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In This Issue

COVER SUBJECT—Palisades Airport, with the capital city of Kingston in the background, which was heavily pounded by the tropical hurricane that swept across the southern shores of Jamaica on August 17 and 18. One large aircraft, housed in a hangar, was completely destroyed, and several smaller planes at the airport were blown into one blended mass. Kingston, a city of 200,000, was severely battered by the hurricane, scarcely one roof being retained by any building, while rows of houses were razed. It was reported that the death toll was 109, and the estimated damage was in the vicinity of $56,000,000. This was the worst storm experienced by Jamaica in its 300 years, and ninety per cent of the banana crop was believed destroyed. The S.S. Canadian Conqueror, of the Canadian National Steamships, was in Kingston during the hurricane, but suffered no damage.

Courtesy Photographic Survey Corporation Limited.

Price 10 cents

OTTAWA—EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
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The United States . . . 1951

Final Section of a Review of Business and Economic Conditions During January-June

By Arthur E. Byran

Canadian Government Trade Commissioner in New York City

Part III

AT MID-YEAR, while the figures of import and export trade have only been published up to the end of April, it is apparent that United Stats exports at the current rate may reach a record of $15 billion this year—50 per cent above 1950 and surpassing the all-time record of 1947.

Imports into the United States are also heading for new highs, passing the $3 billion mark in the first quarter of the year. For the full year 1951, imports, at the current rate, should reach $12,160 million, representing a 37 per cent increase over 1950.

During the first four months of 1951, imports into the United States amounted to $4,053 million, as compared with $2,474 million for the corresponding January-April period in 1950, an increase of 64 per cent. During the same period, United States exports totalled $4,702 million compared with $3,169 million in the first four months of 1950, an increase of 48 per cent. United States shipments under the Mutual Defence Assistance program, which are included in total export figures, accounted for $326 million during the first four months of 1951.

In the January-April period of 1951, (based on Canadian official releases) United States imports from Canada totalled $712·7 million which was an increase of $171 million over the first four months of 1950, or an increase of over 29 per cent.

United States exports to Canada during January-April, 1951, totalled $956 million, an increase of 54 per cent over the same period of 1950. Details of the various commodities exported to and imported from Canada are still not available for the first four months of 1951, but Canada, during this period, experienced a deficit of $231 million in her trade with the United States, compared with an unfavourable balance of $60·9 million during the same period of a year ago.

Industrial Expansion in the United States

A survey of the industrial activity in the United States during the first half of this year reveals a sharp increase in production and the start of the greatest wave of expansion in the country's history. Regardless of the international situation and assuming that there is no relaxation in the armament effort, production in the United States will continue to increase as industry brings into operation new facilities now planned and under construction, which are scheduled for completion in 1952.

Up to now, the main effort has been devoted to tooling up and to increasing military potential. By mid-1952, the total sum actually spent for this purpose will reach $75 billion. The National Industrial Conference Board reports that defence spending has reached the rate of $600 million a week and will soon rise to $1 billion weekly.

Since July, 1950, there has been a 30 per cent increase in steel production; 25·5 per cent increase in primary aluminum output; 10 per cent rise in electric power generated; and 33 per cent increase in aircraft production. The rate of production of crude oil has increased over 15 per cent since mid-1950.

The Federal Reserve Bank reports an overall increase in industrial production of 12 per cent since June of last year.

During the first six months of 1951, steel output was up by 5 million tons as compared with the first half of 1950. In fact, production of steel has been averaging more than 2 million tons per week for the last 17 weeks and, at this rate, will reach 106 million tons for the full year 1951.

Aluminum production totalled 1,561 million pounds in the last 12 months, added to which are the Canadian supplies which play such an important part in the United States economy, amounting to 320 million pounds during the last 12 months.

Plans are under way to increase the domestic production of aluminum by another 640 million pounds by revitalizing plants idle since the end of the last war; and by the provision of entirely new plants to turn out another 376 million pounds of aluminum.

A year ago, the aircraft industry of this country had 60 million square feet of manufacturing space, of which only 47 million feet were in actual use. Since then, the idle facilities have been placed in operation and an additional 20 million square feet of space acquired. The working force of the industry has been built up from 250,000 persons to about 400,000 at present.

Electric Power Output Higher

The rated generating capacity of electric power in the United States increased during the last 12 months to 72 million kilowatts compared with 65·5 million kilowatts a year ago.

Machine tool makers have sufficient orders on their books to keep their factories operating for 20 months. At the end of June, these backlog orders were valued at $1 billion, mainly required for the defence program.

Already this year the industry has established a record of shipping 100 per cent more machine tools than in the first half of each year. It is anticipated that deliveries during the remainder of 1951 will be doubled again, which will exceed a level of $700 million for the year.

The shipments of tools during June were estimated to have increased slightly more than 5 per cent, compared with May, because of some improvements in deliveries of materials, parts and supplies which have been in very scarce supply. Further improvement of such deliveries is expected under the Controlled Materials Plan.

There has been a critical scarcity of skilled labour during the past six months in this field. Now a shift of employees from reduced working forces in some consumer industries such as automobiles is expected to release some skilled men for either machine-tool plant employment rosters or the payroll lists of sub-contractors of machinery builders. Despite this possibility, it is expected that labour shortages will continue.

Steel Production Increasing in all Districts

According to a report issued by the American Iron and Steel Institute, all major steelmaking districts of the United States are participating in the general increase in steel furnace capacity.

The Pittsburgh-Youngstown district in 1953 will be able to turn out 45 million tons, against 41,400,000 tons at the beginning of 1951, and 34,900,000 tons at the start of 1939. It will have 38·2 per cent of the total national capacity in 1953 against 42·7 per cent in 1939.

The Chicago district, which includes steel plants in Minnesota, Wisconsin, Missouri, Illinois and Indiana, will have a total capacity of 23,900,000 tons in 1953, compared with 21,500,000 tons at the beginning of 1951, and 18 million tons at the start of 1939. It will have 20·3 per cent of the nation's total in 1953, against 22 per cent in 1939.

The Cleveland-Detroit district, comprising Cleveland and Lorain, Ohio, and Michigan, will be able to produce 12 million tons in 1953, compared with 9,600,000 tons at the start of the current year, and nearly 7,800,000 tons at the start of 1939. It will have 10·2 per cent of the national capacity in 1953, compared with 9·5 per cent in 1939.

The Western district—Colorado and the Pacific Coast states—will be capable of producing 6,700,000 tons in 1953, against 5,900,000 tons at the beginning of 1951 and 2,100,000 tons in 1939. It will account for 5·7 per cent of the national capacity in 1953, compared with 2·6 per cent in 1939.

The Southern district—Virginia, Tennessee, Alabama, Georgia, Oklahoma and Texas—will be able to produce 6 million tons in 1953, against 4,900,000 tons at the beginning of this year, and 2,800,000 tons at the start of 1939. It will represent 5·1 per cent of national capacity in 1953, compared with 3·5 per cent in 1939.

The Eastern district—Maryland, Delaware, New York, Connecticut, Massachusetts, Rhode Island and Eastern Pennsylvania—will have a capacity of 24,200,000 tons in 1953, against 20,800,000 at the start of 1951, and 16,100,000 tons at 1939. It will be 20·5 per cent of total 1953 output, against 19·7 per cent in 1939.

Scrap Problem

Worry over the adequacy of scrap metal supplies continues to plague the steel industry. It is estimated that 32·5 million gross tons of purchased scrap will be needed by steel producers this year, which is 3 million more than in 1950.

Even though steelmaking operations have kept above theoretical capacity 17 consecutive weeks, steel officials are greatly concerned. They complain that they are getting just enough scrap, a key raw material, to maintain current operations and are not able to build up inventories for the winter, as they should be doing at this time of the year.

Several trade organizations have joined the steel companies in a scrap collection campaign, but no significant increase in the flow of the material to the mills has yet been achieved. The latest organization to join in the scrap collection effort is the National Association of Manufacturers, which has asked its 16,000 members to ferret out all available scrap around their plants.

Bethlehem Steel Contracts for Ore from Canada

On June 11, the first major contract covering the rich Labrador-Quebec ore was announced when Hanna Coal & Ore Corporation reported it had concluded a contract to deliver to Bethlehem Steel Company 30,000,000 tons of ore over a 25-year period.

Shipments to Bethlehem are expected to start late in 1954, the approximate time when the first ore will be mined. Bethlehem will accept deliveries at Seven Islands on the north bank of the St. Lawrence River.

The National Production Authority (N.P.A.) has set a figure of 1,200,000 cars as the maximum output of automobile manufacturers for the last three months of the year 1951. This is the same number as in the third quarter, and represents a cut of 29 per cent as compared with the last quarter production of 1950. Production in the second quarter amounted to 1,400,000 cars.

N.P.A. began cutting automobile production in the first quarter of this year. Manufacturers were limited to 80 per cent of the steel used during the same quarter of 1950. The makers were limited further in the second quarter preparatory to the third quarter cut in production ordered. The auto makers may be brought under the Controlled Materials Plan before the end of the year, but it seems to depend on the quantity of steel, copper and aluminum they will require to produce their quota of 1,200,000 cars.

By year end, there will probably have been a total of 5,400,000 passenger cars come off the lines compared with an output of 6,500,000 cars in 1950.

Lumber Production In First Quarter a Record

Figures just released by the Lumber Survey Committee indicate that, while demand for lumber exceeded supply in the first quarter of 1951, there was a gradual softening of the market, especially in softwoods, which began in March and continued through April and May. Peak production of existing mills, re-opening of closed mills, and a marked improvement in the freight car situation have offset the heavy demands for lumber for building, defence purposes and industrial uses. Average prices of lumber increased 4 per cent during the first quarter, but they have now levelled off with the easing of the pressure.

Preliminary reports indicate that production during the first quarter of 1951 was the highest of any first quarter for which records are available. Based on reports from the regional lumber manufacturers' associations, production in the first quarter totalled 9,056 million board feet, 9·9 per cent less than in the previous quarter, but 14·1 per cent more than the first quarter 1950.

Current production is being maintained at slightly higher levels than in 1950, aided by the continuance of favourable weather in most regions. Stumpage is reported to be difficult to obtain and many operators report high stumpage prices. The labour supply, while generally adequate, is expected to become increasingly scarce.

Shipments during the first quarter of 1951, on the basis of regional association reports, were estimated to be 9,531 million board feet, 1·9 per cent below shipments in the fourth quarter of 1950, but 8·4 per cent above the first quarter of 1950. Lumber shipments were 5·2 per cent above production during the quarter, in spite of the switchmen's strike in January and a severe unseasonal freight car shortage.

New orders in the first quarter of 1951 were estimated to total 9,976 million board feet, 5 per cent more than shipments and 10 per cent more than production. According to the National Lumber Trade Barometer, however, new orders progressively declined during April until they were below production the first week in May. Softwoods showed the sharpest decline. Reports indicate that buyers have become more selective in their purchases, demanding specific grades and sizes. In general, upper grades are still in heavy demand.

Mill stocks on March 31, 1951, were estimated to be 6,285 million board feet, 7·1 per cent less than on December 31, 1950, but 1·1 per cent more than on March 31, 1950. Operators report that mill stocks generally are adequate. As a result of buyers' preference for upper grade lumber, reports indicate that current increases in stocks are confined largely to lower grades. Retail stocks increased 8 per cent during the first quarter.

