

COPY

September 15th, 1937.

The Canadian Importers & Traders Association Inc.,
117 Wellington Street West,
TORONTO / Ont.

Dear Sirs:

To the attention of
Mr. A. O. Thorne.

I beg to acknowledge receipt of your letter of September 3rd, 1937, with thanks, in which you request experiences gathered by importing German merchandise since the setting of the fixed value of .32¢ to one Reichsmark in the German Treaty. Very gladly I am accommodating your request and below I am stating the effects, which might be of further assistance to you.

Last year the import of German merchandise was considered very favourable due to the facilities of Barter Exchange arrangements, which was an inducement for all importers to buy larger quantities of German goods. As the unfavourable rate of exchange was an obstacle for many lines manufactured in Germany, the Barter Exchange made it possible that these lines could be bought at competitive market prices.

However, the termination of all Barter Exchange arrangements offset all the advantages and while the German-Canadian Commerce Treaty with the fixing of value of .32¢ for one Reichsmark was considered at the beginning as being favourable for German imports into Canada, the results show that the fixed value of the German Reichsmark has not bettered the situation, according to my experiences in a little over five months. In my point of view it has left the situation at the same point when German goods were imported into Canada prior to the Barter Exchange.

In order to bring back the same advantage as enjoyed during the period of the Barter Exchange transactions, the fixed rating of the German Reichsmark should be about .20¢, effective on my lines such as Tools, Hardware, Cutlery, etc., which would permit reasonable importation.

Yours very truly,

WR/DC.