

## BASIS OF AUTOMOBILE IMPORTS

**COMPLETE VEHICLES:** The basis on which imports of complete automobiles will be permitted in 1948 has been announced by the Minister of Trade and Commerce, Mr. C.D. Howe.

Each importer the announcement states will be given a dollar allotment based on the number of passenger cars and trucks he imported from the so-called "scheduled" countries during the twelve months ended October 31, 1947. The dollar allotment will be arrived at by multiplying the number of units imported during the basic period by \$230, a figure which is calculated to be 75% of the average foreign currency content of automobiles manufactured in Canada.

Thus an importer who imported 1000 vehicles during the basic period would be entitled to a dollar allotment of 1000 x \$230, or \$230,000, with which to purchase and import cars and trucks from the "scheduled" countries during 1948.

The dollar allotments will apply to complete passenger cars with a seating capacity of ten persons or less, and to trucks having a manufacturer's gross vehicle weight rating of less than 16,501 lbs. (approximately up to a three ton load carrier). Passenger busses and heavy trucks are not included, and applications for their importation will be considered individually on their merits.

Mr. Howe explained that his statement fulfilled the assurance given by the Minister of Finance, last November 17, when import restrictions were imposed and motor vehicles were placed on the list of prohibited imports under P.C. 4678 of November 12. It was stated then that the ban on imports of motor vehicles was regarded as a temporary measure, and that a relaxation would be announced at a later date.

**PARTS AND ACCESSORIES:** Regulations, effective as of March 1, governing the import of automotive parts and accessories under Tariff Items 438b, 438c, 438d, and 438e, have also been announced by Mr. Howe, as a further measure to conserve Canada's foreign exchange.

Their general intent is to allow manufacturers and importers to obtain dollar allotments covering imports from the so-called "scheduled" countries (as listed in P.C. 4678), in a percentage ratio to the dollar value of parts and accessories which they imported from those countries during the twelve months ending October 31, 1947, which is known as the basic period. Imports from "non-scheduled" countries will require individual permits, which will be issued within certain designated limits.

An incentive is provided for manufacturers to increase their exports by permitting them an added percentage of imports from the scheduled countries in direct ratio to their increase of production for export.

No permit is required for casual imports, valued at \$25 or less, or for any parts or

accessories which are in continuous and uninterrupted transit to Canada on or before February 29. Provision is also made to exempt parts used for emergency repairs by travellers outside the country.

Mr. Howe emphasized, however, that imports from January 1 to February 29 would be chargeable against the total dollar allotment for 1948, and that this annual allotment may not be used at a greater rate than 25% per quarter on a cumulative basis. For example, if only 15% of the allotment is used in the first quarter, then it is permissible to use up to 35% in the second quarter, and so on.

### ALLOTMENT ON REPAIR PARTS

Importers of service and repair parts will receive a dollar allotment amounting to 75% of the cost of their imports of similar products during the twelve months ending October 31, 1947.

Manufacturers of passenger cars seating ten persons or less, and trucks of less than 16,501 lbs. manufacturer's gross vehicle weight rating, (approximately up to a three ton load carrier) will in addition receive an allotment based upon the cost of imported parts used by them. This is calculated to average \$307 per vehicle.

Using this average cost of imported parts, the allotments for the year 1948 are calculated by adding together, (1) the number of vehicles manufactured for domestic use during the basic period multiplied by \$230 (i.e. 75% of \$307), and, (2) the number of vehicles produced for export during the basic period multiplied by \$307.

Manufacturers may further use the whole or any part of the allotment, to which they are entitled as importers of complete vehicles, for the importation of parts for manufacturing in Canada.

In addition to the foregoing, each manufacturer will receive a further allotment equal to 55% of the amount by which his exports during the year 1948 exceed 90% of his exports during the basic period. It is calculated that the 55% of additional returns from export will amount to approximately twice the cost of imported parts in the average unit produced, and will thus provide an incentive to increase production for export.

(Application forms for imports from the scheduled countries may be obtained from the Collectors of Customs at the larger centres throughout Canada, or direct from the Capital Goods Emergency Import Control Division of the Department of Reconstruction and Supply. Imports from "non-scheduled" countries will require individual permits in respect of each shipment and applications for such permits should be made to the Ottawa address.

The scheduled countries referred to are Cuba, the Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Union of Soviet Socialist Republics, the United States of America and its possessions, and Venezuela.)

