

General Tariff rates are applied to goods imported from the few countries with which Canada has not made trade agreements.

There are numerous goods which are duty free under the British Preferential Tariff, or under both the British Preferential and Most-Favoured-Nation Tariff, or under all Tariffs.

Valuation.—Sect. 35 of the Customs Act provides that, when any *ad valorem* duty is imposed, the valuation of the goods for purposes of calculating the duty basically "shall be the fair market value, at the time when and place from which the goods were shipped to Canada, of like goods when sold in like quantities for home consumption in the ordinary course of trade under fully competitive conditions and under comparable conditions of sale" or "the amount for which the goods were sold by the vendor abroad to the purchaser in Canada, exclusive of all charges thereon after their shipment from the place from which they were exported direct to Canada", whichever is the greater. There are further provisions for determining the value for duty when the fair market value, in accordance with the foregoing, cannot be ascertained. Internal taxes in the country of export (when not incurred on exported goods), the cost of shipping the goods to Canada, and similar charges however are not included in the value for duty.

Dumping.—Sect. 6 of the Customs Tariff provides that when the actual selling price of goods being imported is less than their fair market value and the goods are of a class or kind made or produced in Canada, a special or dumping duty shall be collected. This duty is to be equal to the difference between the actual selling price and the fair market value of the goods, except that it may not be more than 50 p.c of the value for duty. These provisions are designed to offset the advantage foreign exporters may achieve by exporting to Canada at less than the going prices.

Drawback.—There are provisions in the Customs and Excise Tax Acts for the repayment of a portion of the duty, sales and/or excise taxes paid on imported goods used in the manufacture of products later exported. The purpose of these drawbacks (as these repayments are called) is to assist Canadian manufacturers to compete in foreign markets with foreign producers of similar goods. A second class of drawback, known as "home consumption" drawbacks, is provided for under the Customs Tariff Act and applies to imported materials and/or parts used in the production of specified goods to be consumed in Canada.

The Tariff Board.—The Tariff Board, constituted by the Tariff Board Act 1931, consists of five members, one of whom is chairman and two are vice-chairmen. 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. Reports are tabled in Parliament.

Under the provisions of the Customs Act and the Excise Tax Act, the Tariff Board acts as a court 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