

Conservation Act will be removed effective January 2, 1951. It will be recalled that severe import restrictions had to be imposed in November, 1947, at a time when the drain on our gold and foreign exchange reserves had reached dangerous proportions. By the autumn of 1948 our trade position had improved sufficiently and our reserves had recovered to a level which made it possible to begin the process of relaxation in these restrictions. Our progress in this direction was somewhat retarded by the uncertainties of the international financial situation during the latter part of 1949 and the early months of 1950. But during the past six months it has been possible to resume and to accelerate this process of relaxation. By the end of last June about one-half of the original restrictions had disappeared and a few weeks ago I was able to announce the removal of about one-half of the remainder. In order to facilitate orderly adjustment to each stage in these relaxations it has been customary to give reasonable advance notice of their effect, and it is for this reason that I am now giving notice that all the items remaining in Schedules I and II of the Emergency Exchange Conservation Act will be rescinded at the end of the year. 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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