

SEAWAY CO-OPERATION: The Department of External Affairs announced on September 24 that, following discussions between the authorities of the United States and Canada, arrangements have been made in both countries regarding the customs and immigration procedures to be applied in furtherance of the construction of the cofferdams to be erected in the St. Lawrence Power Project.

Cofferdams are the first major item of construction in the development of power on the St. Lawrence River, which is being undertaken jointly by the Hydro-Electric Power Commission of Ontario and the Power Authority of the State of New York. A number of cofferdams are to be erected in the vicinity of Iroquois, Long Sault Rapids and Barnhart Island as a preliminary to the construction of the dams and power-houses at those three points. The cofferdams will cross the International Boundary and it was therefore considered desirable to adopt special customs and immigration arrangements in order to facilitate their construction.

ARRANGEMENTS

Generally speaking, the arrangements in each country are the following:

Customs duties and taxes will be waived with respect to materials brought into either country for incorporation in the cofferdams. However, customs or tax exemption will not be granted in respect of materials to be incorporated in the approaches.

Duties and taxes will not be payable on new or used equipment (except vessels) brought into either country for the construction of cofferdams, if such equipment is exported upon completion of such use. If equipment remains in the country, on completion of such use, duties and taxes will be levied on the appraised valuation of the equipment upon completion of its use at the cofferdams.

All persons employed in either country (but not their dependents) will be freely admitted to a delimited zone in the other country, in the general area of the power project, so long as they comply with regulations of the two countries.

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Canada's department stores increased their sales close to 2% in July as compared with a year earlier, and end-of-June inventories were valued 4% higher than at the same time last year. July's sales were valued at \$67,512,000 as compared with \$66,225,000 a year ago, and inventories totalled \$238,100,000 as compared with \$228,198,000.

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Canadian factories sold close to 757,300 TV sets in the 58 months from September 1949 to June this year. Total retail value at list prices: almost \$310,000,000.

5 MONTHS' SURPLUS \$148,000,000: Budgetary revenues in August were \$322.3 million or \$1.7 million less than in August 1953, while expenditures were \$312 million or \$40.8 million more than a year ago. For August 1954, the budgetary surplus was \$10.3 million compared with \$52.8 million for August last year, the Minister of Finance, Mr. Walter Harris, announced on September 25.

For the first five months of this fiscal year budgetary revenues amounted to \$1,639.3 million or \$124.6 million less than for the corresponding period in 1953. Expenditures were \$1,491.2 million or \$10.6 million more than in the same period a year ago. For the first five months of the current fiscal year the surplus was \$148 million. The surplus for the corresponding period a year ago was \$283.3 million.

Total defence expenditures during August were \$136,882,000 as compared with \$109,543,000 in August of last year.

During August, pension payments out of the old age security fund, which are not included in budgetary expenditures, amounted to \$29.3 million. As tax receipts credited to the fund totalled \$22 million, there was a deficit of \$7.3 million for the month. For the first five months of the fiscal year pension payments from the fund amounted to \$145.7 million while tax receipts credited to the fund were \$124.3 million. As payments exceeded receipts by \$21.4 million, a temporary loan in that amount was made by the Minister to the fund in accordance with the terms of the Old Age Security Act. For the first five months of the previous fiscal year, pension payments exceeded tax receipts by \$23.9 million.

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LESS CREDIT BUYING: Canadians did a little less cash buying and quite a bit less credit buying in the nation's retail stores in the second quarter this year. Instalment sales were 7.4% below last year's second-quarter level and charge sales were down 2.7%, while cash sales were off a slight 0.3%. The quarterly report on retail consumer credit published by the Dominion Bureau of Statistics places cash sales at \$2,128,100,000 as compared with \$2,135,500,000 last year, charge sales at \$583,800,000 as compared with \$599,800,000, and instalment sales at \$370,800,000 as compared with \$400,600,000.

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WHEAT SUPPLIES: Visible supplies of Can-wheat on September 8 totalled 359,005,000 bushels, moderately below September 1 stocks of 365,724,000 bushels, but up 22.5% from last year's 292,663,000 bushels.

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Quebec firms make over 93% of the tobacco, cigars and cigarettes produced in Canada.