under the Japanese reparations program. Another factor that will become increasingly important is the $84 million loan extended by Communist China to Burma in 1961 for the procurement by Burma of industrial plants and technical assistance from that country. The recent requirement by the Burmese Government that Burmese firms be appointed as commission agents with respect to all but direct import transactions continues to present difficulties for some exporters. However, a workable solution has now been achieved in regard to the distribution of American films in Burma, one of the largest items of trade.

Cambodia

All commercial imports into Cambodia are subject to licensing and exchange controls. During 1961 Cambodia removed what amounted to discriminatory treatment of dollar imports in exchange allocation. Funds are now allocated semiannually for imports either from the French franc zone or the non-French franc zone, which includes both the dollar and sterling areas. Payments for imports from countries outside the franc area are paid for either in dollars or pounds sterling, depending on the wishes of the supplier. Imports from the French franc zone continue to be paid for in nonconvertible francs. Formerly, exchange allocations were tied by product categories and value to the French franc, sterling, and dollar zones, separated, and the bulk of the allocations were earmarked for imports from the French frame and sterling zones.

Imports financed through U.S. aid funds administered by the Agency for International Development (AID) represent a significant share of Cambodia's total export trade. Procurement is on a worldwide basis, except for the exclusion of 19 exporting countries under the new U.S. procurement rule.

Cambodia's imports are also based partly on bilateral trade and payments agreements concluded with a number of countries, including those in the Sino-Soviet bloc. Products which enter into the two-way trade are agreed upon by the two parties and are usually denominated in pound sterling. To a very limited extent, export-retention credits are also used to finance imports. Exporters are permitted to retain a portion of their export proceeds for use in importing goods on an approved list.

Canada

Most imports enter Canada without quantitative restrictions, and payments abroad may be made freely. Import controls remain on only a few items, mainly agricultural products. The Export and Import Permits Act, which was extended indefinitely in May 1960, calls for special permits to import butter, cheddar cheese, turkeys, dry skimmed milk, and butter fat. An annual import quota of 4 million pounds is set for turkeys.

Wheat, wheat flour, and wheat starch; oats, ground oats, crimped oats, crushed oats, rolled oats, and oat meal; and barley including ground, crimped, meal, and flour are controlled by licensing under the Canadian Wheat Board Act. The board is the Government pooled marketing agency for these grains produced in the Prairie Provinces.

The Customs Tariff Act prohibits the import of oleomargarine, butterine and other butter substitutes. This act also prohibits the importation of secondhand or used automobiles of all kinds manufactured prior to the year in which importation is sought. Secondhand aircraft imports regardless of the year of manufacture also are prohibited.

The importation of fissionable and radioactive materials and any equipment which may be used for the production, use, or application of atomic energy is controlled and requires an import permit under Canada's Atomic Energy Control Act.

The Provinces maintain monopolistic controls on the sale of alcoholic beverages. Licenses issued by the provincial authorities are required for their importation. Hotels and clubs may import for private stock but not all Provinces will carry U.S. products in Government-operated stores.