## NEW SPRING WHEAT

**DEVELOPED AT EXPERIMENTAL FARM:** A new spring wheat named Cascade especially developed for growing in Eastern Canada by the Cereal Division, Central Experimental Farm, Ottawa, is now available to farmers. Limited quantities of seed of the new variety, for seeding the spring of this year, is being offered for sale by the Cereal Division of the Central Experimental Farm, the Agriculture Department announces.

Cascade is a white, semi-hard beardless wheat and under exacting tests over the past few years has proved to be of excellent yielding ability. It won first prize at the 1947 Royal Winter Fair, a similar prize at last year's Ottawa Winter Fair, and 4th prize at the 1947 International Grain and Hay Show, Chicago. Cascade adds another triumph to the long list already won by the plant breeders of the Experimental Farms Service, Dominion Department of Agriculture.

The specific breeding programme directed by J.G.C. Fraser of the Cereal Division, from which the new variety has now emerged, was initiated in 1938, in an attempt to meet the frequent shortage of soft, white wheat for the cake and pastry trade. The plant breeders reasoned that if a soft white spring wheat of suitable quality was made available it might fill the gap when soft, white, winter wheats were scarce.

In setting out to create this new wheat the requirements sought were clearly defined. It would have to be white in colour and normally be what is known as a low protein variety. While bread wheats must carry a good supply of high quality protein, wheats to be used for making cakes and pastry must carry at least four or five per cent less protein. The new variety would also have to be resistant to rust and inherently productive. These requirements have been fully met.

The first cross made towards the development of Cascade was between Quality A, white, spring variety, and Pacific Bluestem, a low protein variety. This produced a family which included a number of white and relatively low protein types. None of these, however, was resistant to rust. Crosses, therefore, were made with the hardy, rust resistant type designated C-26-59.2D and again with Onas, carrying certain qualities which it was desired to have in the new variety.

Out of all this material a number of very promising selections were isolated and subjected to exacting tests. The selection designated 2780A was then compared with Huron, Coronation II and Regent 975.11, the three leading spring wheat varieties in Eastern Canada. After conducting tests at six Branch Experimental Stations in Eastern Canada and at the Central Experimental Farm, Ottawa, it was found that Cascade produced the highest yield.

## NATIONAL INCOME \$10.7 BILLION

**INCREASE OF 11.6 PER CENT:** Preliminary estimates indicate a gross national product and expenditure of \$13.1 billion for 1947. This represents an increase of \$1.4 billion or 12 per cent over 1946. While some of this increase in gross national product was the result of increased real production, a substantial portion was the result of price increases. The cost-of-living index rose by 9.6 per cent from 123.6 in 1946 to 135.5 in 1947, while the index of wholesale prices rose 18.7 per cent from 108.7 in 1946 to 129.0 in 1947.

National income increased from \$9.6 billion in 1946 to \$10.7 billion in 1947, an increase of 11.6 per cent. Civilian and military labour income, the largest component of national income, increased 12.2 per cent from \$5.5 billion to \$6.2 billion. Investment income increased 8.3 per cent from \$1.9 billion in 1946 to \$2.1 billion in 1947 despite a decline in government trading profits. Net income of agriculture and other unincorporated business increased 13.2 per cent from \$2.2 billion in 1946 to \$2.5 billion in 1947.

Examination of the components of gross national expenditure indicates very substantial absolute increases in gross home investment and consumer expenditure, offset in part by a decline in government expenditure on goods and services and a reduction in the net foreign balance. Gross home investment increased 57.1 per cent from \$1.8 billion in 1946 to \$2.8 billion in 1947. Thus gross home investment was 21.6 per cent of gross national expenditure in 1947 compared with 15.4 per cent in 1946. Consumer expenditure increased from \$7.7 billion in 1946 to \$8.7 billion in 1947, an increase of 13.4 per cent. Government expenditure on goods and services declined from \$1.8 billion to \$1.5 billion. Approximately one-half of the large increase of \$0.7 billion in imports was offset by increased exports.

Personal income rose by \$0.7 billion, from \$9.5 billion in 1946 to \$10.2 billion in 1947, an increase of 7.6 per cent. Direct taxes remained approximately the same but since consumer spending rose by \$1.0 billion, personal saving declined. In 1946 personal saving was 11.1 per cent of personal income while in 1947 it was 7.5 per cent.

**FARM PRICES UP:** Generally speaking, prices received by Canadian farmers for agricultural products continued their upward climb during December with the index number of prices received for all products setting a new high of 208.3 (1935-39=100) as compared with 203.9 a month earlier and 185.5 for December, 1946. Compared with December, 1946, the index numbers for all provinces registered substantial increases, higher prices for grains, live stock, dairy products and potatoes being chiefly responsible.