Downward Trend in Housing Noted

According to preliminary reports of the Bureau of Labor Statistics, 260,000 new non-farm dwelling units were started during the first quarter of 1951, 8·3 per cent less than in the fourth quarter of 1950, and 6·8 per cent less than in the first quarter of last year. Although the 93,000 units started during March were the second highest on record for that month, the increase in starts over February was the lowest February to March seasonal increase since the war. April starts of 88,000 units, showing a contra-seasonal decrease of 5 per cent from March, are further evidence of a downward trend in housing.

Housing and Home Finance Agency estimates that 850,000 new non-farm dwelling units will be started during 1951. As a result of credit restrictions issued by the Federal Reserve Board, the Federal Housing Administration, and the Veterans' Administration last July and October, applications for mortgage guarantees after October 13, 1950, dropped to about half of their previous levels. Applications have gradually increased since that time, but they are still far below the 1950 figure. In order to comply with the requirement that building be started within eight months of the filing of the application, it will be necessary for applicants filing on or before the deadline date to begin building prior to June 30, 1951. A sharp decline in building starts may be expected after that date.

Construction Seriously Curtailed

Recent amendments to Construction Limitation Order M-4, issued by the National Production Authority, will seriously curtail construction by requiring authorization for the building of multiple unit dwellings in excess of three stories and a basement, residential units costing more than $35,000, buildings for broadcasting purposes, terminal warehouses, and other buildings requiring 25 tons of steel.

The demand for hardwoods is continuing at record-breaking levels. Production of hardwood flooring during the first quarter of 1951 was estimated to total 281,011 thousand board feet, 2 per cent less than the fourth quarter 1950 production, but 19·5 per cent more than in the first quarter of 1950. Production of furniture, by dollar volume, during the first quarter this year was estimated to be 33 per cent more than in the first quarter of 1950, while inventories remain high. It is reported that the Navy is having considerable difficulty in obtaining sufficient quantities of bending oak.

The Wholesale Price Index issued by the Bureau of Labor Statistics indicated an increase of 4 per cent in the average price of construction lumber during the first quarter of 1951. The index registered an average of 348·4 in December, 359·8 in February, and 361·2 in March (1926=100).

Lumber Exports Higher

Exports of lumber in the first quarter of 1951 totalled 200·8 million board feet, of which 167·5 million feet were softwoods and 18·3 million feet hardwoods. First quarter lumber exports were 94 per cent more than in the first quarter last year, and 25·3 per cent more than in the fourth quarter, 1950.

Imports of lumber during the first quarter of 1951 totalled 614·6 million feet, 4·3 per cent more than in the corresponding quarter last year, but 31·3 per cent less than in the preceding quarter.

Imports of softwoods during the first quarter of 1951 compared with the same period in 1950 were as follows:—

Imports of Lumber into the United States

Species	Jan.-March, 1951 (million feet)	Jan.-March, 1950 (million feet)
Douglas Fir	116·7	88·0
Hemlock	42·8	34·2
Fir & Hemlock	67·0	126·0
Spruce	197·3	169·9
Pine	83·1	78·0
Other softwoods	42·8	43·8
Total softwoods	549·7	539·9
Total hardwoods	63·5	46·7
Total boxshooks	0·8	0·6
Total railroad ties (sawed)	0·6	1·9
Total lumber imports first quarter	614·6	589·1

Estimated national lumber consumption, including exports, during the first quarter of 1951, was 9,691 million board feet, 92·5 per cent of the fourth quarter of 1950, and 108·4 per cent of the first quarter of 1950. Anticipated consumption in the second quarter of 1951 is 10,911 million board feet, 95·6 per cent of the second quarter of 1950. These estimates include exports of domestic lumber, imports for consumption, and additions to or depletions from distributors' stocks.

Estimated national lumber consumption was 7·0 per cent greater than domestic production during the first quarter of 1951, as compared with 4·3 per cent more in the fourth quarter of 1950, and 12·6 per cent more in the first quarter last year, according to the National Lumber Manufacturers Association.

Estimated softwood lumber consumption in the first quarter of 1951 was 8·3 per cent less than in the fourth quarter of 1950, but 9·8 per cent more than in the first quarter last year. Consumption of hardwood lumber during the first quarter of 1951 was estimated to be 4·8 per cent less than in the previous quarter, but 3·8 per cent more than in the corresponding quarter last year.

Agricultural Outlook Considered Favourable

The outlook for agriculture during the remainder of the year is generally considered favourable for both the consumer and the farmer. Retail food prices are expected to remain relatively stable, mainly because of increased production and the imposition of certain controls. The increase in meat production above the 1950 level is expected to be greater during the remaining months of this year than the gains made during the first quarter. Agricultural reports show that meat consumption per person for the entire year may be from two to three pounds larger than the average of 145 pounds consumed in 1950. The greatest increase in output is anticipated for pork products, in which predicted advances average from 5 to 10 per cent.

It is becoming apparent that earlier fears of a short cotton crop will not be realized. A recent official report indicates that sufficient cotton acreage has been planted to produce the 16 million bales believed necessary to supply domestic mills and the export trade. This would mean that the 1951 cotton crop would be about 60 per cent greater than output in 1950, when the government urged a sharp cutback in planting.

Grains and Prices

The supply picture for wheat has been confused for some weeks as a result of unfavourable weather conditions in the Southwest, but the latest production report from the Department of Agriculture suggests that output, in addition to accumulated reserves, will be sufficient to supply the nation's needs. Although the 1·05 billion-bushel crop predicted is short of the government's production goal, which actually exceeds prospective requirements and includes grain for storage and emergency use, the harvest is expected to be the eighth successive crop of more than a billion bushels.

Official estimates of the size and probable yield of the corn crop have not been released, but unofficial reports indicate that this year's planting has started well, and some observers expect a bumper yield.

Beef and Control

The strongest protests against agricultural controls continued to be advanced in June by representatives of the cattle-feeding and meat-packing interests. In general, these groups have maintained that controls and rollbacks attack at best only the symptoms of inflated prices. They have held that increased production alone will satisfy growing demand and check recent price rises. They have warned that controls will force beef into the black market and perhaps create "holdbacks", thus diminishing the nation's sources of meat supply.

In the early part of June, events seemed to substantiate the cattlemen's predictions. Cattle receipts at the major markets dropped to record lows, and there were indications that some illegal marketings had begun. By the middle of the month, however, marketings approached normal, and some experts in the industry were reported as believing that the "holdback strike" had ended. The armed forces report that they expect to consume about 510 million pounds of meat in the course of this year.

By the latter part of June the government decided to cancel the two scheduled further rollbacks that would have applied to prices of cattle and beef from the producer to the retailer. The rollback now in effect cuts only the price the producer can receive for his cattle.

Rise in Farmers' Incomes

According to a recent report of the Department of Agriculture, farmers' incomes in the first half of 1951 were 20 per cent higher than the like period of 1950. This gain, however, was partly offset by a 13 per cent rise in farm costs since the first of the year.

Farmers' incomes from marketing totalled $13,200 million. Crop receipts accounted for $3,600 million of the total, and livestock and products brought in $9,600 million, more than $2 billion more than last year. Cash receipts from corn, tobacco and fruit were below last year, but cotton, soybeans, flaxseed, peanuts and vegetables brought in more than in the like 1950 period.

Cash receipts from June marketing are expected to total nearly $2,400 million, compared with $2,200 million in May and $1,900 million in June of last year. Prices will average approximately 20 per cent higher than a year ago.

The take from livestock will be around $1,700 million, slightly less than in May. June receipts from poultry and eggs may go down 10 per cent to 15 per cent from the month before because of a seasonal drop in egg production.

Cost of Farm Price Support Operations Down

Government spending for farm price support operations has dropped 64 per cent in a year. Total investment in support loans and purchases as of May 1 was 42 per cent below a year ago.

As a result of the Korean war, prices of many farm commodities increased well above the government support levels. This enabled the government to get rid of large amounts of its holdings.

A year ago it had nearly $900 million invested in cotton, either through loans or actual purchases. Today, all this cotton is gone at no loss.

This shows how fast things can change. Only a year ago Congress was voting an extra two billion dollars for price-support purposes.

With approximately four billion dollars already tied up at that time in purchases and loans to hold up farm prices, it looked as if the old limit of $4.75 billion was inadequate. But the extra two billion dollars were never touched. And today the old limit appears to be plenty.

However, agriculture officials say the situation could change again overnight when the Korean war ends. In that case, price-support costs will undoubtedly increase again.

As of May 1, the government had only $2·2 billion tied up in commodities actually on hand and under loan. A year previous the total government investment in price-support loans and purchases was 3·9 billion.

Actual spending by the Commodity Credit Corporation is down more than a billion dollars. The Treasury reported that as of May 31, C.C.C. had spent only $596 million since the beginning of the fiscal year last July 1, as contrasted with total spending of $1·6 billion for the same period of a year earlier.

Today, the bulk of the government's holdings are in corn, wheat and linseed oil, all necessary and storable commodities.

Price Support on U.S. Wheat for 1951

According to a report by the U.S. Department of Agriculture, grower prices of 1951-crop wheat will be supported at a national farm average of about $2.18 a bushel. This compares with $1.99 for last year's crop.

The department is required by law to support this grain at 90 per cent of the parity price reported, which was $2.42 a bushel.

Parity is a standard for measuring farm prices designed to be equally fair to farmers and consumers.

The new support rate is expected to be announced at an early date. The indicated average rate is about 10 cents a bushel more than the average price farmers were receiving for the grain on June 15.

Average prices received by farmers, and parity prices, respectively, in bushels unless otherwise indicated, for important products on June 15 included:

	Average Price	Parity
Wheat	$ 2.08	$ 2.42
Rye	1.60	1.77
Rice (rough) (100 lbs.)	5.51	5.58
Corn	1.62	1.76
Oats	.829	.981
Barley	1.22	1.53

	Average Price	Parity
Grain sorghum (100 lbs.)	2.16	2.99
Cotton (lb.)	.4202	.3398
Cottonseed (100 lbs.)	95.60	73.90
Soybeans	2.98	2.83
Peanuts (lb.)	.108	.132
Flaxseed	3.40	4.73
Potatoes	1.08	1.82
Sweet potatoes	2.10	2.57
Dry beans (100 lbs.)	7.69	9.28
Apples	1.89	2.89
Grapefruit (box)	.53	2.02
Oranges (box)	1.53	3.71
Lemons (box)	1.74	3.28
Hogs (100 lbs.)	21.10	21.40
Beef cattle (100 lbs.)	29.59	19.90
Veal calves (100 lbs.)	33.40	22.20
Lambs (100 lbs.)	31.70	21.80
Butter fat (lb.)	.698	.77
Milk, wholesale (100 lbs.)	4.21	4.81
Chickens, live (lb.)	.273	.314
Eggs (doz.)	.447	.53
Wool (lb.)	1.01	.569

The "Fair Trade" Issue

About fifty years ago price wars among retail stores in the United States became so prevalent that they caused a wave of bankruptcies and the campaign for legal controls on retail prices gained impetus. Then came the great depression of 1929-30, when laws were passed permitting manufacturers to enforce regulated resale prices on retailers.

By 1950 "fair trade" laws had been put into effect by almost every State in the Union. This became possible through the passage by Congress in 1937 of the Miller-Tydings Amendment by which States could sanction manufacturers' price-fixing without violating the Sherman Anti-Trust Act.

Although this amendment contained no specific reference to non-signers of price-fixing contracts, all the State laws that were passed made the manufacturers' contract as binding on unwilling retailers as on those who signed the contract.

