

CZECHOSLOVAKIAN DELEGATION: The Department of Trade and Commerce announced on July 6 that a delegation from Czechoslovakia had recently visited Ottawa for discussions on trade and related matters. These talks were held at the request of the Government of Czechoslovakia, which had expressed its concern at the special valuation procedures which Canadian customs authorities have been applying to certain imports from Czechoslovakia.

These procedures were instituted with respect to certain Czech imports in the absence of adequate information to verify values in accordance with the requirements of Canadian customs law. In requesting these consultations, the Government of Czechoslovakia referred to Article XXII of the General Agreement of Tariffs and Trade, which provides that "each Contracting Party shall accord sympathetic consideration to and shall afford adequate opportunity for consultation regarding such representations as may be made by any other Contracting Party with respect to the operation of Customs regulations and formalities . . . and generally all matters affecting the operation of this Agreement".

AGREED TO PROPOSAL

As a Contracting Party to the GATT, Canada agreed to the proposal of the Government of Czechoslovakia. It was felt that, in addition to the problems relating to the valuation of Czech imports, the proposed talks might also provide a useful opportunity to discuss other matters of interest, particularly the settlement of the loan extended to Czechoslovakia under the Export Credit Agreement of 1945.

During these consultations, arrangements were worked out with the delegation from Czechoslovakia which it is hoped will permit satisfactory verification of values of goods from Czechoslovakia within the requirements of Canadian customs law.

With respect to the loan extended to Czechoslovakia under the Export Credit Agreement of 1945, arrangements were made which, it is expected, will result in the repayment of the capital and interest outstanding, amounting to approximately \$10.6 million.

During the discussions on general trade matters, Canadian officials made it clear that importers in Czechoslovakia are free to purchase those Canadian goods which are not subject to restrictions on security grounds. During their stay in Canada the Czechoslovak delegation investigated the possibility of importing into Czechoslovakia a wide range of non-strategic goods and commodities, including lard, butter, feed grains, wheat, hides, skins, glycerine and pharmaceuticals of Canadian manufacture. Similarly, it was recognized that opportunities exist for Canadian importers to purchase a considerable range of goods from Czechoslovakia.

DECLINE IN WHEAT EXPORTS: Supplies of wheat remaining on or about June 1 in the four major wheat export countries for export and for carryover at the end of their respective crop years amounted to 1,725,100,000 bushels, some 40% greater than the 1,232,100,000 a year ago.

Estimated supplies in each of the four countries on June 1, with year earlier figures in brackets, were as follows: United States, 878,300,000 bushels (574,300,000); Canada, 614,500,000 (457,200,000); Australia, 132,500,000 (79,000,000); and the Argentine, 99,800,000 (121,600,000).

Total exports of wheat and wheat flour from these four countries in the first 10 months (August-May) of the current Canadian crop year amounted to 525,000,000 bushels, down 23% from last season's shipments of 681,500,000 bushels. Exports from Canada declined to 208,700,000 bushels from 297,500,000, the United States to 169,900,000 from 279,900,000, and Australia to 52,300,000 bushels from 84,800,000, but Argentina's exports rose to 94,100,000 bushels from 19,200,000.

While Canadian exports have declined about 30% from a year earlier, exports from the United States and Australia have dropped by some 39% and 38%, respectively. Reduced shipments from these three countries have been only partially offset by the sharp increase (390%) in Argentine exports from the extremely low level of shipments from that country in August-May, 1952-53.

Canada's share of the total exports from the four countries has remained relatively constant between the two periods, shipments during the first ten months of the 1952-53 crop year having accounted for 43.7% of the total as compared with 39.8%. The United States' share dropped to 32.4% from 41.1%, while Australia's share declined to 10% from 12.4%. Following a near crop failure in 1951-52 the Argentine harvested larger crops in 1952-53 and 1953-54. Reflecting the improved supply position, Argentina's share of the four countries' exports during August-May, 1953-54 amounted to 17.9% as against 2.8%.

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CROP DEVELOPMENT: A wide variation in crop development is evident throughout the Prairie Provinces due, in part, to the extended period of seeding and retarded growth resulting from excessive moisture and cool weather. Wheat varies from 24 inches in height in some areas to just emerging in others. With few exceptions, all spring crops are very much later than normal. However, winter wheat, fall rye and hay and pastures are generally in good condition, the Dominion Bureau of Statistics reported on July 8.

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Merchandise exports equalled about 22% of Canada's national income last year.