

- (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. Chapter 16 of 1948 was, therefore, added to the Statutes. Under its authority, as from July 15th, 1948, an export permit was necessary for all shipments to specified European countries. By this means goods in world wide short supply, such as base metals, were directed to recipient countries under the E.R.P. program in preference to other European destinations. 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, 435 special permits have been issued - in comparison to 400 in 1947 - whereby the manufacturer is authorized, during a period of twelve months, to export a specified quantity of goods under one general licence. This obviates the necessity of applying for a permit for each individual shipment.

7. During the year price controls were gradually dropped and subsidies paid by the Commodity Prices Stabilization