

to 1944 under the War Exchange Conservation Act and does not affect newspapers or general magazines.

Various paper products including greeting cards, wrapping paper, wallpaper, sandpaper, tarred paper and prepared roofings, paper boxes, playing cards, games, stationery and a long list of consumer paper products such as facial tissues, paper plates and cups and paper novelties.

Toilet soap and toilet preparations.

Paint, varnish and shoe blacking.

Lubricating oils and refined petroleum jellies.

Mirrors, vases, cut glassware, glass tableware and glass ovenware. (There are no restrictions on imports of chinaware.)

Kitchen and household hollow ware, but not including dairy hollow ware.

Baths, basins and sinks, of iron or steel.

Typewriters, dictating machines, adding machines and cash registers.

Refrigerators, washing machines, sewing machines, toasters, stoves and most other household electrical appliances.

Radios and phonographs.

Electric light fixtures, lamps and bulbs, flashlights and electric razors.

Pleasure boats.

Passenger automobile tires.

Automobiles, trucks and busses. (Provision is to be made later for quotas on motor vehicles.)

Moving picture projectors, sound equipment, spotlights and similar theatrical equipment.

Cameras, other than for professional use.

Planks, boards, flooring and veneers. The prohibition covers all kinds of sawn lumber but does not affect logs, unmanufactured timber or bolts for the manufacture of handles, staves, etc.

Furniture of all kinds.

Pianos and organs.

Dressed furs, fur coats and manufactures of fur. (Raw furs are not affected.)

Jewellery of all kinds, including precious stones (other than diamonds), semi-precious stones, art objects and costume jewellery.

Paintings, other than paintings to be used for printing or reproduction purposes or for public institutions.

Specified metal products, including vending machines, air conditioning units, door chimes, amusement devices, etc., and a long list of non-essential sundries.

Goods enumerated elsewhere as prohibited or subject to quota, when included in the baggage accompanying a resident of Canada returning from abroad. (An exception is made for goods entitled to entry under Tariff Item 703 (b) which are included in the baggage of a returning resident who departed from Canada prior to November 18, 1947.)

The ban does not affect goods classified in this list which are already in transit on November 17th.

QUOTA LIST: The second classification of goods in the Order in Council includes merchandise available for import under the "quota" system.

The quota list is divided into four categories as follows:

Category 1: Fruits and vegetables. This category covers potatoes, onions, apples, grapefruit, oranges, lemons, limes, fruit juice and fruit syrups.

Category 2: Textiles. This category includes almost all textile products advanced beyond the yarn stage. It does not include raw fibres, yarns and wools, cordage, or certain tariff items covering flax, hemp, or jute products and a number of specialty products for use in agriculture or industry. It does include fabrics (whether in the grey, bleached or coloured) of cotton, wool, silk, or synthetic fibre. It also includes all kinds of knitted goods, lace and embroideries, clothing, and textile manufactures, n.o.p.

Category 3: Leather and rubber goods. This category includes leather of all kinds, gloves and mitts of all kinds, leather garments, boots and shoes of any material including rubber, trunks, valises, baskets, musical instrument cases, fancy cases or boxes, purses and pocket books, etc.

Category 4: Miscellaneous. Tariff items included in this quota group cover glass articles to be cut or mounted, watches, watch actions and movements, watch cases, clocks, clock movements and cases, cutlery of iron or steel, firearms, ammunition, fishing tackle and other sporting goods, game tables, balls, dolls, toys, tobacco pipes and smokers' supplies.

The national "quota" which will apply to these goods is arrived at by taking as a base the average total dollar value of imports for each category of merchandise during the years 1937, 1938 and 1939. This average total dollar value is then doubled and becomes the national "quota" for total imports of each category, except in the case of the textile category where the national "quota" is set at 400% or four times the average pre-war yearly importation.

QUOTA ALLOCATIONS

Each individual importer may then apply for an allocation from the national "quota" for any category. The allocation will be based on the proportion between the value of his own imports of goods in that category during the year ending June 30, 1947, as compared with the total national imports of this category for the same period.

Individual import allocations may be used for any goods within the quota category to which they apply.

