

in construction but indirectly in commercial equipment and related fields. Under the Farm Improvement Loans Act, 1944, Order in Council P.C. 375 of Jan. 24, 1951, shortened the period in which repayments of new loans must be made and in some instances reduced the proportion of a project's cost that might be advanced. The limit on loans from the Government's Central Mortgage and Housing Corporation was reduced from 93·3 p.c. of the lending value to 80 p.c., effective Feb. 5, 1951, and the Corporation has continued to base its lending values on the level of property values existing on Jan. 1, 1950. These measures together with rising building costs have increased substantially the size of the down payment required.

Other Economic Policies

Federal Government action to influence the level of economic activity has been applied in both the international and the domestic fields. In the latter case the action has been in accordance with the long-run aim of a high and stable level of employment and income. In several important instances it has been developed jointly with the provinces and has sought municipal co-operation as well. The various measures are reviewed in the following five sections.

Foreign Trade.—One of Canada's primary and long-term objectives is to promote high levels of international trade on a multilateral basis. At the same time the Government has found it necessary on occasion to adopt more short-run objectives to cushion the economy against adverse external influences, including action to bridge temporary periods of disorganization or to facilitate adjustments to a more permanent change of economic circumstances. Examples of the short-run objectives are foreign exchange control in general, post-war international loans, the import restrictions of 1947, and export controls (which are also an instrument of economic warfare). Actions in this field during 1950 include the freeing of the exchange rate mentioned above, the release of further sums under the earlier United Kingdom loan, the relaxation of import restrictions during the year and their complete abandonment on Jan. 2, 1951, and the further extension of arrangements for the sale of Newfoundland codfish to Mediterranean countries which had been in effect before Confederation.

The pursuit of the long-range objective of increasing international trade during 1950 included active participation in work related to the General Agreement on Tariffs and Trade, the maintenance of trade representatives abroad, and participation in numerous international organizations and commodity agreements. At Torquay in September the third round of negotiations opened for multilateral reduction of tariffs among the various contracting parties and acceding countries under the General Agreement. By the end of the year the contracting parties numbered 32 and the acceding countries seven. The fourth session of the contracting parties was held at Geneva in March, 1950, and the fifth one concurrently with the tariff negotiations at Torquay in November and December. Arrangements for the exchange of most-favoured-nation treatment were signed during the latter part of 1950 with three countries not party to the General Agreement—Venezuela, Ecuador and Costa Rica. The arrangements with the first two replaced earlier agreements that had terminated or been allowed to expire. A special Mission visited European markets to promote sales of Canadian wheat and flour, with most encouraging results. Arrangements were made with Great Britain to reduce British West Indian restrictions on imports from the Dollar Area, effective Jan. 1, 1951.

Information on tariff relations generally and on the Foreign Trade Service will be found in the chapter on Foreign Trade (see pp. 948-957).