A few weeks ago, the United States Supreme Court ruled that a supermarket in New Orleans could not be enjoined from reducing prices on branded whiskey so long as it had not signed a price-fixing agreement with the distilling company. Many stores saw in this ruling of the Supreme Court the liberation of this country's retail markets from one-sided imposition by manufacturers of restraints on competition.

In New York in early June, following the U.S. Supreme Court ruling, a price war on nationally advertised brands was started by one of the largest department stores. They cut the former minimum legal prices on 5,978 different items with the result that other department stores retaliated with price cuts of their own. This free-for-all, cut-throat competition spread quickly among New York department stores, electric appliance shops, drug stores and other retail stores. When the stores closed after the first day of this price war, some prices had dropped as much as 30 per cent. The second day prices were still lower. As an example, a well known brand of electric mixer dropped from its regular retail price of $46.50 down to $29.69—automatic toasters regularly selling at $23.00 were cut to $15.09. Possibly the highlight in bargains was the case of a popular brand of aspirin which normally sells at .59 for a bottle of 100 tablets. Before long, these pills were selling as low as 8 cents per bottle. Other merchandise available at these low prices as a result of the price war were—electric steam irons, coffee percolators, phonographs, television sets, vacuum cleaners, fountain pens, electric shavers, men's palm beach suits, typewriters, cigarette lighters, etc.

Naturally, the housewives by the thousands capitalized on this unique opportunity, and many wondered whether this was the initial move towards a general and permanent easing in the cost of living.

Although this price war lasted only four days, it increased dollar sales volume in New York and Brooklyn department stores by 25 per cent during the week, compared with the previous week, at a time which normally marks one of the low points in the yearly sales chart.

Swedish Cement Production Expected to Set Record

Stockholm, July 24, 1951.—(FTS)—Swedish production of cement will total about 2 million tons this year, a new record, it is estimated. Consumption has not diminished, despite heavy price increases in April this year. About one-fifth of the production is exported.

Export Permit Controls Tightened and Import Permit System Established

Revisions in Export Permit Regulations, and the establishment of Import Permit Regulations were announced on August 27. The revisions of the Export Permit Regulations have been designed to provide more precise and effective scrutiny of the ultimate destination for all Canadian exports. They are intended simply to assure that the full spirit, as well as the letter, of the original regulations is carried out, so as to avoid any possible misdirection of strategic materials.

Exporters will be required in all cases to satisfy themselves and to have documentary evidence that the ultimate destination is in accord with their application.

Furthermore, if the ultimate destination is unknown, no shipments can now be made without an export permit.

In order to ensure personal responsibility, no shipments may leave Canada in the name of foreign exporters. They must be made by a Canadian resident, and the applicant must be the shipper.

All previous exemptions to the regulations, including such items as casual gifts, shipments to government offices, personal effects, and so on, will henceforth be covered by General Permits. Customs officials, both in Canada and transhipping countries, will be required to ensure that all documents concerned with a shipment agree and contain complete information before clearance is granted.

In keeping with Canada's international commitments, it has been necessary to establish a system of import controls which will enable the Canadian authorities, when required by overseas countries, to give assurances that goods of a strategic nature exported to Canada will automatically come under the Canadian Export and Import Permits Act.

These regulations also provide the necessary machinery to control the import of goods from specified sources should this be required. It is not expected at the present time that the issuance of import permits under these new regulations will be necessary in many instances.

Copies of the revised Export and new Import Permit Regulations will be distributed as soon as available to interested firms and organizations by the Export and Import Permit Division of the Department of Trade and Commerce.

Canada Benefits from Trade Pact Between Great Britain and Cuba

Agreement provides for purchase by the United Kingdom of sugar and cigars—Cuba has undertaken to eliminate the U.S. preferential margin on about 80 tariff items—New tariff concessions will be automatically extended to Canada.

By International Trade Relations Division, Department of Trade and Commerce

GREAT BRITAIN and Cuba have signed a new trade agreement to become effective on September 9, it was announced in London recently. All the tariff concessions now being granted by Cuba as part of her new agreement with the United Kingdom will be automatically extended to Canada under the most-favoured-nation provisions of the General Agreement on Tariffs and Trade.

This new U.K.-Cuban agreement provides for the purchase by the U.K. of at least 1½ million tons of Cuban sugar over the three years 1951-1953 ,and of $1 million worth of Havana cigars over 1952-1953. In return, Cuba has undertaken to eliminate the U.S. preferential margin on a list of about 80 items of the tariff. According to Sir Hartley Shawcross, President of the Board of Trade, the effect of these concessions is to give the U.K. "the opportunity of competing on equal terms, so far as import duties proper are concerned, with the U.S. for $85 million of trade."

This agreement between the United Kingdom and Cuba may be compared with the agreement between Canada and Cuba, announced after the conclusion of the Torquay tariff negotiations, by which Canada provided for the purchase of 75,000 tons of Cuban sugar in each of the three years 1951-1953 in exchange for the revalidation by Cuba until January 1, 1954, of important tariff concessions originally granted to Canada at Geneva.

All Concessions Automatically Extended to Canada

Among the items on which the preferential margin to the U.S. is being eliminated under the U.K.-Cuban agreement are many products of direct interest to Canadian exporters, a selected list of which appears at the end of this article. It should be noted, however, although the preferential margin to the U.S. is being eliminated on all the items listed, that where the emergency surtax of 20 per cent of the duty is applicable this surtax will not be removed, so that in most cases the U.S. products will still retain to this extent a small preferential margin.

Cuba became the second largest market for Canada in Latin America in 1950, with Canadian exports having risen steadily from a value of $4½ million in 1945 to over $18 million last year. Canadian exports for six months 1951 reached a total of $9·4 million.

Owing to its favourable exchange position based on record sugar sales, Cuba is one of the few foreign markets free of import restrictions against dollar goods. The high level of U.S. exports to Cuba, which totalled $400 million in 1950 and are running at an annual rate of $550 million this year, gives an indication of the importance and potentialities of this market.

Items of interest to Canada on which the Cuban preferential margin to the United States is eliminated, include:

(One Cuban peso equals US$1.00)

Item No.		Unit	Most-Favoured-Nation Rate Former Rate Pesos	Most-Favoured-Nation Rate New Rate Pesos	Rate to United States Pesos
41-D	Wire cable, iron or steel	100 Kgs.	1.50	0.90	0.90
47-A	Fine steel tools and implements for arts and crafts	100 Kgs.	5.00	3.00	3.00
		plus surtax	20%	20%	
47-F	Other tools and implements not agricultural	100 Kgs.	3.00	1.80	1.80
		plus surtax	20%	20%	
ex 48-D	Nuts and bolts, forged	100 Kgs.	2.80	1.90	1.90
		plus surtax	20%	20%	
53-A	Cutlery with handles of wood, iron, horn, bone or composition ...	kilog	0.22	0.12	0.12
53-B	Cutlery with handles of other materials not coated or silver-plated, and scissors	kilog.	0.45	0.30	0.30
		plus surtax	20%	20%	20%
53-C	Pocket-knives, razors and swords ..	kilog	0.60	0.36	0.36
		plus surtax	20%	20%	20%
53-D	Medical, surgical and dental instruments, weighing over 1 kilog	kilog	0.61	0.40	0.40
		plus surtax	20%	20%	20%
53-E	Medical, surgical and dental instruments, weighing 1 kilog or less	kilog	1.16	0.80	0.80
		plus surtax	20%	20%	20%
58-C	Enamelled kitchenware of iron	100 Kgs.	4.25	3.30	3.30
		plus surtax	20%	20%	
64-A	Copper wire and cable, insulated, lead covered	100 Kgs.	3.00	1.80	1.80
	Copper wire gauze:				
65-A	Up to 99 threads per 23 mm. sq. ...	kilog	0.25	0.1625	0.1625
		plus surtax	20%	20%	
65-B	Over 99 threads per 23 mm. sq.	kilog	0.50	0.35	0.35
		plus surtax	20%	20%	
72-E	Aluminum foil	kilog	7.00	6.00	6.00
78-C	Rubber, synthetic rubber and gutta-percha, crude	100 Kgs.	0.65	0.35	0.35
ex 85-A	Artificial colours in powder or lumps	100 Kgs.	0.80	0.40	0.40
		plus surtax	20%	20%	
161-F	Bristol board and fine cardboard	100 Kgs.	5.50	3.30	3.30
		plus surtax	20%	20%	
207-H	Radio and T.V. sets, complete ...	ad val.	29.8%	15%	15%
		plus surtax	20%	20%	
207-I	Radio and T.V. sets, chassis	ad val.	27.3%	12%	•12%
		plus surtax	20%	20%	
207-J	Radio parts, including tubes	ad val.	17.1%	6%	6%
		plus surtax	20%	20%	
217	Electric motors and parts	ad val.	10%	7.98%	7.98%
		plus surtax	20%	20%	
222-A	Office appliances, typewriters, calculating machines and the like	ad val.	16.84%	10%	10%
		plus surtax	20%	20%	
222-B	Loose parts and accessories for office appliances	ad val.	12.84%	6%	6%
		plus surtax	20%	20%	
223-A	Electric washing machines	ad val.	11.75%	8%	8%
		plus surtax	20%	20%	

Item No.		Unit	Most-Favoured-Nation Rate Former Rate Pesos	Most-Favoured-Nation Rate New Rate Pesos	Rate to United States Pesos
223-B	Other electrical appaartus including telephones and batteries	ad val.	15%	11.9%	11.9%
		plus surtax	20%	20%	
224-A	Sewing, embroidery, spinning, weaving and similar machines and their parts	ad val.	5%	4%	4%
		plus surtax	20%	20%	
227-B	Automobiles not over $750	ad val.	14%	10%	10%
		plus surtax	20%	20%	
227-C	Automobiles $750 to $1,500	ad val.	15.8%	10%	10%
		plus surtax	20%	20%	
227-D	Automobiles $1,500 to $2,300	ad val.	19.5%	12%	12%
		plus surtax	20%	20%	
227-E	Automobiles over $2,300	ad val.	25.5%	18%	18%
		plus surtax	20%	20%	
227-G	Trucks with metal bodies	ad val.	20%	14%	14%
		plus surtax	20%	20%	
227-H	Automobile chassis	ad val.	16%	12%	12%
		plus surtax	20%	20%	20%
227-I	Truck, bus and trailer chassis ...	ad val.	7.5%	5%	5%
		plus surtax	20%	20%	
227-K	Bodies of trucks or buses	ad val.	20%	15%	15%
		plus surtax	20%	20%	
227-L	Bodies of trucks or buses unassembled	ad val.	12.5%	7.5%	7.5%
		plus surtax	20%	20%	
227-N	Parts and accessories n.e.s. for autos and trucks	ad val.	14%	5%	5%
		plus surtax	20%	20%	
227-O	Tractors	ad val.	5%	4%	4%
		plus surtax	20%	20%	
227-P	Parts and accessories for tractors	ad val.	5%	4%	4%
		plus surtax	20%	20%	
268-A	Alfalfa	100 Kgs.	1.00	0.80	0.80
		plus surtax	20%	20%	20%
270-E	Canned sardines	kilog	0.04	0.024	0.024
		plus surtax	20%	20%	
271-F	Canned peas, corn and asparagus ..	kilog	0.098	0.02	0.02
		plus surtax	20%	20%	
273-F	Canned soups, except tomato	kilog	0.223	0.055	0.055
		plus surtax	20%	20%	
289-B	Jams, jellies and marmalades	kilog	0.27	0.15	0.15
		plus surtax	20%	20%	
306-A	Empty cartridges for hunting ..	100 Kgs.	20.00	13.00	13.00
		plus surtax	20%	20%	
306-B	Loaded cartridges for hunting.	100 Kgs.	32.00	24.00	24.00
306-C	Shells or cartridges for other than hunting	100 Kgs.	48.00	36.00	36.00
312-D	Oilcloth other than for floors or baling	kilog	0.10	0.06	0.06
		plus surtax	20%	20%	
ex 313	Toys, other than wood or plastic.	ad val.	18.75%	15%	15%
		plus surtax	20%	20%	

Postal Parcels to India Must Comply with Customs Regulations

Bombay, August 8, 1951.—(FTS)—Numbers of postal parcels have accumulated in the Foreign Post Office in Bombay and cannot be delivered promptly because of non-compliance with customs regulations. The Collector of Customs, Bombay, has issued instructions that where any parcels or packets contain goods whose importation requires an import licence and the licence is not produced by the addressee within a reasonable time, the parcels or packets will be returned to the senders. Firms sending commercial shipments to India via parcel post are advised to include a copy of the relative invoice in the parcel in order to facilitate customs valuation and prompt delivery.

