

Governments accepted the basic policy that equal consideration should be given to United States and Canadian defence shipping, and civilian shipping requirements. It was recommended that appropriate agencies in each country should enter into immediate consultation with a view to establishing an effective, convenient and continuing method of placing Canadian requirements before the United States agency or agencies responsible for deciding on overseas import and export shipping priorities.

*Imports Section.*—In the case of imports, effective co-operation has been maintained between the Shipping Priorities Committee and the Division of Stockpiling and Transportation at Washington. The Commercial Counsellor in the Canadian Embassy has represented the Shipping Priorities Committee on the Interdepartmental Shipping Priorities Advisory Committee at Washington.

The Committee ascertains Canadian cargo space requirements and determines their priority and the extent to which such requirements can be moved by ships of Canadian registry. In consultation with the Canadian Shipping Board, the decision is made as to which items are to be carried by Canadian ships and which by the Wartime Shipping Administration.

The first major problem of the Import Section arose over the question of import controls in February, 1943. It was decided:—

(1) To restrict the use of import shipping space available from most overseas countries to commodities essential to the wartime economy of Canada.

(2) To control by permit, the importation into Canada of specified goods, in order to prevent unnecessary importations into Canada from prejudicing the movement of essential imports.

The Import Section has also taken a broad interest in import trade and has been responsible for the preliminary developments of the new Import Division in the Department of Trade and Commerce (see p. 473).

*Export Section.*—For all practical purposes, 100 p.c. of Canada's exports to Latin America move via United States ports and on vessels controlled directly or indirectly by Wartime Shipping Administration. Early in 1942 it became evident that the available United States-controlled shipping services would not be able to carry the growing backlog of cargoes piled up at United States ports of exit destined to Latin America.

In May, 1942, the Board of Economic Warfare of the United States (now Foreign Economic Administration) introduced a system of export priorities, and Canada's Export Permit Branch (see p. 478) assumed responsibility for affixing the proper United States shipping priority code to Canadian permits in order that the Wartime Shipping Administration would have a guide to the relative importance of each shipment.

On July 6, 1942, the Foreign Economic Administration announced the introduction of control measures on all shipments of 2,240 lb. or over to Latin America (except all-rail shipments to Mexico), to become effective on Aug. 15, 1942.

The Shipping Priorities Committee, under the terms of its Order in Council, was the logical authority to administer complementary controls in Canada, and immediately set up the "Export Section". Arrangements were made whereby the United States authorities would handle only those shipping-space applications from Canada which had been approved by the Committee.