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.

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. The term "enemy property" includes such items as dividends and interest, insurance and bequests payable to such enemies. The regulations provided under the Designs, Copyright and Trade Marks Efficiency Order, 1939, relate to industrial property and prescribe the methods which are to be followed in relation to applications of enemy aliens and the disposition of rights of enemy aliens.

Notice was given by the Secretary of State on Nov. 24, 1943, that trade could be resumed with persons residing in the territories which comprise the French zone of Morocco, Algeria, Corsica and Tunisia. During 1944 permission was given persons residing in Canada to communicate with and receive communications from persons residing in the following liberated areas in Europe, subject to certain conditions: Italy, Oct. 28; France, Nov. 4; Greece, Nov. 25; and Belgium, Nov. 25. Also, permission was given residents of Canada, under certain conditions, to make remittances to residents of the following liberated areas in Europe: Sicily, Mar. 25; Sardinia and mainland provinces of Italy occupied by United Nations Forces, Apr. 8; France, Andorra and Morocco, Dec. 8 and Dec. 18.

Control of Exports.—The main purposes of export control during wartime are: (1) to prevent Canadian exports falling into enemy hands; (2) to conserve critical or strategic materials and supplies needed by Canada and the Allied Nations; (3) to aid in distributing available materials in the manner most advantageous to the carrying on of the War; and (4) to ensure equitable distribution of available supplies to markets normally dependent upon Canada for essential goods.

Export control is centred in the Department of Trade and Commerce under the Export Permit Branch, (see p. 478).

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 subject to import licence. These measures were supplemented by high excise taxes on many durable consumer goods, the main purpose being to discourage expansion of their manufacture in Canada as imports were eliminated or curtailed. The restrictions on imports under the War Exchange Conservation Act were repealed, effective Aug. 1, 1944, but some goods—mainly textiles, automobiles and petroleum products—were placed under import control.