Economic Life of Sweden Affected By the International Situation

Fresh inflationary risks resulted from outbreak of hostilities in Korea last year—Restrictive monetary policy adopted—Total agricultural production higher—Industrial output exceeded prewar level in 1950.

By B. J. Bachand, Commercial Secretary for Canada

STOCKHOLM.—The international situation created by hostilities in Korea has naturally affected the economic life of Sweden. While during the first half-year there seemed to be a tendency towards stabilization, with prospects of an improved supply of goods and an easing-up of the prevailing controls, the outbreak of the war during the summer and the consequent wave of re-armament throughout the world brought about fresh inflationary risks in Sweden. The pressure of mounting international prices was strongly felt, increasingly so during the final months of the year when the price subsidies, introduced in September, 1949, when the krona was devalued, were successively abolished. Furthermore, the wage stop which had been applied for some years, ceased to exist and the return to free bargaining on the labour market began to affect home prices. The widespread fear of an unavoidable inflation through higher prices and higher wages in the months to come led to a sharp increase in the public's purchases of consumer goods. The same mentality was reflected in the stock market, where quotations reached the highest level since the war.

The changing situation prompted the government, in the latter half of the year, to re-examine its economic policy. Together with the tightening-up of the control of investments, a restrictive monetary policy with the object of checking the rising demand for credit was adopted. Certain indirect taxes were raised and an export tax on the products of the forest industries was introduced. In addition, the discount rate of the Riksbank was raised by one-half per cent as from December 1, 1950.

Production of Dairy Products Increased

With regard to animal production, there was a continued increase which exceeded both the 1949 production and the prewar level. A substantial surplus of dairy produce and eggs was exported. The quantity of milk weighed in at the dairies reportedly reached the record figure of 4 million tons. The production of butter also reached a peak level, while that of cheese, on the other hand, declined from the postwar record established in 1949. The production of meat increased by 9·5 per cent, over 1949 and bacon by 15·2 per cent. This rise, however, was still not quite sufficient to cover domestic requirements.

Although farm producers' prices remained practically stable during the year under review, consumer prices showed an increase in several fields when subsidies were reduced. At the end of the year, however, a higher scale of prices for the farmers was drawn up, with a view to compensating them for rising production costs.

According to estimates of the Federation of Swedish Industries, industrial production in 1950 increased by about 5 per cent, or estimated in 1950 price levels, by 1,500 million kronor. As the total employment in the country remained approximately the same, the increase of 5 per cent represented an actual rise in Swedish productivity. The development in the production field exceeded all expectations at the turn of the year, when it was then calculated that production during 1950 would actually increase by 650 million kronor only. Sweden's industrial production is at present about 60 per cent above the 1938 figure.

The production and employment in the sawmills and planing mills during 1950 was booming. This was due to improved export possibilities and a rise in prices. Statistics of the Swedish Wood Exporters Association indicate for all assortments an export figure of approximately 750,000 standards, an increase of roughly 100,000 standards as compared with 1949. The 1950 increase is noteworthy, seeing that sales to Great Britain, which normally amount to nearly half of Sweden's timber exports, represented only 13 per cent during the past year. This was due to reluctance on the part of the British Timber Control to accept the prevailing price level. Thus, instead of the 250,000 standards of sawn and planed timber, which were to go to the United Kingdom, 100,000 standards only were purchased. Sweden's principal customer in 1950 was The Netherlands, which bought 185,000 standards as against 108,000 standards in 1949. West Germany took second place, followed by Denmark. Most of the other principal markets for Swedish timber raised their imports during 1950, notably Australia, Greece, Egypt, South Africa and France.

Agricultural Production Increased

Total agricultural production for 1950 was 4 per cent greater than for the previous year. Owing to a continued movement of workers away from agriculture, this increase means that the output per person employed rose by no less than 6 or 7 per cent. This is essentially due to a greater use of agricultural machinery and artificial fertilizers.

The cultivation of bread cereals was considerably extended during the year. The area under wheat was the largest ever recorded in Sweden, while that under rye was somewhat reduced. The area devoted to bread grain was altogether about 5 per cent greater than in 1949. It was estimated that the year's harvest of bread grain should be adequate for meeting all domestic requirements. The same applies to potatoes, although the crop suffered slightly from the autumn rains and proved to be below the yield for 1949. On the other hand, the production of cattle-feed and sugar has not been sufficient and it was necessary to import certain quantities.

The most notable development in the field of vegetable production was the continued sharp increase in the production of oleaginous plants. The area was extended by nearly one-fifth, and the crop showed a still higher increase. The cultivation of oleaginous plants is now nearly 30 per cent greater in area than that of the potatoes and more than three times as large as the cultivation of sugar beet. Considerable quantities of oil seed and vegetable oil were exported during the year, mainly to Western Germany.

Pulp Market Characterized by Keen Demand and Rising Prices

The pulp market was characterized by a very keen demand and rising prices. The year's production for export was already practically sold out or earmarked by May, 1950. After the outbreak of the Korean war, the interest of buyers was further stimulated by efforts to stockpile pulp. Moreover, the shortage and rising prices of wool and cotton led to a greater demand for rayon cellulose. The Swedish exports of chemical pulp, both sulphite and sulphate, amounted to 1,808,000 tons in 1950, compared with 1,636,000 tons in 1949, which meant an increase of 10·5 per cent. Of mechanical pulp Sweden in 1950 exported 283,000 tons as compared with 258,000 tons in 1949, and 214,000 tons in 1948. The largest buyer of Swedish pulp was Great Britain, next followed by the United States, France and Germany.

Deliveries to the domestic market are estimated to have comprised around 125,000 tons of sulphite, 60,000 tons of sulphate and 30,000 tons of mechanical wood pulp.

The conditions of production in the pulp industry were, on the whole favourable. The supply of pulp wood and electric power was satisfactory at most mills. On the other hand, in many quarters the shortage of labour caused difficulties, especially in connection with lumbering. Towards the end of the year, the sulphite mills found it difficult to obtain their requirements of sulphur, as a heavy shortage of this commodity arose on the world market, and sulphur prices soared. Production costs were also heavily affected by a sharp rise in pulp wood prices during the autumn, amounting on an average to about 70 per cent.

The paper market was also characterized by a rising demand and increased prices throughout 1950. The Swedish paper and board exports for the year increased by nearly 20 per cent to about 727,000 tons, the highest figure ever recorded. This increase was wholly accounted for by wrapping and fine quality paper and board, while the exports of newsprint remained more or less the same as before. The largest buyer was again Great Britain, which imported about 190,000 tons of Swedish paper and board. Denmark, Holland and Belgium followed with substantial increases in their purchases, whereas the sales to the French market fell off sharply. In the extra-European markets, the rise in the exports to Australia and the Union of South Africa was particularly noticeable, these countries purchasing more Swedish paper and board in 1950 than in any previous year.

Production remained almost at capacity during the year, but here and there temporary restrictions were caused by the shortage of labour. Sweden's production of paper and paper board in 1950 reached approximately 1,180,000 tons, thus exceeding that of all previous years; in 1949, it amounted to 1,102,000 tons. Almost the whole increase falls on kraft paper and cardboard, and is partly due to the increased capacity of the industry.

Swedish Production and Export of Pulp and Paper

	Production			Exports		
	Chem. pulp	Mechan. pulp	Paper & Board	Chem. Pulp	Mechan. pulp	Paper & Board
	(1,000 tons)					
1936-38 average	2,557	698	867	1,949	321	560
1946	2,046	678	1,001	1,540	265	453
1947	2,192	633	1,058	1,573	224	552
1948	2,322	678	1,101	1,468	215	587
1949	2,251	635	1,102	1,636	258	613
1950	2,430	700	1,180	1,808	283	727

On the home market, there was a rather troublesome shortage of paper and board, which adversely affected production in the packaging industry, printing works, etc. This shortage was influenced by the rising prices on the export markets whereby the paper mills were less interested in supplying the domestic consumer, who was protected by the official price ceiling policy. In November, agreement was reached between the government and the mills establishing an export tax to be levied on pulp and paper, and the prices of paper and board were released from control. Subsequently, prices rose steeply, while at the same time the paper supplies improved also on the home market.

Iron and Steel Production Hampered by Lack of Labour

It was estimated at the beginning of the year that home production of iron and steel during 1950 should increase from 945,000 tons to 1,000,000 tons. Production, however, was hampered by a shortage of labour during the summer and a number of foundries were unable to work at full capacity. The result was that the manufacture of iron and steel totalled only 947,000 tons, a mere 2,000 tons more than in the previous year. The supplies of raw materials and of fuel at the steel plants were satisfactory during the greater part of the year, though in the autumn some difficulty was experienced in purchasing both coal and coke and alloy metals, and also, to some extent, scrap.

Imports of iron and steel fell from 688,00 tons in 1949 to 578,000 tons in 1950. Exports, on the other hand, rose from 113,000 tons to 121,000 tons. Thus, the total supplies available to the Swedish market were substantially reduced from about 1,525,000 tons in 1949 to 1,400,000 tons in 1950. The total iron ore exports for the year amounted to 12·9 million tons, as compared with 12·8 million tons during 1949 and 12·6 million tons, on an average, during the period 1936-1938. The biggest buyer of Swedish ore was Western Germany, followed by the United Kingdom and the United States.

Development of the Swedish Steel Market

	Production of		Imports	Exports	Consumption of iron	Iron ore exports
	Pig Iron	Iron & steel*	of iron & steel*	of iron & steel*		
			(1,000 tons)			
1936-38 average	634	703	429	203	985	12,616
1946	687	843	468	93	1,228	5,316
1947	698	818	647	94	1,376	8,504
1948	767	856	618	100	1,379	11,518
1949	811	948	688	113	1,525	12,784
1950	783	947	578	121	1,408	12,949

*Processed ready for market.

Shipyards Active

Production in the shipyards continued to be satisfactory, in spite of a diminishing supply of materials and also, to some extent, of labour, mainly towards the end of the year. After the outbreak of war in Korea, large orders were placed and the tonnage in building or on order at the Swedish yards at the turn of the year reached 1,300,000 gross tons, as compared with somewhat over one million gross tons twelve months earlier. It is estimated that the larger shipyards have enough orders to keep them busy, on an average, for the next three years.

