

exchange (which includes American dollars and other currencies outside the sterling group). Nevertheless, the continuing increase in our wartime imports from the United States has outweighed the effects of these measures and there is still a substantial excess of imports over exports, which is not offset by other current transactions. "From this review of the problem as it exists to-day and as it has developed," Mr. Ilsley said, "it will, I think, be clear to all Honourable Members that we must immediately take further steps to curtail the use of hard currency exchange in the purchase of non-essential imports".

The Minister explained the measures which he was proposing in order to deal with this problem. The first was a resolution preceding the introduction of a "War Exchange Conservation Bill" under which several types of action would be taken, including the immediate prohibition of imports from all non-sterling countries (except Newfoundland) of a long list of non-essential commodities, the gradual restriction of imports of another list of commodities, the removal or reduction of customs duties on a list of imports from Britain, and the granting of powers to the Government to make agreements with individuals and firms to encourage additional export trade. The second measure was to be an amendment to the Special War Revenue Act imposing new or increased excise taxes on a number of consumers' durable goods, import of which was to be prohibited under the other Bill.

The list of non-essential imports to be prohibited may be summarized as follows:

"Prepared cereal foods; florist stock and cut flowers; processed and canned fruits and vegetables (but not currants, raisins, dates, apricots, nor grapefruit juice); preserved fish, oysters and crab; manufactured tobacco; spirits and wines; certain classes of fiction magazines and comics; consumers' paper items; perfumes, etc.; china and glass; silverware; electrical household appliances, stoves, etc.; bathroom fittings; automobiles; sporting goods and fishing tackle; cameras; furniture of wood or metal; radios; phonographs; musical instruments; luggage; all finished clothing or wearing apparel; silk fabrics; ornaments; jewellery and precious stones; toys and dolls, and various miscellaneous articles.

It should be added that any of these articles which are the personal property of non-resident visitors to Canada may be brought into Canada by such tourists for their use here, in the same way that such things have always been admitted by our customs regulations in the past."

The second list of imports, for which import permits will have to be obtained from the Minister of National Revenue includes the following: Unmanufactured tobacco; automobiles and motor vehicles other than passenger cars; hardwoods and veneers; raw silk and silk yarns; all petroleum products; and certain minor items. In explaining this second