

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 Tariff for the repayment of a portion of the duty paid on imported materials used in the manufacture of products later exported. The purpose of these drawbacks (as these repayments of duty are called) is to assist Canadian manufacturers to compete with foreign producers of similar goods. A second class of drawback, known as "home consumption" drawbacks, applies to imported materials and parts 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 three members, one of whom is chairman and another vice-chairman. 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 is authorized to act as a tribunal 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 to the Exchequer Court of Canada. Tariff references and appeals receive public hearings at which interested parties submit oral statements and written briefs relating to matters under consideration.

Subsection 2.—Tariff and Trade Arrangements with other Countries, as at June 1, 1954

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, British West Indies, Ceylon, Ireland, New Zealand, Union of South Africa, and the United Kingdom and Colonies. These agreements have been modified and supplemented by the GATT. Preferential arrangements are also in force with respect to Southern Rhodesia, India and Pakistan.