and Canadian exporters to supply these orders. Thus, under Plan A, the furnishing of a Certificate of Necessity from the importing country by the Canadian exporter on application for a permit to export to Latin America is obligatory.

In addition to the above, a number of agreements regarding the pooling and allocation of food supplies by the United Kingdom, the United States and Canada have been arranged by the Combined Foods Board. A good example of this is the allocation of the combined stocks of dried, salted and pickled fish from these three countries under the direction of the Board. The United States, Canada and Newfoundland have also made arrangements whereby the United States and Canada will each supply certain of Newfoundland's needs. Here again export control is necessary in order to see that the agreement is properly carried out.

In actual practice, the procedure in the case of Export Permit applications is as follows: When applications for permits to export are received, the Export Permit Branch either submits them for direct checking to the appropriate Controller or Administrator of other Departments *re* supply, or, as in an increasing number of cases, checks the application against definite export quotas established for the particular product. These quotas are the result of careful study of available stocks, the military, civil and industrial requirements of Canada and the Allied Nations, normal pre-war trade with the countries concerned, special commitments to the United Kingdom (as in foods, for example) and various Allied Nations Supply Agreements. The application is also considered with regard to destination, in order to prevent any possibility of goods falling into enemy hands, and carefully checked as to consignee against existing lists of persons with whom trade is forbidden. If necessary, authorities abroad are consulted about the standing of the consignee.

Control of Imports.—*Restrictions.*—Canada's inability to convert surplus sterling assets into United States dollars led to a severe shortage of 'hard currency' early in the War. This necessitated curtailing non-essential imports from the United States and other non-Empire countries, while encouraging imports from sterling areas. The War Exchange Tax (June 25, 1940) provided for a 10 p.c. tax on the value for duty of all imports from non-Empire countries and the War Exchange Conservation Act (Dec. 2, 1940) prohibited the import of a long list of consumption goods that were regarded as non-essential or that could be obtained from within the sterling area in sufficient volume to meet essential requirements. In addition, the Act made certain other products (chiefly cocoa beans, bananas, peanuts, raw tobacco, petroleum, business machines, trucks, buses, hardwood, raw furs and silk) subject to import licence. There has been some relaxation of these restrictions, mainly in regard to consumer goods in short supply. These measures were supplemented by high excise taxes on many of the durable consumer goods affected (automobiles, radios, refrigerators, etc.), the main purpose being to discourage expansion of their manufacture in Canada as imports were eliminated or curtailed.

The principle underlying all restrictions is that war production must be facilitated, rather than hindered, by the controls adopted. Officials of the Department of National Revenue, who administer the War Exchange Conservation Act, maintain close contact with controllers and administrators regarding import requirements. Imports of certain products (wool, sugar, etc.) have been specifically placed under the control of Administrators and in the case of machine tools and certain strategic materials (silk, rubber, etc.) imports are largely channeled through Government-owned companies. Finally, increasing integration of the priority systems of Canada