

British Preferential rates apply to all countries within the Empire. They may, however, be modified downward in their application to specific countries when trade agreements are being revised or discussed between Canada and other Dominions. The whole tariff structure is a very complicated piece of administrative machinery. Almost every budget that is brought down in the House of Commons changes the incidence of the tariff in some particulars. It would be impossible at this place to attempt a discussion of tariff schedules. The schedules and rates in force at any particular time may be obtained from the Department of National Revenue, which is responsible for administering the Customs Tariff.

In all cases where the tariff applies, there are provisions for drawbacks of duty on imports of semi-processed goods used in the manufacture of products later exported. The purpose of these drawbacks is to give Canadian manufacturers a fair basis of competition with foreign producers of similar goods, where it is felt to be warranted. There is a second class of drawbacks known as "home consumption" drawbacks; these apply mainly to imported materials used in the production of specified classes of goods manufactured for home consumption.

Too often one-sided competition arises out of unfair practices, such as dumping or the manipulation of exchange advantages. Wide powers have been given in certain instances to supplement tariff provisions. Thus, the Minister of National Revenue or, through him, the customs officials have at times been empowered to establish a "fair market value" as a basis of applying duties to be collected. The term "fair market value" is vague and open to various interpretations and has been frequently criticized, but in exceptional cases, for which they are designed, such valuations have proved effective.

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". 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 value" 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.—The Canadian Tariff Act was written in 1907 and, although there have been many changes and revisions, there has been no complete overhaul since that time. In 1931, a Tariff Board was established to make inquiry into and report on any matter in relation to goods that are subject to or exempt from customs or excise duties or on which the Minister of Finance desires information. The duties of this Board are more specifically described at pp. 965-966 of the 1941 Year Book. The Tariff Board has been inoperative since the beginning of the War in 1939, in view of the turn taken by wartime trade. Its officers and experts worked with various war bureaus and its earlier research is now unrelated to the wide changes that have been brought about in industry and trade as a result of the War. In the post-war formulation of Canadian trade and tariff policies, a change has been introduced by the setting up of a special Interdepartmental Committee. The Canadian Tariff Board has not been abolished. Indeed the Chairman of the Board is also head of the Interdepartmental Committee, but will resume its functions