

The Tariff Board.—The Tariff Board, constituted by the Tariff Board Act, 1931, consists of three members, one of whom is chairman and another vice-chairman. The duties and powers of the Board derive from three Statutes of Canada: the Tariff Board Act, the Customs Act, and the Excise Tax Act.

Under the Tariff Board Act the Board makes inquiry into and reports upon any matter in relation to goods that, if brought into Canada or produced in Canada, are subject to or exempt from duties of customs or excise and on which the Minister of Finance desires information. The investigation into any such matter may include inquiry as to the effect that an increase or decrease of the existing rate of duty upon a given commodity might have upon industry or trade, and the extent to which the consumer is protected from exploitation. It is also the duty of the Board to inquire into any other matter in relation to the trade and commerce of Canada that the Governor in Council sees fit to refer to the Board for inquiry and report. Usually the references take one of two forms: authority for review of sections of the Customs Tariff relating to an entire industry, or for investigation in respect of specified commodities. Under a provision of the Act, reports are tabled in Parliament.

Under the provisions of the Customs Act and the Excise Tax Act, the Tariff Board is authorized to act as a tribunal to hear appeals from rulings of the Department of National Revenue in respect of matters of administration including those of excise taxes, tariff classification, value for duty, and drawback of customs duties. Declarations of the Board on appeals on questions of fact are final and conclusive, with provision for appeal on questions of law to the Exchequer Court of Canada. Tariff references and appeals receive public hearings at which interested parties submit oral statements and written briefs relating to matters under consideration.

Subsection 2.—Tariff Relationships with Other Countries

General Agreement on Tariffs and Trade.*—The General Agreement on Tariffs and Trade is by far the most important trade agreement in which Canada is participating at the present time. Fundamentally, it is a multilateral agreement which applies equally to all the 34 contracting parties.

The Agreement consists of three parts corresponding to the several distinctive aspects of trade negotiations:—

Part I (Articles 1 and 2) deals with tariff rates. The general provisions regarding the application of rates of duty negotiated under the Agreement are set forth and the schedules of negotiated duties are also included.

Part II (Articles 3 to 23) covers all non-tariff matters which have a direct bearing on international trade. The principles set forth in this Part constitute an international code of regulations for conducting foreign trade.

Part III (Articles 24 to 34) deals with matters concerning the administration and the relationship of the Agreement to the Charter for an International Trade Organization.

Part I defines the meaning and application of the principle of most-favoured-nation treatment, which is the key provision of the Agreement. Briefly, it requires that each contracting party will accord the same advantages and privileges with respect to international trade to all other contracting parties. An exception is made to permit existing preferences to be maintained, but these cannot be increased. In connection with Part I, there are schedules listing the products on which each country has agreed to bind or reduce its tariff. As a rule, tariff negotiations are

* For details concerning the development of the General Agreement on Tariffs and Trade, see Year Book 1950, pp. 966-968.