

shipping problems. It did not come into being during 1950 because the required number of governments failed to ratify the basic convention. Canada was the first country to ratify the Convention on October 30, 1948, being followed by Greece, the Netherlands and the United Kingdom. The United States acceded to the Convention on August 17, 1950, and it is expected that a number of countries will in the near future signify their accession. The Preparatory Committee, which was set up as an interim body pending the establishment of IMCO, did not meet during 1950.

Inter-Allied Reparation Agency

By September 1950 IARA concluded the allocation of all outstanding German industrial plants made available for reparation. In 1946 it had been estimated that approximately 1,800 plants would be put at the disposal of the Agency. Since then, the Occupying Powers, for various reasons, have decreased this number. The last allocation was made in April, 1950. In all, 668 plants or about 38% of the original estimated number were made available to the Agency.

The liquidation of German external assets continued to occupy the attention of the Agency and member countries. A settlement has not yet been reached for the disposal of German external assets in Switzerland. The funds realized from the liquidation of similar assets in Sweden were distributed among Denmark, the Netherlands and Norway. It is expected that IARA will receive further funds by the liquidation of German external assets in some other neutral countries, but the amount involved will be relatively small.

Canada received about 17,000,000 pesetas through IARA from German assets in Spain. Consideration has been given to the best way of using these pesetas which are blocked in Spain and can only be used for certain limited purposes.

Canada agreed to sign an Additional Protocol to the Brussels Agreement of December 5, 1947, concerning Intercustodial Matters, in order to keep the Agreement effective after September 1, 1950.

It is anticipated that IARA will be curtailing its functions during 1951 as the bulk of its work has been completed.

Agreements for the Avoidance of Double Taxation

Canada was engaged in negotiations with four Governments with respect to Agreements for the avoidance of double taxation. Two Agreements are being negotiated with the Government of France for the avoidance of double taxation of incomes and of successions; one with the Government of Sweden for the avoidance of double taxation on income; and one with the Government of South Africa for the avoidance of double taxation on shipping and aircraft profits.