

25.3 per cent, canned peas 25.0 per cent, automobile tires 20.7 per cent, pepper 15.3 per cent, and toilet soap 14.6 per cent. Declines ranged from 3.9 per cent for No. 1 Northern wheat to 19.5 per cent for potatoes.

Increases over July were recorded by six of the eight sub-group indexes, vegetable products, and iron products remaining unchanged. Largest advance in the month was shown for the textile group which rose from 165.6 to 172.7.

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(Continued from p. 1) **CANADIAN DOLLAR IS FREED**

"One result of the new system of establishing exchange rates is that the so-called unofficial rates for Canadian dollars in New York and other centres will now disappear. The rate will be basically the same in Canada and abroad, although certain local variations may be expected, particularly in transactions in bank notes, as a result of time differences, transportation costs, and special local conditions. Fluctuations in the basic rate will no doubt occur from time to time in accordance with changing conditions of supply and demand. After a short transitional period it is expected that reasonably stable conditions will develop in the exchange market.

"From what has been said, it will be seen that the change from a fixed rate of exchange to a market rate does not involve the abandonment of the foreign exchange control system. A few consequential amendments of the Foreign Exchange Control Regulations will be necessary but the number of these will be small. The objective is to maintain the structure of control in its familiar form as a defence against possible adverse conditions in the future. Actual restrictions will be few. Residents will still require a permit to export capital from Canada and such permits will not normally be granted except for necessary business operations and certain amounts exported by emigrants. Similarly, non-residents will still be required to obtain a permit in order to withdraw capital from Canada and such a permit will normally not be granted except in the case of sale of fixed assets in Canada or liquidation of capital investments made since 1939 and recorded with the Foreign Exchange Control Board. Non-residents will, of course, still be able freely to transfer Canadian currency, securities and other assets among themselves, so that, for example, a non-resident holding Canadian dollars may dispose of them to his bank in the United States in the same manner as heretofore."

The Minister's statement went on to review the background of the present action. In recent months there had been a growing tide of capital movements out of foreign currencies into Canadian dollars. This had been in part useful long-term investments based on a belief in the long run soundness of Canadian financial and economic conditions. In large part, however, particularly in the last few weeks, he

said, "it has been a speculative movement in the hope of fairly early action to restore the Canadian dollar to a parity with the United States dollar."

Mr. Abbott announced Canada's official reserves of gold and United States dollars to have been about \$1,789 million (preliminary) on September 30, a total increase over the past three months of approximately \$532 million, of which over \$285 million occurred during the month of September.

He added on that point:

"An influx of funds on this tremendous scale would, if it continued, be likely to exercise an inflationary influence in Canada at a time when government policy in all fields is directed to combatting inflationary developments. Moreover the accumulation of foreign exchange under such conditions would mean that Canada was in effect incurring a substantial increase in its gross foreign debt and annual service charges without any corresponding increase in its productive resources or ability to export."

The statement said in conclusion:

"The Government has also decided to announce at this time that all the remaining import prohibitions and quota restrictions under Schedules I and II of the Emergency Exchange Conservation Act will be removed effective January 2, 1951...My colleague, the Minister of Trade and Commerce, will be reviewing the operation of Schedule III of the Act (the capital goods section) with a view to ascertaining the appropriate degree and timing of relaxations in that field."

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CREDITORS OF I.G. FARBEN INDUSTRIES: The Department of External Affairs has learned that all creditors with outstanding claims against 170 former companies controlled by the I.G. Farben industries, which is presently in dissolution, are required to file their claims with the Tripartite I.G. Farben Control Office, 28, Mainzerlandstrasse, Frankfurt/Main, Germany, according to the instructions issued by the occupation authorities.

Creditors affected are those who have their legal residence, head office or principal place of business within Germany, before November 7, 1950; outside of Germany but within Europe, before December 7, 1950; outside of Europe, before February 7, 1951.

The claims should be filed in three copies, separately for each debtor company, and should contain the following statements: (a) full name and address of the creditor; (b) the creditor's present domicile and nationality and his domicile and nationality at the time when his claim came into existence; (c) name of the debtor company; (d) amount of the claim as at July 5, 1945; (e) brief description of the claim and its origin; (f) reference to records evidencing the claim, and to correspondence, if any, referring to such claim.