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", approximately the rate before depreciation took place. Much, of course, depends on the manner in which the above powers are applied by the administrative officials and their understanding of the reasons for their application, and, while the powers of fixing "fair market valuation" and "fair rate of exchange" have been applied to meet extraordinary conditions in the past, these powers have lately been modified by clauses in trade agreements drawn up with individual countries.

The Tariff Board was established under legislation enacted in 1931 to ensure that the changes made in the Canadian tariff structure would follow a well-ordered and scientific plan. The Board is constituted of the most experienced men in tariff matters and studies their effects upon all classes of Canadian producers and consumers. It publicises requests for tariff revisions and has largely removed the element of pressure from interested parties. Since the outbreak of war, the Tariff Board has dealt mainly with appeals against specific applications of Customs duty rates (under Part II of the Tariff Board Act).

Subsection 2.—Tariff Relationships with Other Countries

Trade agreements entered into by Canada with the United Kingdom, Eire, Australia, New Zealand, Union of South Africa, Southern Rhodesia* and the British West Indies are dealt with at pp. 383-386 of the 1941 Year Book. Reciprocal tariff arrangements of Canada with Argentina, Brazil, Chile, and Ecuador are reviewed in the 1942 Year Book at pp. 429-431. Canada's trading position as affected by commercial agreements in respect of Bolivia, Colombia, Costa Rica, Dominican Republic, Guatemala, Haiti, Panama, Paraguay, Portugal, Salvador, Spain, Sweden, Switzerland, United States, Uruguay, Venezuela and certain Belgian and Netherlands Colonies, continues as outlined in the 1941 Year Book at pp. 387-393.

Canadian trade agreements and similar commercial treaty relationship, as defined in the 1941 Year Book, were terminated automatically or suspended with several countries and colonies by application of Enemy Trading Regulations. (See pp. 473-475.) The Canadian Trade Agreement with France was not suspended as regards other French Colonies. Reduced rates of the Canadian Tariff resulting from the Trade Agreements with France and Poland apply as formerly to goods from countries entitled to most-favoured-nation treatment in Canada, in addition to the benefits of the intermediate tariff and any lower duties of the Canada-United States Trade Agreement.

At the present time, Canada's tariff relations are affected by trade agreements, conventions of commerce or participation in treaties made by the United Kingdom with foreign powers, listed as follows:—

* This Agreement was terminated as from Jan. 2, 1938, but each country, in its own legislation, still grants tariff preferences to the other.