

# FOREIGN TRADE

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**COVER SUBJECT**—Sitting room, in Clarence House, London, of H.R.H. The Duke of Edinburgh, who will accompany H.R.H. The Princess Elizabeth on her forthcoming tour of Canada, commencing with their departure from England tomorrow. This room, which is panelled with White Canadian Maple, provided an appropriate atmosphere for the consideration and approval of many arrangements for the tour of the Royal Couple. The carpet is green and the upholstery is natural leather. The portraits are of Prince and Princess Andrew of Greece, the father and mother of His Royal Highness. Clarence House is the town residence of Their Royal Highnesses.

*Photo by Topical Press Agency, Limited.*

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OTTAWA—EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
Printer to the King's Most Excellent Majesty, 1951.

# Republic of Ireland's Adverse Trade Balance Still Mounting

*Unfavourable balance for January-June, 1951, was £73·6 million, compared with £47·2 million in same period of 1950—Total imports for first six months 1951 valued at £106·3 million as compared with £77·4 million last year—Exports totalled £32·7 million in 1951 compared with £30·2 million in 1950.*

By H. L. E. Priestman, Commercial Secretary for Canada.

**D**UBLIN.—The Republic of Ireland is still experiencing a mounting disparity between the values of commodity imports and exports. An adverse balance of £73·6 million for the first six months of the present year, as compared with an adverse balance of £47·2 million for the same period of 1950, is disclosed in recent Irish trade statistics. Total imports for the first six months of 1951 amounted to £106·3 million as compared with £77·4 million for the same period of 1950, and exports were £32·7 million against £30·2 million in 1950. The adverse trade balance during January-June, 1951, has risen £26·4 million over the comparable period of 1950.

In order to level out seasonal changes, a comparison may be made with the trade figures for the year ended June, 1951, when the total value of imports was £188·5 million, and of exports was £74·9 million, showing an adverse balance for the year of £113·6 million. Compared with the year ended June, 1950, when the adverse balance was £80·5 million, it is seen that the value of imports increased £45·2 million, the value of total exports by £11·7 million, and as a result an increase was shown in the import excess of £33·5 million. Of that increase, £22·4 million is considered due to an increase in price, and £11·1 million to an increase in volume of trade.

## Deficit Attributed to High Price of Imports

Press comments attribute the mounting trade deficit partly to the increased consumption of imported goods at prices that have risen sharply because of world wide demand, influenced by the Korean war. At the same time, the pronounced lag in increase of export prices for Irish products, and the static volume of exports, have contributed to the imbalance. Newspapers express the hope that world prices have passed the peak, but see little comfort in the invisible trade position. They fear that income from tourism and foreign investment is declining, and widening the gap in the balance of payments position. While the wisdom of reasonable stockpiling and of import of available capital goods is recognized, stress is laid upon the extent to which purely consumption goods have been imported.

In the first six months of 1951, imports from the United Kingdom were valued at £50·2 million (£42 million in January-June, 1950). United States was the next principal supplier with £12·2 million (£10·5 million), then Canada with £3·5 million (£2·5 million).

Much diversification and increase has occurred in the number of other countries supplying Ireland with goods, to a value of over £1 million in the first six months of this year, (January-June, 1950, in parentheses), as will be seen from the following figures in millions of pounds: Australia,

£2 (£·5); British West Africa, £1·8 (£·6); New Zealand, £1·1 (£·3); Belgium, £2, (£1·4); Cuba, £1·8 (£1); Denmark, £1·5 (£·3); Dutch West Indies, £1 (£·8); Finland, £1·1 (£·9); France, £1·8 (£1·1); Germany, £2·1 (£·7); India, £3·4 (£1·9); Netherlands, £2·5 (£1·2); Poland, £1·2 (£·5); Sweden, £2·2 (£1·7).

Domestic exports at £31·9 (£29·2) million were as usual principally to the United Kingdom, £27·6 million (£26·1 million). Domestic exports to all other countries totalled only £4·3 million, but showed a substantial advance in value over the £3 million for the comparable six months' period of last year. No other individual country besides the United Kingdom purchased as much as £1 million, but to bring out the point that some of these countries are interested in buying from Ireland, the figures over £150,000 are given in thousands of pounds: Canada, £195 (£24); Belgium, £437 (£142); France, £374 (£129); Germany, £406 (£328); Netherlands, £439 (£742); Spain, £235 (£80); Sweden, £177 (£211); Switzerland, £217 (£226); United States, £967 (£515).

