

goods to Canada and similar charges do not normally form part of the value for duty. There are, of course, further provisions for determining value for duty under the Act.

Dumping.—Sect. 6 of the Customs Tariff provides that when the actual selling price of goods being imported is less than the 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. ad valorem. These provisions are designed to offset the advantage foreign exporters may achieve by exporting to Canada at less than the going prices in the country of export.

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 Act and 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. 127 of this volume.

Subsection 2.—Tariff and Trade Arrangements with Other Countries as at Dec. 31, 1964

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 providing for exchange of preferential rates are: Australia, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, the Leeward and Windward Islands, Trinidad and Tobago, New Zealand, Britain and its dependent territories and the members of the former Federation of Rhodesia and Nyasaland (Malawi, Rhodesia and Zambia). Canada also exchanges preferences with Ceylon, Cyprus, Malaysia, Malta and Sierra Leone and accords preferences to India, Pakistan, Ghana, Nigeria, Kenya, Tanzania and Uganda. Many of these countries are also members of the GATT. In addition, Canada has trade agreements with Ireland and South Africa under which preferences are exchanged.

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.

The membership of the GATT increased by four during 1964 and at the end of the year there were 64 full members. These countries and the effective dates of their accession are indicated in the list on pp. 948-955. In addition, Switzerland, Tunisia, Argentina, Yugoslavia, the United Arab Republic and Iceland are provisional members. The GATT is applied on a *de facto* basis to a number of newly independent states, Algeria, Burundi, Congo (Leopoldville), Mali and Rwanda, pending final decisions as to their future commercial policy. Two other countries, Cambodia and Poland, although not members, participate in the work of the GATT.

Trade relations between Canada and a number of 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 countries previously responsible for their commercial relations, and by even less formal arrangements.