The rise in production is intimately connected with increased exports. The export value of Kr. 365 million, representing 101 vessels, is reported for 1950. In 1949, 72 vessels were exported, aggregating Kr. 280 million. Seventy per cent of the exports were to Norway. Other important buyers were Brazil and Argentina.

The engineering industry had a very good year of increased demand and rising production. During the first half of the year, competition from Germany and Japan brought about a slight weakening in the demand and prices of Swedish machinery and electrical goods. From June, however, both the supply of orders and prices began to rise. Most engineering factories increased their exports, and during the year, the volume of their business abroad amounted to Kr. 912 million as against Kr. 699 million in 1949, an increase of nearly one-third. These exports included machinery, instruments, arms, motor-cars, calculating machines, refrigerators, radio sets and other products of the electrical industry. When the year ended, the supply of orders on hand in the engineering industry was, on the whole, at a very high level and delivery dates were quite long. Obviously, Swedish industry cannot meet the demand for its products, but the possibilities of increasing production are limited by the availability of important raw materials and by a shortage of manpower.

Private Enterprise in Turkey now Owns Large Percentage of State Shipping

Reorganized State Shipping Administration consists of 55 per cent state capital and 45 per cent private—Loan granted by International Bank for Reconstruction and Development to finance port development.

By G. F. G. Hughes, Commercial Secretary for Canada.

ISTANBUL.—One of the most noteworthy changes in the State Shipping Administration is its re-organization on a part private enterprise basis. The organization will be broken down into five separate sections, covering the various operations of the State Shipping Lines. Instead of being wholly owned by the state, the new enterprise will consist of 55 per cent state capital and 45 per cent private. It is hoped in this manner to increase the efficiency of the organization, which had suffered steady losses in recent years.

Private shipping was assisted during the year by legislation, which enabled private ships to carry general merchandise as well as bulk cargo on coastwise trade. The privately-owned fleet now stands at 74 cargo ships, representing approximately 170,000 gross tons.

The Turkish State Shipping Lines added three of the four passenger ships ordered in the Ansaldo shipyards of Italy during 1949, and in February, 1951, the last vessel was placed in service. The state-owned fleet now numbers 53 vessels, totalling nearly 200,000 gross tons. With the equivalent of about 12 million dollars of Marshall Aid funds, orders were placed during the year in the Netherlands, Western Germany, France, Italy and the United Kingdom for ten passenger and four automobile ferries, twelve tugs, fourteen harbour craft, two floating cranes and certain other equipment.

Loan Granted by International Bank for Port Development

Although construction work continued in the Port of Zonguldak in connection with the coalmining project being financed by ECA, the principal new development was the completion of a loan agreement with the International Bank for Reconstruction and Development for $12·5 million to be utilized for port development at Izmir, Iskenderun, Samsun and two locations in Istanbul. A Danish firm has been appointed consulting engineer, and it is expected that work will proceed during 1951. The projects, which include the construction and extension of piers, loading facilities and buildings, are scheduled for completion in 1951 and 1952.

Major Improvements Made to Road System

In the transportation field, major improvements were made to the road system. During the year over 200 km. of roads were reconditioned with asphalt surfacing and nearly 2,000 km. were materially improved. ECA-financed imports of road-making and maintenance machinery, amounted to $2·75 million, has made possible the transition from hand labour to machine maintenance on about half of the total road mileage.

One of the outstanding improvements is a new highway between Ankara and southern Turkey, which will reduce driving time from 20 to 12 hours.

The internal air services of the country are the monopoly of the Turkish State Airways, who added several new flights to their services during the year. Twenty-one cities are now linked during the summer season and ten during winter. The international service from Istanbul to Athens, started in 1947, was cancelled, leaving only two international services: one to Beirut and Cairo and another to Beirut via Cyprus.

Construction work is proceeding slowly on the international airports at Istanbul, Ankara and Adana, the program being scheduled for completion in 1952. The existing facilities at Istanbul Air Port are kept fully occupied with the 12 foreign companies which have regular services as well as the internal services of the Turkish State Air Lines.

In December, a high power, short-wave radio broadcasting station in Ankara commenced operations. Equipment is on hand to provide a telephone and teletype service between Turkey and the United States. The installation work is expected to be completed in 1951.

Improvements to the urban telephone systems were made in Izmir, Eskisehir and Istanbul, and work has progressed on the carrier system between Istanbul and Ankara, which is under contract to a British company.

Turkey Will Buy Agricultural Equipment from Canada

Istanbul, July 10, 1951.—(FTS)—After many delays in reaching a decision on the amount of aid to be granted for the purchase of agricultural machinery and other equipment, ECA has announced that $8·3 million will be allocated for the 1950-1951 year. Purchases will be made in the United States and Canada, according to an approved program in which authorized representatives of United States and Canadian manufacturers have taken an active part. Stress is being laid on the necessity of developing new acreage for cereal crops to assure Turkey's self-sufficiency in these products. Attention is also being given to the development of grazing lands, and limited assistance will be given to teaching farmers methods of irrigation, effecting improvements in meat canning, dairy products production, and for the encouragement of poultry raising. In addition to the $8·3 million allocation, $360,000 have been set aside for pick-up trucks for agricultural purposes, $250,000 for insecticides, and $6,000 for calcium chloride.

Trade Notes

BRAZIL

Brazil's Coffee Exports Less

São Paulo, July 19, 1951.—(FTS)—Brazil's exports of coffee for the coffee-year July 1, 1950 to June 30, 1951, totalled 16,592,765 bags, 2 per cent less than in 1949-50 and 6·5 per cent less than in 1948-49. Exports in June, 1951, amounted to 914,292 bags compared with 1,115,730 bags in June, 1950. Stocks on June 30, 1951, at the ports were 2,459,868 bags, of which 1,621,747 were in Santos.

Brazil to Import Butter from Argentina and Uruguay

Rio de Janeiro, August 10, 1951.—(FTS)—Because of the acute shortage of butter on the market, the Export-Import Bureau of the Bank of Brazil has authorized the importation of 300 tons of butter from Argentina and 150 tons from Uruguay.

Brazil to Import Fresh Fruit from Portugal

Rio de Janeiro, August 10, 1951.—(FTS)—The Import-Export Bureau of the Bank of Brazil will receive requests for the importation of fresh fruit from Portugal presented by traditional importers.

Lack of Export Markets Lowers Price for Brazil Nuts

Rio de Janeiro, August 10, 1951.—(FTS)—There are no less than 5,000 tons of Brazil nuts in the warehouses at Belem, in the State of Para, it is reported, with little possibility of finding an export market, as the British and North American markets have already acquired the amounts they need. The price has fallen from Cr$350 per hectolitre last year to the present price of Cr$210 per hectolitre.

Exports of Brazilian Coffee to Holland Suspended

Rio de Janeiro, August 10, 1951.—(FTS)—Exports of Brazilian coffee to Holland, against cruzeiro or sterling reimbursements, have been suspended. The Coffee Economic Division will only register shipments of coffee to Dutch ports against reimbursements in United States dollars, Swiss francs or Belgian francs. This is because Dutch importers have been re-selling Brazilian coffee on the New York Coffee Exchange at lower prices than for direct shipments from Brazil.

Shortage of Jute Fibre in Brazil

Rio de Janiero, August 10, 1951.—(FTS)—Due to the acute shortage of jute and similar fibres for the manufacture of sacks, the National Jute Commission has requested that the Export-Import Bureau of the Bank of Brazil include jute and similar fibres on the list of products considered essential to the economy of Brazil.

Brazilian Government Finances Purchase of Agricultural Equipment

Rio de Janeiro, July 20, 1951.—(FTS)—The Bank of Brazil has opened a credit of 49 million cruzeiros, in favour of the Ministry of Agriculture, to be employed in the acquisition of agricultural machinery and animals for resale to farmers and breeders. Payment will be made at sight or in instalments over a period of three years at 7 per cent interest. This will considerably increase the Ministry of Agriculture's activities in this direction, for which less than eight million cruzeiros were earmarked in the 1950 budget.

Brazil Will Not Grant New Import Licenses for Tires

Rio de Janeiro, August 10, 1951.—(FTS)—The Executive Commission for the Defence of Rubber is remaining firm in its decision not to grant any further import licences for rubber tires this year as the quotas distributed in May, June and July of this year, totalling 170 thousand units, are sufficient to cover the national deficit. Up to the present, 30 thousand rubber tires have entered the country this year. The authorized importation includes products of North American, Canadian, French, German and Japanese manufacture.

CHILE

Chilean Potato Crops Reduced

Santiago, August 8, 1951.—(FTS)—The total potato crops in Chile for 1951 are estimated at 404,146 tons, as against 460,825 tons in the preceding year and considerably less than in the previous years of 1948 and 1949, when the totals were around 550,000 tons. The poor results in 1951 are due to pests in most districts, as the area planted was greater. Fortunately, in the Province of Santiago, which accounts for about 22 per cent of the total, the yield was greater than in the previous year.

Chilean Iron Ore Production Higher

Rio de Janeiro, August 10, 1951.—(FTS)—The Companhia Vale do Rio Doce produced 317,338 tons of iron ore during the first six months of 1950, of which 221,687 tons were exported, according to official statistics. This compares with 576,545 tons produced in the first six months of 1951, of which 486,972 tons were exported.

Chilean Oil Refinery Granted Dollar Credit for Machinery

Santiago, August 6, 1951.—(FTS)—Development Corporation (Corporación de Fomento de la Producción) is to acquire a credit of US$2 million for the purchase of machinery for the new oil refinery, it is reported. The bank mentioned as undertaking the operation is the Bank of America.

Chile to Buy Beef from Argentina

Santiago, August 9, 1951.—(FTS)—The Minister of Economy and Commerce has had various meetings with the Argentine Ambassador in regard to trade between the two countries. He states that Argentina has agreed to sell a total of 50,000 head of cattle which will assure the meat supply for a long period. Edible oils, "quebracho", wool, potatoes, wheat and other products will also be provided. In compensation, Chile will sell wines, lumber, cement, copper, etc. It has been announced in the press that the sum of Ch$63 million has been set aside for payments on account of the debt to Argentina for the purchase of wheat and edible oils made in previous years.

Chilean Railways to Increase Tariffs

Santiago, August 10, 1951.—(FTS)—A decree authorizing the State Railways to raise cargo tariffs and passenger fares by 25 per cent was approved August 9, by the Comptroller General. The decree was published the following day in the Official Gazette and the increases will come into force from that date.

Chile to Import Edible Oils and Rice

Santiago, August 14, 1951.—(FTS)—The sum of Ch$240,000,000 has been set aside for the purchase of edible oils and rice to cover the deficit in the country of these two commodities. The Ministry of Economy and Commerce is completing studies to ascertain the respective quantities which must be imported.

Chile Grants Increased Facilities for the Agrarian Credit Bank

Santiago, August 6, 1951.—(FTS)—The Chilean Senate has agreed to increase to Ch$2,000 million the amount up to which the Central Bank is authorized to discount notes in favour of the Agrarian Credit Bank.

Chile to Improve Landing Facilities at Fishing Ports

Santiago, August 7, 1951.—(FTS)—The Ministry of Economy and Commerce will include in the 1952 National Budget an item of Ch$35·7 million for the development of the fishing industry, by the construction of landing facilities in eight Chilean ports situated between Tocopilla in the north and Talcahuano in the south.

