XI.	609,859	583,096	95.60	17.01	16.25	583,096	95.60	21.36	20.42
XII.	218,332	182,219	83.46	23.11	19.28	200,569	91.99	24.38	22.43
XIII.	377,220	...	...	...	...	...	...	...	...
XIV.	1,575,734	18,002	1.14	15.28	0.17	84,717	5.38	7.59	0.41
XV.	1,500,436	...	...	...	...	542,283	36.14	5.23	1.89
XVI.	16,623,135	10,281,812	61.85	15.98	9.88	13,120,157	78.92	17.07	13.48
XVII.	1,749,046	1,296,278	74.11	21.59	16.00	1,299,603	74.30	29.14	21.65
XVIII.	3,573,753	3,300,002	92.34	16.91	15.64	3,487,323	97.59	22.33	21.79
XIX.	1,580,615	1,468,735	92.91	27.58	25.63	1,542,984	97.61	32.98	32.19
XX.	3,134,750	934,636	29.82	22.99	6.85	1,759,097	56.12	20.30	11.89
XXI.	1,410,555	1,121,742	79.51	25.64	20.39	1,131,742	79.51	28.05	22.31
XXII.	764,589	186,175	24.67	14.26	3.52	593,580	62.15	25.62	13.36
XXIII.	2,493,192	565,569	22.69	20.08	4.56	1,196,301	47.98	12.85	6.17
XXIV.	11,258,981	3,853,022	34.22	21.23	7.97	3,937,906	34.98	24.30	8.50
Total	79,749,653	44,633,257	55.97	29.93	16.75	50,956,824	63.89	33.63	21.48
Total†	78,196,109	44,633,257	57.07	29.93	17.08	50,956,824	65.16	33.63	21.91

* For description of the Classes of imports see page 585. † Less bullion and specie.