In addition to her efforts to increase trade with dollar countries, which are showing some results, Ireland is making efforts to work out trade agreements, chiefly within the OEEC circle of continental European countries, to improve her trading position. Ireland has also added to the number of her trade development officials stationed abroad. The fact remains, however, that many Irish industrial firms claim they lack financial or material advantages, such as are conceded in nearby Great Britain, to induce them to engage in new export markets.

#### **Danish and New Zealand Butter Important Import Item**

Among the important items contributing to the increased imports to Ireland was 90,108 cwt. of butter, valued at £1·7 million, imported early this spring from Denmark and New Zealand. No butter had been imported for many years. This gives evidence of the decline in winter dairying, never very extensive, which is ascribed largely to the bad weather conditions and shortage of feedstuffs. It must, however, be noted that a year ago, when agricultural conditions looked favourable, an apparent excess butter storage position was relieved by exporting to Germany 148,000 cwt. of Irish butter, valued at £1 million.

The detailed import returns show substantial increases in many individual commodities, but no breakdown of commodities by countries of origin is available. Values, in thousands of pounds, of the principal imports for the first half of 1951, with the corresponding 1950 figures in parentheses, are as follows: Butter, £1,680 (nil); horses, imported temporarily, £1,508 (£1,473); wheat, £4,519 (£2,655); maize, £3,632 (£4,222); currants, £643 (£22); raisins, £724 (£239); cocoa, raw, £1,517 (£545) and sugar, £2,041 (£1,398).

The increased imports of currants, raisins and cocoa are reflected in increased exports of preserved fruit, £1,230 (£64), and of chocolate crumb £1,264 (£1,136). Other large items were tea, £3,335 (£1,495); unstemmed tobacco, £1,627 (£1,493); coal, £5,408 (£3,538). At the same time, cement imports were less, £479 (£732), but iron and steel items increased to £4,739 (£3,903) and non-ferrous metals to £1,940 (£1,221), which included aluminum, £470 (£328), chiefly for local industries. Cutlery and hardware items increased to £1,712 (£1,347). The largest items included in this item were miscellaneous hardware, £300 (£231), giving evidence of building activity; clocks and watches, £224 (£142) showing general jewellery trade activity, while cinema films, exposed, positives, fell to £208 (£289) and showed a similar fall in footage to 5,278,000 ft. (5,617,000 ft.). Machinery and electrical goods

and apparatus rose to £6,219 (£5,578). This included notable increases in agricultural machinery and parts, £874 (£511), and in complete agricultural tractors, £674 for 2,075 machines (£360 for 1,228 machines). Textile machinery, £378 (£138) and other machinery, £1,296 (£1,143) also showed substantial increase. Domestic cookers, electric, £156 for 8,424 units (£66 for 3,520 units) showed a marked increase in home use of electric power, and other electrical goods and apparatus, £813 (£796), showed a similar upward trend. Motor vehicle chassis, £2,228 (£2,106) and parts thereof, £876 (£618), give evidence of the increase in vehicle prices, rather than numbers. Other statistics show that the number of new private motor cars licensed for the first time in the first quarter of 1951 had fallen to 4,393 cars, compared with 5,089 cars in the first quarter of 1950.

Wood and timber imports rose to £3,344 (£2,433). Much of the increase was due to higher prices as the major item, soft woods, was £1,662 for 79,999 loads this year, as against £1,552 for 98,068 loads for last year.

#### **Value of Textile Imports Increased**

Textile imports at £15,216 (£11,268) showed a considerable increase, which was attributed to higher prices for cotton and wool and their products, in all forms, as well as to generally increased quantities of yarns, and of piece goods for making up. Artificial silk woven tissues, £1,879 (£1,356), showed a notable increase to 9.2 million square yards from 7.4 million.

Imports of apparel, £2,337 (£1,881), covered a wide range, including 131,000 dozen (133,000 dozen) pairs of silk and nylon hosiery. It may be observed that tourist visitors from the United Kingdom buy considerable quantities of yarn goods and wearing apparel, especially nylon hosiery, in Ireland, much of which has been imported from the United Kingdom but is difficult or expensive to obtain there because of domestic shortages and purchase taxes.

Hides, skins and leather imports were £1,273 (£1,278). Because insufficient domestic hides are produced for the tanneries, there are considerable quantities of cattle hides imported from countries abroad, including Canada. In the first six months of 1951, imports of cattle hides numbered 87,733, as against 99,999 in the comparable 1950 period.

Rubber and manufactures accounted for £1,596 (£649), the biggest increase being in the value of raw rubber, £865 for 36,608 cwt. (£244 for 32,665 cwt.).