Irrigation System in the North of Chile May Be Improved

Santiago, August 17, 1951.—(FTS)—The Chilean Government is studying the possibility of utilizing surface and subterranean waters in the northern province of Tarapacá with the object of increasing the cultivable area. Technicians of the Public Works Department estimate that an area of 5,000 hectares could be agriculturally developed, which would be of benefit to the whole of the northern mining zone.

Chilean Steel Plant Receives Foreign Loan

Santiago, August 13, 1951.—(FTS)—Eximbank has approved a loan of US$10,000,000 for the extension of the manufacturing section of the Huachipato steel works. A second credit of US$1,150,000 for the expansion of a factory connected with the steel plant engaged in the treatment of carbides and ferro-alloys was also approved.

WESTERN GERMANY

Western Germany Will Import United States Coal

Frankfurt, July 30, 1951.—(FTS)—During the third quarter of 1951 about 400,000 tons of coal will be imported from the United States for payment in free dollars. Some additional quantity will be imported under steel barter arrangements, but the fact that larger amounts of free dollars have been allocated will mean a decrease in the amount of steel required for export, and a corresponding increase for domestic consumption.

West Germany to Buy Bread and Fodder Grains

Frankfurt, July 20, 1951.—(FTS)—The Ministry of Agriculture of the West German Federal Government announced on July 16 that bread and fodder grains would be purchased with free dollars. No definite allocation of foreign exchange has been made but offers of wheat, rye, barley and possibly other grains will be considered.

German Blocked Marks Rising in Price

Frankfurt, July 28, 1951.—(FTS)—In March, 1951, authorization was given to permit blocked Deutschemarks to be transferred from one non-resident of Germany to another for use in investment within Germany.

There have been considerable fluctuations in the U.S. dollar rate for these marks. On June 12 the quotation was 10.94 cents, but the rate has risen to 16 cents at which these marks have been quoted this week. Parity for unblocked marks is 23.86 cents.

United States Donates Radium for Cancer Treatment in West Germany

Frankfurt, August 1, 1951.—(FTS)—The first shipment of a projected donation of 2027·5 milligrams of radium, urgently needed for cancer research and treatment, has arrived in West Germany from the United States.

The radium, worth $49,474, was purchased through the HICOG Special Projects program as a gift to the German people. The tiny capsules, containing from 2·5 to 50 milligrams of radium will be distributed among 16 West German research institutes, clinics and hospitals through the Max Plank Biophysics Institute in Frankfurt, which will have authority to redistribute the radium according to changing needs in different areas.

ISRAEL

Israel's First Drop Forging Plant to Start Operations

Athens, July 12, 1951.—(FTS)—Israel's first drop forging plant will start operation at the end of July, with approximately 40 workers. A steel constructed workshop of 500 square metres has been imported from England.

This will be the first drop forging plant, not only in Israel, but in the whole Middle East. The following machinery will be employed for the production process: one drop forging hammer of 22 tons; one pneumatic hammer of 7 tons; two excenter presses, one of 120 tons and the other of 70 tons. It is intended to manufacture tools such as hoes, hammers, spanners and semi-finished goods for the local industry, army and the railways. Sufficient raw material can be secured locally as enough steel scrap is available.

Israel to receive Technical Aid

Athens, July 1, 1951.—(FTS)—A technical assistance agreement between the Government of Israel and the International Labour Organization was signed in Geneva on June 27, 1951.

The agreement provides for the sending to Israel of International Labour Organization experts on productivity at engineer and foreman levels as well as for an efficiency engineer for the layout of factories, and an expert in vocational guidance and technical training. Group fellowships in efficiency engineering, vocational guidance and training are also provided for in the agreement.

Israeli Importers Subscribing to Loan Get Extra Licences

Athens, July 1, 1951.—(FTS)—Import licences for additional quantities of essential commodities are available to regular importers who have subscribed to the National Loan. Importers normally trading in the following types of goods can apply for permits to the regional offices of the Ministry concerned:

Ministry of Agriculture: Various foodstuffs and raw materials for food manufacture and processing, dairy equipment, minerals, veterinary medicines, vitamins, and spare parts for agricultural equipment.

Ministry of Trade and Industry: Various building materials and tools, radio valve parts, printing materials and spare parts, cardboard, various machine spares, chemicals for the textile industry, photographic supplies, leather and shoe repair materials.

Aluminum Pipes to be Produced in Israel

(I£1 equals US$2·8 (official))

Athens, June 14, 1951.—(FTS)—Production has started in the Tami Aluminum Pipes Factory, Haifa, Israel, in which I£250,000 have been invested, and which can produce 25,000 metres of aluminum pipes and 150 tons of other produce per month. Aluminum pipes are to be used for mobile irrigation systems during years of scarce rainfall. Production is not yet at maximum capacity due to shortage of raw materials. Thirty workers are employed at present.

Israel Importing Wooden Prefabricated Structures

Athens, July 6, 1951.—(FTS)—About 29,000 wooden huts to accommodate 80,000 immigrants while they wait for permanent housing, are to be set up this year and during the first half of next year, according to an announcement by the Jewish Agency. The scheme will cost $7 million.

About 13,000 of the huts have already been ordered, a shipment of 100 having already arrived from Austria. Half of the huts, which will be assembled here from prefabricated parts, have been purchased from Austria out of a bank loan obtained there by the Jewish Agency. Another 200 huts will be brought from Germany as restitution property.

In addition, about 1,500 prefabricated buildings are to be set up.

JAPAN

Adverse Balance Recorded by Japanese Foreign Funds Account

Tokyo, August 1, 1951.—(FTS)—The Bank of Japan announced that Japan's foreign exchange accounts for the first half of the current year consisted of receipts of $1,041 million and payments of $1,051 million, recording an adverse balance of $10 million. The exchange accounts showed a marked expansion of the country's commodity trade, purchases of export bills amounting to $654 million as against $772 million for the whole of 1950, and settlements of import bills amounting to $987 million is far greater than the corresponding records of the entire year of 1950.

Japan's Steel Exports Increase

Tokyo, August 15, 1951.—(FTS)—According to a survey of the Ministry of International Trade and Industry, exports of iron and steel products in Japan during the first six months of this year amounted to over $115 million or almost four times the value for the corresponding period of 1950. The principal markets for these commodities were Argentina, Australia, the United States, the Philippines and Indonesia.

Japanese Ammonium Sulphate Production Sets Record

Tokyo, August 10, 1951.—(FTS)—Production of ammonium sulphate in Japañ for the fiscal year ending March 31 amounted to 1,620,000 tons, as compared with 1,182,000 tons in the previous year and the postwar peak of 1,240,000 tons in 1941. The production goal for the current fiscal year is placed at 1,750,000 tons.

Japan to Import Rayon Pulp from Canada

Tokyo, August 15, 1951.—(FTS)—While the member firms of the Japan Synthetic Textile Association estimate their 1952 requiremnts of rayon pulp at 85,000 metric tons, it is reported that the Ministry of International Trade and Industry has decided to import 50,000 tons of rayon pulp in 1952. It is anticipated that 25,000 tons will ocme from Canada, 10,000 tons from Sweden, 8,000 tons from Finland and 7,000 tons from Norway. No information has been available as to what quantities will be aavilable from United States sources of supply.

Rice Crop Reduced in Japan

Tokyo, August 15, 1951.—(FTS)—The Agriculture Forestry Ministry estimates Japan's rice crop for this year at 63,030,000 koku (1 koku=5 bu.), a decline of 1,300,000 koku from the 1950 crop. At the same time it was announced that the wheat, barley and rye crops would amount to 28,564,700 koku, consisting of 10,867,500 koku of wheat, 9,691,100 koku of barley and 8,006,100 koku of rye.

Copper, Lead and Zinc Required by Japan

Tokyo, July 10, 1951.—(FTS)—The Japan Mining Association has intimated that it will be necessary to import 11,260 metric tons of zinc, 6,080 tons of lead and 10,400 tons of copper to meet the increased demands of industry during the fiscal year ending March, 1952. Domestic zinc output in Japan has been steadily increasing and is expected to reach an annual figure of 80,000 metric tons by the end of 1953. The present supply of copper, including the output of Japanese mines and SCAP, now stands at 144,600 metric tons while that of lead is 77,400 metric tons.

NEW ZEALAND

Quotations Requested for Safety "Gate" Type Switches

Wellington, August 20, 1951.—(FTS)—The General Post Office, Wellington, C.1., New Zealand, are requesting quotations for the supply of C. & F. Wellington, 100 switches, safety "gate" type, for use in radio transmitters employing dangerous voltages. The switch must be of the two-piece "positive-break" type, that can be mounted and connected in an electrical circuit in such a way that when the door or panel which controls the switch is opened or removed, the circuit is broken by the removal of one part of the switch from the other. The switch must be suitable for operation in a circuit carrying an alternating current of 2 amps at 230 volts. Full technical details of the switches offered must be supplied with each quotation and shipment would be required within three months of the date of receipt of an order. Quotations should be forwarded by air-mail to the General Post Office, Wellington C.1, New Zealand, where they must be received by September 26, 1951.

New Zealand Public Debt Increased

Wellington, August 13, 1951.—(FTS)—New Zealand's public debt, as of March 31, 1951, was £693·4 million, an increase of £23·4 million over 1950 and approximately £365 per head of population. Of the public debt, £104·3 million is held in London, while of the remainder £397·1 million is held internally by government departments, and £192·3 million by the public. During the past year, £600,000 of the debt held in Australia and £300,000 held in London was repaid.

New Zealand Balance of Payments More Favourable

Wellington, August 13, 1951.—(FTS)—New Zealand, at the end of June, 1951, had a favourable balance of overseas exchange transactions of £50·8 million, which is almost double the surplus of £25·7 million for the first half of 1950. Receipts from exports were £140·9 million, as against £112·2 million the previous year, and other receipts were £10·8 million, as against £9·4 million. Imports, at £84·1 million, were up by £24·1 million over the previous year, while other payments declined from £18·5 million to £16·9 million.

Shipping Surcharge Between United Kingdom and New Zealand Withdrawn

Wellington, August 13, 1951.—(FTS)—The New Zealand Conference Lines announced late in July that the 50 per cent freight surcharge on goods between the United Kingdom and New Zealand, imposed in order to recoup losses resulting from the recent waterfront dispute, had been withdrawn. Special rates applicable to charter vessels are being maintained in view of the high cost of chartering. The surcharge on freight from West Coast North American ports is still in effect.

PAKISTAN

Land Reforms in Pakistan Proposed

Karachi, July 30, 1951.—(FTS)—The Government of East Pakistan proposes to abolish the estates of the Big Zamindars (landowners) within one year and distribute them among landless peasants. Other provinces are following this policy, the Punjab having stated that co-operative farming will be the keynote in the land reforms policy of their government.

Development Schemes Proposed by Sind Province in Pakistan

Karachi, July 28, 1951.—(FTS)—The Provincial Government of Sind has submitted to the Central Government plans for 40 development schemes covering industry, health and agriculture, costing about Rs. 20 million (Can. $6·4 million). The agricultural schemes include the establishment of two large seed farms and three demonstration farms while industrial plans call for the establishment of a textile mill and cement factory. Included in the health schemes are a sanitorium, mid-wifery and maternity centres.

Pakistan Seeks Private Capital for Two-Year Plan

Karachi, July 26, 1951.—(FTS)—The Finance Minister of Pakistan recently invited over 30 representatives of trade and industry to a meeting in order to enlist their co-operation in the implementation of the Two-Year Plan. Investors were invited to come forward to build up the industrial structure of Pakistan. The minister warned that if private enterprise failed, the program would not be postponed and the government would proceed with the plan on its own account.

