

The Regulations define "enemies" and "enemy territories". Attempts to trade with the enemy, and proposals or agreements to so trade are included under the general prohibition of such trading. Other offences included in the scope of the Regulations are: dealing in the property of enemies for the purpose of enabling them to obtain money or credit thereon; aiding or abetting any person, whether resident in Canada or not, to so deal in enemy property; knowingly discharging any enemy debt, promissory note or bill of exchange, or purchasing enemy currency.

Penalties for trading, or attempting to trade, with the enemy are quite severe; on summary conviction they extend to 12 months imprisonment or a fine not exceeding \$2,000, or both fine and imprisonment; and upon conviction on indictment to imprisonment up to 5 years or a fine not exceeding \$5,000, or to both fine and imprisonment. Penalties for offences against the Regulations, other than actual or attempted trading with the enemy, are punishable by fine up to \$500, or 6 months imprisonment, or by both fine and imprisonment.

In addition to the cessation of actual trading with the enemy, external trade is directly affected by the sequestration of enemy property, much of which is probably held for trading purposes. The Secretary of State is the Custodian of Enemy Property and such property, whether or not it has been disclosed, is vested in him by virtue of the Regulations, which confer on the Custodian all the rights that enemies themselves had in the property including the form of dealing with such property in such manner as he may in his sole discretion decide.

The term "enemy property" includes such items as dividends and interest, insurance and bequests payable to such enemies.

**Control of Canadian Exports by Export Permit.**—At present all of Canada's exports are under some form of export control, either by reason of destination or because of the supply position. Many products have been placed under export control so that the Canadian list may conform as closely as possible with those products under export control in the United States in order that Canada may not be used as a 'back door' for products that are being allowed to be exported freely from the United States to Canada. The development of this system of control has been along the following lines.

The export of arms, ammunition and implements of war from Canada was prohibited in 1937 except under export permits issued by the Minister of National Revenue. At the outbreak of war numerous Orders in Council were passed prohibiting the export of certain products except under export permits. As the War progressed many additional products were placed under export control and not allowed to leave Canada unless accompanied by export permits issued by certain specified boards, administrators or controllers. From this multiplicity of governmental agencies issuing export permits there developed early in 1941, a situation that was confusing to exporters.

The Government, therefore, on Apr. 8, 1941, by Order in Council P.C. 2448, provided for the establishment of an Export Permit Branch in order to centralize under one authority the responsibility for the issuing of export permits. It also consolidated in one schedule all those commodities that had been placed under export control by Orders in Council. The commodities were grouped in accordance with the classification of the Bureau of Statistics and one new group, taken from Order in Council P.C. 1838 of July 30, 1937, confined to arms, ammunition, implements and munitions of war, was added. The Government further decided that,