

and of representatives of the United Kingdom, the United States and Canada at London. A further conference of representatives of the three countries just mentioned met at Washington in September. As a result of the latter Conference certain broad principles were laid down, the object of which would be to increase sterling-area exports to the North American continent, thereby helping to close the dollar gap in the external financial position of these countries. One result of this decision has been the establishment of an advisory committee on private overseas investment, composed of 11 business men, to study obstacles which impede the free flow of investment from Canada to overseas countries and the steps that might be taken to eliminate or minimize these obstacles. This committee has a counterpart in the United States in the President's Committee for Financing Foreign Trade.

To help bring about a better balance in its trade with the world's two principal currency areas, the Federal Government has encouraged Canadians to buy sterling-area products and provided assistance to United Kingdom business men to increase their exports to Canada. This has been supplemented by the efforts of private persons. The Dollar-Sterling Trade Board was established in the summer of 1949 to work with the United Kingdom Dollar Export Board in promoting United Kingdom sales in Canada. The Canadian Board is composed of business men, and offers technical advice on the Canadian market to United Kingdom exporters and maintains close liaison with Canadian importers to help them establish contacts with potential United Kingdom suppliers. In January, 1949, a United Kingdom-Canada Continuing Committee on Trade and Economic Affairs was established. The Committee is composed of senior officials of the governments of the two countries. This affords a systematic means of reviewing certain of the problems that arise in joint trade.

As Canada's foreign exchange reserves increased during 1949 and early 1950, it was possible to modify and relax many of the import restrictions imposed under the Emergency Exchange Conservation Act. Among the important changes during 1949 were: the removal from the prohibited import list of such items as meat, poultry, dairy products, miscellaneous foods, cigarettes, oils and greases, lumber and paints; the transfer from the prohibited to the quota list of such items as plumbing fixtures, furniture and hollow-ware; the removal from the quota list of such items as fresh fruits, vegetables, cheese, leather, watches and watch movements; the increasing of quotas by about 25 p.c.; and the increasing of allotments by about 25 p.c. on certain licensed imports of capital and production goods, such as motor-vehicles, ranges, refrigerators, radios and television sets. Two Orders in Council passed in February, 1950, made provision for transferring Switzerland from the list of scheduled to the list of non-scheduled countries and for increasing the textile quota by 10 p.c. on Apr. 1, and for the transfer from the prohibited to the quota list of processed fruits and vegetables and a large number of consumer durable goods on July 1.

When it became necessary to impose import controls in November, 1947, it was also found necessary to 'freeze' the unexhausted portion of the \$1,250,000,000 loan made to the United Kingdom under the Export Credits Insurance Act of 1944. With the improvement of Canada's foreign exchange position, further drawings on this loan at the rate of \$10,000,000 per month were permitted starting in January, 1949.