Cotton Mill to be Built in East Pakistan

Karachi, August 3, 1951.—(FTS)—The Government of East Pakistan has decided to build a cotton mill with 50,000 spindles and 15,000 looms. The project will cost approximately Rs. 10,000,0000 (Canadian $3,200,000) and will be paid for from the provincial exchequer.

Japanese Industrial Mission Tours Pakistan

Karachi, August 6, 1951.—(FTS)—A Japanese mission composed of government officials and industrialists is at present touring Pakistan. Their aim is to explore the possibilities of establishing joint enterprises with Pakistani capitalists and to aid this country in her development schemes. The mission state that they have already sold Rs. 100,000 (Canadian $32,000) worth of spindles to the textile industry.

The Malakand Hydro-Electric Extension Project Inaugurated

Karachi, July 31, 1951.—(FTS)—The Prime Minister, Mr. Liaquat Ali Khan, inaugurated an extension of the Malakand Project, enlarging the capacity of the power station from 9,600 kw to 19,600 kw. This is the second stage of the scheme and has cost the government approximately Rs. 2,400,000 (Canadian $768,000).

Canadian Imports by Areas

Country	June 1938	June 1950	June 1951	January–June 1938	January–June 1950	January–June 1951
Commonwealth Countries	(Millions of Dollars)					
United Kingdom and Europe	9·2	37·1	39·9	59·5	187·2	224·6
America	2·7	9·3	8·8	9·4	25·5	31·0
Africa	0·3	1·8	2·3	2·5	12·6	11·2
Asia	2·7	6·8	13·3	11·6	39·9	74·9
Oceania	1·3	5·5	6·3	7·7	19·1	29·7
Total Commonwealth Countries	16·3	60·5	70·6	90·8	284·2	371·4
Foreign Countries						
United States and Possessions	37·1	188·4	241·9	215·5	1,005 4	1,472·7
Latin America	1·5	15·2	23·0	7·0	90·1	133·8
Europe	2·9	8·1	16·1	18·2	41·6	79·7
Other Foreign Countries	1·1	10·2	8·7	5·2	31·7	44·7
Total Foreign Countries	42·6	221·9	289·8	245·9	1,168·9	1,731·0
Total Imports for Consumption	58·9	282·5	360·4	336·7	1,453·1	2,102·4

Canadian Imports, by Countries

Country	June 1938	June 1950	June 1951	January–June 1938	January–June 1950	January–June 1951
Commonwealth Countries	(Thousands of Dollars)					
Europe:						
United Kingdom	9,242	37,108	39,928	59,510	187,177	224,606
Gibraltar	...	...	...	...	...	...
Malta	...	...	3	15	4	19
Total Europe[1]	9,248	37,108	39,931	59,525	187,181	224,625
America:						
Newfoundland[2]	294	...	...	742	...	...
Bermuda	24	3	4	50	26	44
Barbados	333	2,131	2,973	677	3,915	7,175
Jamaica	812	2,627	910	2,578	6,676	7,769
Trinidad and Tobago	272	2,425	2,324	1,427	7,270	7,508
Bahamas	323	58	9	1,365	259	162
Leeward and Windward Islands		40	306		171	425
British Guiana	660	2,009	2,214	2,579	7,117	7,482
British Honduras	2	...	35	17	29	403
Falkland Islands	...	...	...	...	...	...
Total America	2,720	9,293	8,775	9,435	25,463	30,968
Africa:						
Northern Rhodesia		4	1		32	
Union of South Africa	14	363	565	523	2,282	5
Other British South Africa						3,044
Southern Rhodesia	...	5	4	1	103	386
Gambia	...	...	...	...	...	...
Gold Coast	179	817	929	378	3,346	1,738
Nigeria	...	4	296	357	884	298
Sierra Leone	3	1	31	9	15	34
Other British West Africa	...	...	...	...	...	...
Anglo-Egyptian Sudan	4	4	...	11	17	28
British East Africa	140	609	490	1,228	5,920	5,713
Total Africa[3]	340	1,807	2,316	2,507	12,599	11,246

(2) The trade of Newfoundland is included in Canadian Statistics as from April 1, 1949.
(1) Includes Ireland. in 1938, see page 4. (3) Includes Burma and Israel, see page 4.

Canadian Imports, by Countries—Continued

Country	June 1938	June 1950	June 1951	January—June 1938	January—June 1950	January—June 1951
COMMONWEALTH COUNTRIES—Conc.	(Thousands of Dollars)					
Asia:						
India	941	3,535	6,554	4,204	20,440	23,732
Pakistan		64	440		927	1,466
Ceylon	411	1,644	1,642	1,805	8,032	11 326
Aden	....	....	1	7	....	22)
Federation of Malaya	1,189	1,401	4,043	4,811	9,450	34,974
Other British East Indies	63	1	405	94	15	1,916
Hong Kong	50	147	218	429	1,002	1,473
TOTAL ASIA (b)	2,729	6,792	13,303	11,630	39,866	74,909
Oceania:						
Australia	904	3,220	5,615	3,511	9,595	18,587
New Zealand	101	1,213	685	3,040	4,622	8,556
Fiji	301	1,099	....	1,118	4,861	2,515
Other British Oceania	....	....	....	16	....	....
TOTAL OCEANIA	1,306	5,532	6,300	7,685	19,078	29,658
TOTAL COMMONWEALTH COUNTRIES (c)	16,346	60,532	70,624	90,783	284,187	371,407
FOREIGN COUNTRIES						
United States and Possessions:						
United States	37,081	188,320	241,473	215,382	1,044,546	1,471,01
Alaska	7	85	54	40	550	502
American Virgin Islands	....	....	....	....	8	164
Hawaii	18	23	34	68	197	542
Puerto Rico	....	21	362	1	112	488
United States Oceania	....	....	....	....	....	....
TOTAL UNITED STATES AND POSSESSIONS	37,106	188,449	241,923	215,491	1,005,413	1,472·713
Latin America:						
Argentina	78	818	694	1,117	2,946	10,566
Bolivia	....	....	64	8	1,197	1,082
Brazil	119	1,846	2,885	352	11,405	20,118
Chile	1	96	237	73	229	1,346
Colombia	699	635	616	2,281	5,311	6,198
Costa Rica	7	354	637	31	1,400	4,032
Cuba	49	395	475	217	1,944	2,777
Dominican Republic	....	29	61		656	686
Ecuador	2	162	170	14	577	1,010
El Salvador	6	134	147	6	341	875
Guatemala	11	505	724	51	2,472	2,913
Haiti (Republic of)	49	177	394	49	857	1,737
Honduras	....	749	784	6	2,654	2,125
Mexico	9	1,384	950	417	13,576	10,956
Nicaragua	....	57	34	....	200	350
Panama	1	654	338	12	3,174	1,414
Paraguay	7	26	39	48	186	243
Peru	137	25	942	1,495	2,086	3,599
Uruguay	9	172	442	48	682	3,317
Venezuela	297	6,987	12,388	811	38,161	58,455
TOTAL LATIN AMERICA	1,481	15,205	23,021	7,036	90,054	133,799
Europe:						
Albania	....		....	2	....	....
Austria	....	52	432	83	318	2,437
Belgium and Luxembourg	459	1,483	3,373	2,769	9,222	17,339
Bulgaria	....	....	2	....	....	
Czechoslovakia	158	477	352	1,415	3,123	2,941
Denmark	13	59	130	80	417	.930
Estonia	1	....	17	12	2	83
Finland	9	1	32	37	170	

(1) Includes Ireland, Burma and Israel in 1938, see page 4.

Canadian Imports, by Countries—Concluded

Country	June 1938	June 1950	June 1951	January—June 1938	January—June 1950	January—June 1951
	(Thousands of Dollars)					
FOREIGN COUNTRIES—Conc.						
Europe—Conc.						
France	437	972	2,004	2,638	5,323	10,379
Germany	819	1,340	3,897	4,122	4,172	12,643
Greece	1	22	14	16	99	113
Hungary	8	2	16	95	15	70
Iceland	....	....	....	....	11	3
Ireland*	6	10	4	15	60	388
Italy	165	882	1,4[illegible]5	1,150	3,918	7,274
Latvia	1	....	6	5	2	17
Lithuania	....	....	3	....	....	6
Netherlands	161	528	1,112	1,524	2,863	6,292
Norway	83	218	93	292	538	889
Poland	21	13	313	126	115	761
Portugal	16	143	234	117	672	864
Azores and Maderia	14	21	51	74	210	212
Roumania	....	....	3	16	....	10
Spain	95	291	611	459	1,646	4,660
Sweden	260	326	774	1,174	1,896	3,994
Switzerland	208	1,285	1,171	1,846	6,810	7,202
U.S.S.R. (Russia)	1	1	24	100	5	37
Yugoslavia	6	....	14	12	46	117
TOTAL EUROPE	2,936	8,126	16,147	18,164	41,648	79,731
Other Foreign Countries:						
Afghanistan	....	....	2	....	16	32
Arabia	....	4,117	847	....	11,779	11,923
Belgian Congo	....	185	465	1	426	1,878
Burma*	72	....	....	159	....	2
China	242	986	100	1,309	3,325	1,362
Greenland	253	....	....	253	....	....
Egypt	16	5	6	327	157	462
Ethiopia	....	....	5	2	12	26
French Africa	4	60	120	22	101	145
French East Indies	3	....	....	116	....	....
French Guiana	....	....	....	....	....	....
French Oceania	....	....	2	....	438	12
French West Indies	....	....	....	....	....	....
Madagascar	9	....	6	31	8	22
St. Pierre and Miquelon	....	2	4	8	7	7
Iran	5	16	10	20	85	305
Iraq	8	....	9	66	38	1,007
Israel*	3	24	62	121	278	534
Jordan	....	....	....	....	....	....
Tripoli	....	....	....	....	....	....
Other Italian Africa	....	....	....	....	....	3
Japan	371	983	1,096	2,335	4,988	6,170
Korea	....	....	....	1	17	....
Liberia	5	....	....	16	....	....
Morocco	27	1	373	35	153	460
Indonesia	119	16	101	323	239	512
Surinam	....	....	182	....	....	363
Netherlands Antilles	....	2,391	1,415	....	4,884	5,522
Philippines	10	576	1,131	264	3,232	5,961
Portuguese Africa	....	....	....	....	109	10
Portuguese Asia	....	....	....	1	....	....
Siam (Thailand)	1	643	888	9	940	1,281
Canary Islands	3	1	....	7	4	6
Spanish Africa	....	....	....	....	....	....
Syria	1	4	1,842	9	29	5,735
Turkey	4	98	37	64	481	993
TOTAL OTHER FOREIGN	1,081	10,154	8,703	5,219	31,746	44,733
TOTAL FOREIGN COUNTRIES	42,601	221,931	289,797	245,910	1,168,864	1,730,980
TOTAL DOMESTIC EXPORTS	58,947	272,463	360,421	336,692	1,453,051	2,102,387

*Included in the totals for "Commonwealth Countries" for 1938. The figures are shown here on one line to facilitate comparison with other years.

Growing Australian Cotton Industry Not Yet Able to Meet Local Needs

Industry is working far below capacity because of acute labour shortage—Imports of cotton textiles totalled 200 million square yards in 1949-50—United Kingdom is principal supplier—Canada was also important source for canvas, duck and tire cord.

By F. W. Fraser, Commercial Counsellor for Canada.

