

incurred on exported goods, do not form part of the value for duty. There are, of course, further provisions for determining value for duty under the Act.

Anti-dumping Act. Canada's Anti-dumping Act provides, in brief, that where goods are dumped, i.e. the export price is less than the normal value, and such dumping has caused, is causing, or is likely to cause material injury to the production of like goods in Canada, or has materially retarded or is materially retarding the establishment of the production in Canada of like goods as determined by the Anti-dumping Tribunal, there shall be levied, collected and paid an anti-dumping duty. This anti-dumping duty is in an amount equal to the margin of dumping of the entered goods.

Drawback. Drawback legislation is designed to remove the customs duty and sales tax included in the manufacturers' costs so as to enable them to compete more equitably both abroad and at home with foreign manufacturers. It does this by granting a drawback, in the case of Canadian exporters, of customs duty and sales taxes paid on imported parts or materials used in Canada in the manufacture of goods subsequently exported. In the case of certain strategic industries in Canada, (i.e. aircraft, automobiles and other secondary manufacturers) their costs of plant equipment or key materials are also reduced in the same manner when the specified imported goods are used in eligible Canadian manufacturers. Other areas where drawbacks are payable include: ships stores; joint Canada-US projects; and imported goods exported or destroyed in Canada.

18.4.2 Tariff and trade arrangements

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 arrangements and agreements.

Canada signed the Protocol of Provisional Application of the General Agreement on Tariffs and Trade on October 30, 1947 and brought the General Agreement into force on January 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. As at July 1974 there were 83 members and two provisional members, Tunisia and the Philippines. GATT is applied on a de facto basis also to a number of newly independent states pending decision as to their future commercial policies.

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.

Britain and Ireland will terminate by 1977 the preferential tariffs extended to Canada. The phasing out of these preferences began on February 1, 1973, as a result of the accession by those countries to the European Economic Community (EEC).

18.4.2.1 Tariff and trade arrangements with Commonwealth countries as at December 31, 1974

Australia. Trade Agreement in force June 30, 1960, modified and continued by an Exchange of Letters, October 25, 1973. GATT effective January 1, 1948. (Bindings of rates of duty and margins of preference on specified products and exchange of tariff preferences.)

Bahamas. Relations are based on the Canada — West Indies Trade Agreement and protocol thereto (see Commonwealth Caribbean). GATT de facto application. (Exchange of preferential tariff treatment.)

Bangladesh (formerly East Pakistan). GATT effective December 16, 1972. (Canada accords British preferential treatment. Bangladesh accords most-favoured-nation treatment to Canada.)

Barbados. Relations are based on Canada — West Indies Trade Agreement and protocol thereto (see Commonwealth Caribbean). GATT effective November 30, 1966. (Exchange of preferential tariff treatment.)

Botswana. GATT de facto application. (Canada accords British preferential tariff treatment.)