

IMPORTS, EXPORTS SHOW GAINS. Canada's foreign commodity trade was maintained at a high level in August in spite of the obstacles during the railway strike to the inward and outward movement of goods, imports being up moderately from the preceding month and substantially above August last year and exports showing small gains in both comparisons.

For the second successive month and the fifth this year, the value of merchandise imports in August exceeded the total value of domestic and foreign exports, producing an overall debit balance of \$6,600,000. This compares with the small trade deficit of \$2,700,000 in July and a credit balance of \$41,900,000 in August last year, making an aggregate deficit on foreign trade of \$14,300,000 for the first eight months of the year as against a credit balance of \$83,700,000 for January-August last year. An import balance was recorded in August trade with all leading customers and main geographical areas except the United Kingdom, European countries as a whole, and Commonwealth countries in Asia. This contrasts with a substantial export surplus a year ago to other Commonwealth countries as well as the United Kingdom, and also to other foreign countries.

U.S. IMPORTS INCREASE

August imports from the United States were up substantially from a year earlier but due to the sharply increased flow of Canadian shipments across the border, Canada had a debit balance of only \$2,500,000 in the month's trade with the United States as compared to a debit balance of \$26,600,000 a year earlier. For the eight months the debit balance was down sharply to \$90,000,000 from \$389,100,000 last year.

Exports to the United Kingdom were higher in value in August than July but were down sharply from last year, while imports were again above the 1949 value. The result was a balance of \$8,500,000 in Canada's favour compared to \$2,600,000 in July and \$37,100,000 in August, 1949, making a cumulative credit balance of \$61,100,000 for the eight months as against \$253,000,000 last year.

Imports from all countries in August were valued at \$267,300,000 as compared with \$259,500,000 in July and \$212,100,000 in August last year. In the eight months the aggregate value was \$1,979,800,000 as against \$1,852,400,000 a year earlier. The values of all nine commodity groups were higher in the month, while six were higher in the eight months. Domestic and foreign exports increased slightly in value to \$260,600,000 in the month compared with \$256,700,000 in July and \$254,000,000 a year ago, bringing the eight-month total to \$1,965,500,000 as against \$1,936,100,000.

With gains in all nine main commodity groups, the value of imports from the United States rose in the month to \$172,552,000 from \$143,553,000 a year earlier.

TO REVISE GOLD BONUS BASIS: The Minister of Mines and Technical Surveys, Dr. McCann, announced on October 25 that the Government had decided to recommend the continuation for one additional year on a revised basis of the gold bonus programme commenced in 1948 for a three-year period.

A bill will be introduced at the next session of Parliament to amend the Emergency Gold Mining Assistance Act to authorize its extension for the calendar year 1951 on the revised basis, as well as to provide for the additional assistance covering gold produced and sold during the last three months of 1950 that was announced by the Minister of Finance on September 30 last following his announcement that the Canadian dollar was being allowed to find its own level in terms of the American dollar.

The revised assistance payments will be based on a reduction in the rate of assistance and on a change in the base year.

NEW RATE OF ASSISTANCE

At the present time the rate of assistance per ounce is one-half the amount by which the average cost of production per ounce of gold produced from any mine in the year exceeds \$18, provided that in no case shall the rate exceed \$16 per ounce. Under the proposed amending legislation the rate of assistance will be one-half of the amount by which the average cost of production per ounce of gold produced from the mine exceeds \$22, provided that in no case shall the rate of assistance exceed \$11.50 per ounce.

Under the present legislation the assistance payable is calculated by applying the rate of assistance to the number of ounces of gold by which the number of ounces produced from the mine in the year and sold exceeds two-thirds of the number of ounces produced from the mine during the base year. In no case, however, is the assistance payable to be less than the amount calculated by applying the rate of assistance to one-third of the number of ounces of gold produced from the mine during the year and sold. In the case of new mines the rate of assistance applies to each ounce of gold produced during that part of a year that is also part of the mine's first year of production.

Under the proposed new legislation the number of ounces of gold produced by a mine to which the rate of assistance will apply will be determined in accordance with these same provisions. There will, however, be a change in the base year.

Under the present legislation, the base year for mines which were in production prior to July 1, 1946, was the year ending June 30, 1947, and for any mine coming into production on and after July 1, 1946, was its first year of production. Under the proposed legislation the base year for mines which were in production prior to January 1, 1948, will be the calendar year 1949, and for a new mine will be, as at present, the first year of production.