MELBOURNE.—An important cotton textile industry has been built up in Australia during the past 25 years, fostered by substantial tariff protection and, in the early stages, by the desire to provide an outlet for locally grown raw cotton, according to a review of the industry by the Ministry of National Development. While Australian production of cotton textiles has increased rapidly during recent years, the industry is at present working far below capacity. This, it is stated, is due largely to an acute labour shortage and an excessive labour turnover. It is estimated that, based on the operation of two shifts of 40 hours each per week, and assuming the same labour efficiency, existing plants are capable of producing 45 million square yards of piece goods, plus the country's entire requirements of towels and tire cord.

Production Does Not Meet Current Demand

Of the 225 million square yards of woven cotton piece goods estimated as being in current demand, Australian mills are producing only about 11 per cent, or something less than 25 million square yards. Output of towels and tire cord (including tire cord fabric) is about 50 per cent of the estimated requirements of one million dozen and 8 million pounds respectively.

Australian Cotton Textile Production, 1949-50

Towels	497,104	doz.
Towelling	308,195	sq. yds.
Canvas and duck	5,207,543	"
Drills, jean, etc.	5,425,872	"
Cotton tweeds	1,606,053	"
Denims	116,377	"
Other cotton piece goods	11,587,782	"

The principal demand in the piece goods section is for woven cotton cloth for apparel, running to an estimated 120 to 125 million square yards. Of this quantity, an estimated 50 million square yards goes into women's and children's outerwear and handkerchiefs; about 40 million into shirtings, etc.; about 20 million square yards for flannelette; and 12 million for the heavier weights, such as drills and cotton tweeds for industrial clothing.

The current demand for cotton piece goods for household use is estimated at about 70 million square yards, consisting of 50 million square yards of sheeting, 15 million of furnishing fabrics, 4 million for towelling and probably about one million for napery. Industrial types such as canvas and cotton duck, tire cord fabric and backing cloth for coating etc. account for between 30 and 35 million square yards.

United Kingdom Is Principal Supplier

In 1949-50, Australia's imports of cotton textiles totalled about 200 million square yards, plus towels and tire cord valued at £A2·8 millions. The United Kingdom has always been the main source of supply, holding about 70 per cent of the trade in towels, towelling and tire cord in that

Australia—Weaving section of textile mill at Woodville, which covers an area of 140,000 square feet, and will be extended to cover 500,000 square feet. Manchester interests have established in South Australia a spinning and weaving industry, in which they plan a capital outlay of £3 million.

year, and 66 per cent (by value) in all other items. Other important sources are India, Canada (canvas and duck, tire cord), Japan, Netherlands, Belgium, Czechoslovakia, France, Italy and Spain.

Australia's exports of cotton piece goods and yarn are unimportant, and currently consist chiefly of re-exports of imported materials to Eastern and Pacific Island countries. Total exports in all categories, in 1949-50, amounted to £A336,488.

Yarn manufacture in Australia is confined to medium and coarse yarns in counts of 50 or lower, and most of it in counts of 30 or lower, the bulk of the demand being supplied by local spinners. Production has increased from 8·8 million pounds in 1936-37 to 29·5 million pounds in 1949-50. In 1949-50 imports of cotton yarn totalled 5·6 million pounds. This consisted of fine count yarns which are not made in Australia. The raw cotton going into yarn production is now practically all imported, local production having dropped from an average of about 6 million pounds per year prewar, to ·5 million pounds in 1949-50. Principal sources are India, Brazil and Pakistan.

The first Australian cotton textile mill went into operation in 1923, producing yarn for the knitting industries, and soon after the weaving of towels and of cotton tweeds was undertaken. By 1939, the number of mills had increased to 33, employing 3,589 persons. The most rapid development, however, took place following the outbreak of war, and by 1949 the number of plants engaged in the industry had jumped to 91, with a total of 8,935 employees and an output four times that of 1939. The industry is now producing towels and towelling, canvas and duck, drills, denims, tweeds, jeans, dungarees, sheeting and pillow cloth, apparel and furnishing cloths and tire cord (including tire cord fabrics) as well as most of the cotton yarn required for these weaving activities and for the knitting industry, except in counts of 50 and fewer.

While the size of the Australian market appears to offer considerable scope for expansion, manufacturers are adopting a cautious attitude and concentrating on the types of goods already being produced, in which they have gained considerable experience. These are in the heavier utility type fabrics and in plain types of piece goods in plain dyed colours rather than in cotton prints, which are required in a wide range of designs and colours in relatively small quantities and at low prices. This section of the trade, the Australian manufacturer seems inclined to leave to the large world-supplying firms overseas.

United States Establishes Open-End Export Quotas for Raw Cotton

Washington, August 9, 1951.—(FTS)—The establishment of an open-end export for all types of raw cotton was announced on August 8 by the Secretary of Agriculture. At the same time, the Crop Reporting Board estimated that the 1951 cotton production is expected to reach 17,266,000 bales, a figure only exceeded by the 1937 crop of 18,946,000 bales.

Under the open-end quota, there will be no restriction on quantities of cotton that can be shipped under export licences. A preliminary export allocation of 3,500,000 bales has been in effect for the early months of the marketing season.

The cotton acreage is estimated at 29,510,000 acres, which exceeds by nearly 3·5 per cent the goal set by the Department of Agriculture. It is greater, by 58 per cent, than the planted acreage for 1950 and 33 per cent greater than the average acreage for the period 1940-49.

Increased plantings result from the removal of government controls on production and marketing, from the extensive campaign to increase acreage which has been carried right down to the farm level, from the very strong world and domestic demand for cotton, from the high prices which have prevailed this year (125 per cent of parity, approximately) and the high level of price support for the coming year (90 per cent of parity as of August 1), and from numerous other causes.

This prospect of an exceptional crop, plus the lull in Korea, plus the inventory readjustments which are in process, and the lag in defence spending, have combined to depress abnormally the price of cotton futures. On July 9, there was a difference of approximately 8 cents a pound between spot prices and new crop futures. This compares with a normal differential for this time of year of less than half that amount.

Foreign Trade Service Directories

The list of Canadian Government Trade Commissioners, formerly reproduced in each issue of "Foreign Trade," will be published henceforth once a month, appearing in the last issue of every month.

The Head Office Directory and the list of Foreign Commercial Representatives in Canada, which formerly appeared once a month, will be published henceforth once a quarter, in the last issues of September, December, March and June.

Foreign Exchange Quotations, which were formerly published in each issue of "Foreign Trade," will be reproduced henceforth in the last issue of each month.

Trade Commissioners on Tour

CANADIAN Trade Commissioners return periodically from their posts abroad to familiarize themselves with conditions in this country and the special requirements of businessmen. They are able to furnish information concerning markets in their respective territories and possible sources of supply. Exporters and importers are urged to communicate with these officers, when in their vicinity, and to discuss the promotion of their particular commercial interests, now and in the future. Arrangements for interviews with these trade commissioners should be made directly through the following offices in the area concerned:

Ottawa—Foreign Trade Service, Department of Trade and Commerce

Brantford—Board of Trade
Brampton—Chamber of Commerce
Brockville—Chamber of Commerce
Calgary—Board of Trade.
Charlottetown—Board of Trade.
Edmonton—Canadian Manufacturers' Association.
Fredericton—Chamber of Commerce.
Guelph—Board of Trade
Halifax—Board of Trade.
Hamilton—Chamber of Commerce.
Kitchener—Chamber of Commerce
London—Chamber of Commerce.
Moncton—Canadian Manufacturers' Association.
Montreal—Montreal Board of Trade.
Quebec City—Board of Trade.
Regina—Chamber of Commerce.
St. Catharines—Chamber of Commerce
Saint John—Board of Trade.
Saskatoon—Board of Trade.
St. John's—Department of Trade and Commerce, Stott Building.
Toronto—Canadian Manufacturers' Association.
Vancouver—Department of Trade and Commerce, 355 Burrard Street.
Victoria—Department of Trade and Industry.
Welland—Chamber of Commerce
Winnipeg—Canadian Manufacturers' Association.

A. P. BISSONNET, Commercial Secretary for Canada in Karachi, Pakistan, since June, 1950, has returned to Canada on leave and will visit Montreal from September 5 to 19 inclusive to discuss business conditions in Pakistan, Afghanistan and Iran with Canadian businessmen.

T. G. MAJOR, Canadian Government Trade Commissioner in Port-of-Spain, Trinidad, since November, 1945, has returned home and completed a tour of Eastern Canada on June 23. He will commence a tour of Western Canada in Vancouver on September 4.

Vancouver: Victoria—September 4-7
Edmonton—September 10-11
Ottawa—September 13-15
Toronto—September 17-26
St. Catharines: Welland—September 28
Montreal—October 1-9

JOHN A. STILES, Canadian Government Trade Commissioner in Caracas, Venezuela, since February, 1948, has returned home on leave. He completed a tour of Eastern Canada in St. John's, Newfoundland, on June 29, and commenced a tour of Western Canada in Brampton, Ontario, on August 27.

St. Catharines—September 4
Welland—September 5
Brantford—September 6
London—September 7-8
Walkerville—September 10
Winnipeg—September 13
Edmonton—September 15-16
Calgary—September 18
Vancouver—September 20-27

Trade and Tariff Regulations

Import Licences Essential Before Shipment of Goods to Syria

Cairo, August 3, 1951.—(FTS)—The Syrian Minister of National Economy has announced that the import of all goods from all countries is subject to import licences being obtained in advance.

This decision was made actually at the time of the termination of the economic union with the Lebanon in April, 1950, but has not been enforced up to now. However, in order to prevent excessive import of luxury and non-essential goods into Syria, it has been decided that no goods will be admitted into the country unless an import licence is issued before shipment. Up to the present, the Syrian authorities have been prepared to issue licences after shipment but before the goods actually arrived at the port. This concession will no longer be granted and it is important, therefore, that exporters should not effect shipment until payment is assured, or until confirmation is received that the consignee is in possession of the necessary import licence.

There has been no import controls in the Lebanon.

India Permits Exports of Hard Cotton Waste

Bombay, August 7, 1951.—(FTS)—India will permit exports of 60,000 cwts. of 112 lbs. to destinations other than Pakistan for the period July-December, 1951. Five-sixths of the export licences will be distributed to firms which exported both hard and soft waste during 1950. The balance will be exported by firms which had no exports to their credit in 1950, or those whose exports were so small that they would not be entitled to a minimum quota.

Greece Receives British Order for Army Cotton Fabrics

Athens, July 23, 1951.—(FTS)—Following negotiations between Greek and British authorities, which took place both in London and in Athens, preliminary contracts were signed in Athens on July 18 between the representative of the United Kingdom Ministry of Supply and various Greek cotton textile manufacturers, covering the manufacture by the latter of over six million yards of heavy duty cotton fabrics, for army requirements, worth about two million pounds sterling. Among the items ordered are three million yards of "denim" cloth, one million yards of duck No. 663, two million yards of duck No. 661, and a trial order for 100,000 yards of "scrim" cloth.

DATA FOR EXPORTERS COMPILED

Information, of particular interest to Canadian exporters, concerning shipping documents and customs regulations of foreign countries, is being compiled by the International Trade Relations Division. Countries concerning which such information is now available in a revised form are: Austria, Belgium, Belgian Congo, Cuba, Denmark, Dominican Republic, Egypt, Finland, Greece, Guatemala, Haiti, Iceland, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela. Data on other countries will be made available from time to time.