

E Learning Study Material
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BAPART THIRDECONOMICS HONS
PAPER SIX

Imperial Preference as a response to the
Great Depression -

Winston Churchill Chancellor
of the Exchequer of the Baldwin government
a former Liberal and always a non-hold-barred
free trader was an opponent. Public opposition
to protectionism contributed to the
Conservative loss of power again in the 1929
elections and the creation of the Second
Labour government.

The 1931 ~~eted~~ elections supported
a National Government nominally led by
former Labour Prime Minister Ramsay
MacDonald but with an overwhelming
majority of MPs being conservatives
under Baldwin, these largely
supported Imperial Preference as a response
to the Great Depression. In 1932
representatives of Britain the Dominion
and the Colonies held the Commonwealth
Conference on Economic Consultation
and Co-operation in Ottawa, Ontario,
Canada. In the conference they agreed

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to implement policies of Imperial Preference for five years. This new policy was based on the principle of home producers first, Empire producers second, and foreign producers last.

In 1935 the Canadian Prime Minister, R. B. Bennett, a Conservative endorsed imperial preference.

After World War Second and the signing of the General Agreement on Tariffs and Trade in 1947, the ~~exp~~ extension of preferential tariffs was prohibited and the margins reduced. Inflation, combined with the general liberalisation of trade around the world, ended the formal system of Imperial Preference.

At the ~~same time~~ same time, many newly independent members of the Commonwealth also canceled preferences given to British goods. Thus imperial preference was historically a commercial ~~for~~ arrangement only, for a specific period in United Kingdom as remedy of economic uneasiness.