

tions with France for a new convention beneficial to the commerce of both countries. Negotiations were carried on in Paris during the winter 1932-33 but at the time of going to press no new Agreement had been ratified.<sup>2</sup> As the situation stands in March, 1933, therefore, rates of the intermediate tariff apply to most-favoured nations, and to Brazil and Germany.

The value to Canada of most-favoured-nation treatment in foreign countries depends on the customs system of the country concerned. Several countries have maximum and minimum schedules, meaning that there are reduced duties for practically all goods imported from reciprocating or treaty countries. Some countries, on account of rates conceded in treaties, maintain reduced duties on specified items of their tariffs. Many countries throughout the world have uniform tariffs regardless of the origin of the goods. The benefit of most-favoured-nation treatment depends also on the extent to which tariff favours apply to countries competing with Canada in the market in question.

*Dumping Duties*.—In the Canadian custom tariff there is also an anti-dumping clause. In 1930 and 1931 the statutory provisions relative to the levying of special or dumping duty were amended. Special or dumping duty is now leviable upon goods exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course, in the country whence exported to Canada, at the time of its exportation, or is less than the fair market value, or value for duty thereof, as determined or fixed under the provisions of the Customs Act, R.S.C., 1927, c. 42 (see also sections 36, 37, paragraphs "a" and "e" of 41, and section 43, Statutes of 1930, c. 2). It is provided that the special duty shall not exceed 50 p.c. *ad valorem* in any case and that goods of a class subject to duty under the Excise Act shall be exempt.

Provision is also made for the levy of additional special or dumping duty not exceeding 50 p.c. when it appears that any person owning or controlling or interested in a business in Canada and also in any other country, or carrying on a business in any other country and owning, controlling or interested in a business operating in Canada is enabled thereby to import goods for further manufacture or assembling, or for resale and disposal of such imported goods, whether in the form as imported or as further processed, assembled or manufactured, at prices below the duty paid value thereof as entered at Customs plus, if any, the cost of processing, assembling or further manufacture in Canada. The Minister may declare that goods of such class or kind were and are an importation subject to additional special or dumping duty not exceeding 50 p.c.

*Drawbacks*.—Drawbacks of 99 p.c. of duties paid on imported materials are allowed by the customs laws and regulations in cases where articles manufactured from such materials are afterwards exported.

*Surtax*.—In 1903 the Customs Tariff Act of 1897 was amended to provide for a surtax of one-third of the duty on goods, the product of any foreign country which treats imports from Canada less favourably than those from other countries. This surtax was at once applied against certain German goods but was removed on Mar. 1, 1910, when Canada obtained the conventional rates of the German tariff on a specified list of goods. Under the Customs Tariff Act of 1914 the rate of surtax was left to be fixed in each case by the Governor in Council but was not to exceed 20 p.c. *ad valorem*. In the 1931 Tariff Amendments the maximum of the rate of surtax was increased to 33½ p.c. *ad valorem*.

<sup>1</sup> Revised in the Customs and Excise Division, Department of National Revenue. <sup>2</sup> An Agreement between the two Governments was signed on May 12, 1933.