

- (b) The continuing shortage of steel and building products required for domestic consumption;
- (c) Our understanding with the United States Export Licencing Authorities under which goods subject to export control in the United States move freely to Canada without export licences. We maintain export control on these items as a guarantee that Canada will not be used as a backdoor to defeat United States Export Controls on the movement of these products to third countries through Canada.

5. In connection with the European Recovery Program of the United States it became necessary to seek Parliamentary approval for the establishment of complete export control on all shipments to European and Mediterranean areas. Under authority of Chapter 16 of 1948 of the Statutes, area control was established in respect to 48 European and Mediterranean areas. [During the year under review, for strategic purposes, it became necessary to extend this control to 16 additional countries, to include China and adjacent areas. This was authorized by P.C. 6562 of December 29, 1949.] [In order to minimize the inconvenience of such restrictions, a general permit #1597 was issued to the Customs Division, under which non-essential items can move freely to such area countries without the necessity of obtaining an individual export permit. Close liaison was maintained with the United States Authorities in respect to the control on commodities for such areas.]
6. In carrying out the export permit regulations, every effort has been made to reduce to the minimum the inconvenience to manufacturers and exporters and to interfere as little as possible with normal export operations. In keeping with this policy, 569 special permits have been issued - in comparison to 435 in 1948 - whereby the manufacturer is authorized, during a period of twelve months, to export a specified quality of goods under one general licence. This obviates the necessity of applying for a permit for each individual shipment.