To aid preliminary estimates of individual allocations from national quotas by importers, calculations show that the national quota for

Category 1 works out to approximately 50% of total national imports for the period July 1, 1946 to June 30, 1947. Importers may thus readily calculate their allocations by taking the same percentage of their own imports in this category for the same period. It was stated that for similar purposes, Category 2 percentage could be taken as approximately 32% or roughly one-third, Category 3 about 70% and Category 4 around 40%.

In connection with the Quota List, however, it will be noticed that the Order divides countries of origin into two groups, "Scheduled Countries" and "Non-Scheduled Countries".

The "Scheduled Countries", which are countries we must pay in dollars and which we do not know to be short of dollars, are Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Russia, United States (including Alaska, Hawaii, Guam, Porto Rico and the Virgin Islands) and Venezuela. "Non-Scheduled Countries" include all others.

EFFECT OF QUOTAS

The effect of the quotas will be to reduce the level of these imports from the "Scheduled Countries" by about 50% of their current rate. On the other hand the same applied to "Non-Scheduled Countries" will leave ample room for expansion from present abnormally low levels.

To take the most extreme example, imports in the important textile category from "Scheduled Countries" amounted to an average of approximately \$10 million in the three pre-war years. The national "quota" indicated for the next twelve months, being 400% of this amount, would be in this case \$40 million. This figure, expressed as a percentage of the value of imports of this kind during the year ending June 30th, 1947, is approximately 32%. Our Canadian importer would therefore be permitted to import from "Scheduled Countries" up to about 32% of the amount he imported during the same period.

On the other hand, imports of these textiles from the "Non-Scheduled Countries" in the average pre-war year amounted to \$30 million. 400% of this amounts to \$120 million. But during the twelve months ending last June this kind of import from these "Non-Scheduled Countries" amounted to only \$52 million. Imports from these "Non-Scheduled Countries" may therefore more than double before they reach their "quota" limit. A somewhat similar situation is found in each of the other "quota" groups. For this reason open general permits will be issued for imports of "quota" goods from "Non-Scheduled Countries" until such time as the overall Canadian imports from these countries begin to approach closely to the "quota" limit.

APPLICATIONS FOR QUOTAS

This will mean that until further notice importers will not be required to file the information necessary to establish a quota in respect of imports from "Non-Scheduled Countries".

Application forms for Import Quotas may be obtained from any Collector or Subcollector of Customs by any intending importer who during the basic period of July 1st, 1946, to June 30th, 1947, imported goods subject to "Quota" from Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Union of Soviet Socialist Republics, United States of America and its possessions, and Venezuela.

A headquarters administrative unit to deal with appeals and general problems relating to the operation of the Prohibited and Quota Lists has been established in the Department of Finance at Ottawa. K.W. Taylor, Assistant Deputy Minister of Finance, will direct this Emergency Import Control Division.

The initial allocation on the Quota List will run to March 31, 1948 and thereafter the present intention is that allocations will be made on a quarterly basis. In special cases Customs Inspectors may allow an interim allocation to an individual importer of up to 5% of his total prospective allocation, provided that application for the annual allocation has been filed. This will enable individual importers who depend on frequent imports of relatively small size to keep in supply, while awaiting final determination of their total allocation.

CAPITAL GOODS LIST: The Capital Goods List covers "any metals or manufactures thereof not included in Appendix VII or Appendix VIII, and not including machinery or equipment for use in the agricultural and fishing industries.

Cinematograph or moving picture films, positives or negatives, one and one-eighth of an inch in width and over."

The order establishes authority to prohibit or restrict imports of these specified classes of goods. Since the special circumstances involved in the importation of goods of this kind prevents the application of a general "quota" or of complete prohibition, it is intended that restrictions will be imposed from time to time after consideration of the pertinent circumstances by the Minister of Reconstruction and Supply.

TRAVEL RESTRICTIONS

EXPLANATORY NOTE: Foreign Exchange Control Board regulations continue the requirement that a Canadian resident must exchange for Canadian currency any U.S. currency in his possession in excess of \$10. It will also continue to be necessary to obtain a "Form H" permit from the Foreign Exchange Control Board before a Canadian may take out of Canada more than \$10 in U.S. funds or more than a total of \$25 in both U.S. and Canadian funds.

However, the total amount of U.S. funds which may now be obtained by one person during the year is fixed at \$150 U.S. Applications for more than this amount for necessary business travel or for travel connected with health or education will be considered on their merits.