

members of the permanent organization. The Dominion participated in the formulation of the Bretton Woods Agreement and became a member of the International Bank for Reconstruction and Development and the International Monetary Fund established under the Agreement. Also Canada was one of the "Big Three" in the deliberations during 1947 that resulted respectively in the General Agreement on Tariffs and Trade (see pp. 873-875) and the Charter of the International Trade Organization—placed provisionally in effect by all the signatory countries, except Chile, by the end of 1948.

The ratification of these two international agreements would materially assist Canada in readjusting her post-war trade, since the idea behind both is that international trade should be conducted as far as possible on a non-discriminatory most-favoured-nation basis. Most of the tariff concessions granted under the 20 schedules of the General Agreement on Tariffs and Trade have been put into effect provisionally by the contracting parties to the Agreement. Canada extended provisionally to the other countries concessions on about 1,000 of the 2,000 items in the tariff of which about one-half represented a reduction of most-favoured-nation rates and the other half a binding of existing rates against increase. The concessions cover about two-thirds by value of Canada's imports. In return, concessions on three-quarters of the value of Canada's exports were received from the other contracting parties to the Agreement.

At present, Canada conducts trade under formal arrangements of one kind or another with 49 countries, with all of which, except Paraguay, most-favoured-nation treatment is exchanged. (See Chapter XXI.)

Special Problems of Industry

The high level of economic activity that has prevailed since the end of the War has minimized the development of unfavourable economic conditions in Canadian industry generally. A notable exception has been gold mining, where rising costs and a fixed price for the product made it unprofitable to operate the lower-grade properties. The Government made provision in 1948 to give financial assistance to overcome increasing costs.

The shipbuilding industry, greatly expanded during the war period, was able to maintain a considerable volume of production after the War, but operations declined in late 1948 as foreign orders neared completion. With foreign exchange difficulties spreading more widely throughout the world, the Canadian flag fleet also experienced declining business and revenues during 1948. In 1947, a Canadian Maritime Commission was established to recommend policies and measures for the operation, maintenance, manning and development of a merchant marine and a shipbuilding and ship repair industry and to administer steamship subventions. When special rates of depreciation for income tax purposes were cut off at Mar. 31, 1947, the provision was continued with respect to ships acquired from War Assets Corporation or built in Canadian shipyards in the period Apr. 1, 1947, to Dec. 31, 1948. Because some net decrease in the size of the Canadian merchant fleet seemed necessary and to encourage replacement of older wartime vessels with more expensive but more efficient modern ships, Canadian shipping companies have been permitted to sell out of Canadian registry a number of ships previously acquired from War Assets Corporation. To ensure that the funds so