

The law of April 12th, 1907, in effect November 30th, 1906, provided for a separate column in the tariff, containing the preferential rates, which are no longer based on a uniform reduction from the general rates, but are fixed separately for the different tariff items. All the important British Colonies, with the exception of the Commonwealth of Australia, are admitted to the reduced tariff.

The tariff at present is divided into three columns—Preferential, Intermediate and General. Certain articles are admitted from France and other countries at the intermediate rates; nearly all imports from the United States are subject to the general tariff.

In 1909 the United States threatened Canada with a tariff war unless considerable reductions were made in respect of imports from their country. This war was obviated by the reduction of the duties on thirteen tariff items to the intermediate rate.

On January 7th, 1911, upon invitation from the United States Government, the Hon. W. S. Fielding and the Hon. W. Paterson went to Washington and negotiated the reciprocal agreement with the United States which is now before Parliament.

There are four schedules to this agreement, as follows:—

Schedule A. specifying “a list of articles to be admitted free of duty into the United States when imported from Canada, and into Canada when imported from the United States.”

Schedule B. specifying a list of articles on which the duties are reciprocally reduced to a common level.

Schedule C. specifying a list of articles on which the United States duties are higher than the Canadian duties.

Schedule D. specifying a list of articles on which the Canadian duties are higher than the United States duties.

In addition to the reduction in duties as set forth in the above schedules, the license issued to United States fishing vessels by the Dominion, granting to such vessels certain privileges on the Atlantic coast of Canada is reduced from \$1.25 per ton (average \$110 per vessel) to \$1.00 per vessel.