

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 organization and functions of the Tariff Board are described at p. 100 of this volume.

Subsection 2.—Tariff and Trade Arrangements with Other Countries as at Dec. 31, 1961

Canada's tariff arrangements with other countries fall into three main categories: trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are as follows: Australia; the West Indies and the Bahamas, Bermuda, British Guiana and British Honduras; New Zealand; Federation of Rhodesia and Nyasaland; and Britain and Colonies. Preferences are accorded by Canada to India, Pakistan, Ghana, Nigeria and Tanganyika. Tariff relations between Canada and Ceylon, Ghana, the Federation of Malaya, Cyprus and Sierra Leone are governed by the Canada-United Kingdom Agreement. These agreements and arrangements have been modified and supplemented by GATT.

Canada exchanges most-favoured-nation treatment with 40 countries under the General Agreement on Tariffs and Trade. These countries are shown in the list on pp. 997-1004. In addition, Switzerland and Tunisia have acceded provisionally, and arrangements were being made for Argentina's provisional accession. At the end of the year Cambodia, Israel, Portugal and Spain were expected to become full contracting parties in the near future. Poland and Yugoslavia also participate in the work of the GATT. The protocol of Provisional Application of the General Agreement on Tariffs and Trade was signed by Canada on Oct. 30, 1947 and brought the Agreement into force on Jan. 1, 1948.

GATT is a multilateral trade agreement providing for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties and laying down rules and regulations to govern the conduct of international trade. Under the system of multilateral tariff negotiations initiated under GATT, four general rounds of negotiations have taken place: at Geneva, Switzerland, in 1947; at Annecy, France, in 1949; at Torquay, England, in 1950-51; and again at Geneva in 1955-56. A fifth tariff conference opened in Geneva on Sept. 1, 1960.* The tariff concessions Canada granted and received at the first Geneva Conference are described in the 1948-49 Year Book, pp. 875-877, and those negotiated at Annecy are discussed in the 1950 Year Book, pp. 968-970. The Torquay negotiations are discussed in the 1952-53 edition, pp. 996-997.

Canada already had most-favoured-nation trade agreements with a number of GATT members prior to the effective date of the General Agreement. These agreements with individual countries continue in force in conjunction with the General Agreement. As an exception, however, the Canada-U.S. Trade Agreement of 1938 is suspended for as long as both countries continue to be contracting parties to GATT.

Other arrangements include trade agreements with the Republic of Ireland and the Republic of South Africa exchanging preferences and most-favoured-nation agreements, and other arrangements of a less formal nature with many countries not contracting parties to GATT.

* This conference, ended on July 16, 1962, included negotiations concerning European Common Market rates of the 'Six' (Belgium, France, Germany, Italy, Luxembourg and the Netherlands) whose national tariffs are being aligned with the Common Market Tariff over a transition period scheduled to be implemented by Dec. 31, 1969. When these tariff concessions come into force, the national tariffs of the member states of this European Economic Community will be adjusted to the basis of the negotiated concessions. As a result of these negotiations, the Minister of Trade and Commerce stated that Canada had obtained assurances with respect to its rights of access to the European Common Market (EEC) covering fisheries products, wood and wood products, base metals, minerals and chemicals, and other miscellaneous products totalling nearly \$250,000,000 of Canadian trade and, in addition, assurances regarding the access of Canadian wheat and certain other agricultural items to the said Market pending the working out of the agricultural tariff policy of the EEC.