

Commissioner of Tariff

The Commissioner of Tariff is an official of the Department of Finance and serves as adviser to the Minister on all questions relating to tariff and taxes on imported goods. He also deals with all applications for tariff changes, and prepares the necessary legislation for such changes. If the change is of a temporary nature, action is taken by Order in Council; if permanent, provision is made for amending the existing law in the Budget.

All matters relating to tariff problems, other than administrative matters, are dealt with by the Commissioner; problems relating to large industries or groups of industries are generally referred to the Tariff Board.

FOREIGN EXCHANGE CONTROL BOARD

The purpose of exchange control, instituted in September 1939, was to maintain exchange stability and to conserve Canada's supply of United States dollars for essential war and civilian requirements, by ensuring that it would not be dissipated on non-essential purposes. It was anticipated at that time that current account transactions with the United States would result in a large deficit. It also became apparent that current account balances with the United Kingdom would greatly increase as Canada became a major source of war and civilian supplies. Nor could Canada expect to convert her surplus sterling into United States dollars as she had been doing before the war. The Foreign Exchange Control Board, headed by the Governor of the Bank of Canada, with the Bank as its technical advisor, and the Chartered banks as its agents across the Dominion, administered the following principal provisions of exchange control:

1. All foreign exchange in the possession of Canadians had to be sold to an authorized agent of the Board;
2. Canadians had to apply to the Board for all foreign exchange they required;
3. Transfers of Canadian dollars from residents to non-residents could be made only under permit;
4. Sales, assignments or transfer of securities by residents to non-residents could be made only under permit;
5. Sale of securities in Canada by non-residents could be made only under permit;
6. Exports from and imports into Canada of goods, securities, currency and other property could be made only under permit.

The rates of exchange for the United States dollar and the pound sterling were fixed for the duration of the war and remained unchanged until July 5th, 1946, when the Canadian dollar was restored by the Government to parity with the U.S. dollar.

All liquid foreign exchange assets apart from minimum balances needed for day-to-day transactions, were concentrated in the hands of the Board. The Bank of Canada, relieved of its minimum reserve obligations, turned over gold valued at 205 million U.S. dollars and U.S. dollar balances of 25 million. Privately held U.S. dollars to an amount of over 77 million dollars were also taken over.

Foreign exchange control and conservation measures, in addition to unexpected wartime increase of sales of Canadian securities and unusually large sales of grain in the United States, and United States Government expenditures in Canada for wartime purposes made it possible for Canada to emerge from the war with no increase in its balance of its indebtedness to the United States and other non-sterling countries.