

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 organization and functions of the Tariff Board are described at p. 113 of this volume.

Subsection 2.—Tariff and Trade Arrangements with Other Countries as at Dec. 31, 1963

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.

Canada accords preferential tariff treatment to all members of the Commonwealth and dependent territories with the exception of Hong Kong. In addition, preferences are extended to the Republics of Ireland and South Africa. The preferential arrangements with Britain, Australia, New Zealand, the West Indies and the Republics of Ireland and South Africa are governed by bilateral trade agreements. A number of Commonwealth countries—India, Pakistan, Ghana, Nigeria, Tanganyika, Uganda and Kenya—do not accord preferential tariff treatment to Canadian goods. Canada's arrangements and agreements with Commonwealth countries have been modified on a number of occasions by the negotiations which Commonwealth countries have had with their non-Commonwealth trading partners in GATT.

Canada signed the Protocol of Provisional Application of the General Agreement on Tariffs and Trade on Oct. 30, 1947, and brought the General Agreement into force on Jan. 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade. On Dec. 31, 1963, there were 60 full members of GATT. The names of these, and the dates of their accession, are given in the list on pp. 941-947. In addition, Switzerland, Tunisia, Argentina, Yugoslavia and the United Arab Republic have acceded provisionally. The GATT is applied on a *de facto* basis to a number of newly independent states (Algeria, Burundi, Congo (Leopoldville), Mali, Rwanda and Togo) pending final decisions as to their future commercial policy. Two other countries, Cambodia and Poland, while not members, participate in the work of the GATT. Five rounds of major multilateral tariff negotiations have been held under the GATT—at Geneva in 1947, Ancey in 1949, Torquay in 1950-51 and again at Geneva in 1956 and 1960.

Canada already had most-favoured-nation trade agreements with most contracting parties prior to the effective date of the General Agreement. These arrangements continue in force in conjunction with the GATT. As an exception, however, the Canada-United States Trade Agreement was suspended for as long as both parties should continue to be contracting parties to the GATT. Trade relations between Canada and many other countries are governed by trade agreements of various kinds, by exchange of most-favoured-nation treatment under Orders in Council, by continuation to newly independent states of the same treatment originally negotiated with the mother country and by even less formal arrangements.