Paper products at £3,362, (£2,267) showed a considerable increase in unit prices. Newsprint at £429 for 170,433 cwt. (£463 for 222,937 cwt.)—over 50 per cent of which comes from Canada—shows a lesser unit price increase than paper making materials, £655 for 8,465 tons, (£359 for 12,638 tons), or than cardboard £658 for 158,913 cwt. (£373 for 151,339 cwt.).

Imports of oil seeds, oils, fats, etc., totalled £7,560 (£5,023). The principal imports showed a marked increase in quantity, particularly motor spirit, of which 34.6 million gallons (29.7 million gallons) were imported, and gas and fuel oils, 49.5 million gallons (28.9 million gallons), and lamp oil, 15.7 million gallons (11.1 million gallons). The increased use of agricultural tractors and of oil fuels to replace coal in industrial plants accounts for much of the increase under these headings.

Fertilizer imports were £2,384 (£1,344), the largest items being superphosphates, £762 for 73,341 tons, (£388 for 35,621 tons); rock phosphate, unground, £421 for 74,085 tons, (£340 for 84,239 tons); sul-

phate of ammonia, £399 for 22,701 tons, (£276 for 18,113 tons). The agricultural development program calls for much more intensive use of chemical fertilizers than heretofore.

Chemicals, drugs, perfumery, dyes and colours, valued at £2,847 (£1,807), show substantial increases in most items. The largest total, an omnibus item covering medicines and medicinal preparations, was, at £855 (£490), greatly in excess of last year.

Miscellaneous articles at £4,229 (£3,318) include such a wide variety that useful comment is difficult. However, seeds for sowing are included and the figures show lessened imports of wheat for seed, 90,786 cwt. (121,252 cwt.); oats, 122,274 cwt. (167,685 cwt), but some increase in barley, 34,777 cwt. (22,695); flax, 8,660 cwt. (8,283 cwt.); mangel, 7,240 cwt. (5,925 cwt.) and clover, 8,660 cwt. (8,283 cwt.). Linoleum and the like, valued at £254 (£177) was imported to the quantity of 876,078 sq. yd. (686,354 sq. yd.), but there is also a growing export trade in certain kinds of Irish-made linoleum, statistics of which have not been published.

### No Pigs Exported Last Year

On the export side, the total value of live animals shipped during the six months' period of 1951 was £11,009, as compared with £11,824 in the same period of 1950. The drop in value arises chiefly from cattle exports valued at £8,035 and totalling 177,102 head (196,324 head at £8,695) particularly from fat cattle, where 24,146 head showed a heavy fall from the 40,244 head last year. The average values per head for fat cattle rose about ten per cent.

No pigs were exported in 1951, and only 150 in the 1950 period. This is understandable in view of the existing domestic scarcity, but it is hoped to increase pig production so as to be able to take advantage of the Pigs and Bacon Agreement recently effected with the United Kingdom.

Horses exported temporarily, £1,572 thousand for 973 head (£1,739 for 845 head) would relate chiefly to valuable animals for racing and breeding purposes, but there is a remarkable increase in the number of other horses exported, 18,273 head valued at £1,107 (8,013 head valued at £1,018). Making allowances for valuable bloodstock animals included in these figures, there is some foundation for the thought that many more horses are now being exported for the horse-meat trade to Great Britain and to the Continent.

The export trade in greyhounds at £178 thousand (£210) shows some decline in value, as does the number of greyhounds at 2,089 head (2,677 head), but it affords an indication of how valuable is the greyhound breeding industry, and of the continued demand for Irish-bred dogs for the greyhound racing tracks in Great Britain.

Food, drink and tobacco showed a substantial increase at £13,722 thousand (£12,561), largely accounted for by a few items. The newly developed trade to North America in frozen beef is reflected in the current export figures £711 (£275). The keen demand from Great Britain for rabbits led to remarkably expanded exports, £911 (£37). Fish at £600 (£464) also showed an increase, particularly in fresh salmon—£534 for 12,656 cwt., (£388 for 11,185 cwt.), which fetches a very high price in London.

Preserved fruit (mincemeat made from imported raisins and currants, which is shipped to England after processing) reached the extraordinary figure of £1,230 thousand (£64). There are some reports that this ephemeral business may soon disappear. Chocolate crumb, £1,264 (£1,136) showed some increase in value for a slightly smaller output—

162,274 cwt. as against 167,496 cwt. This new and important industry uses considerable quantities of imported sugar and cocoa and provides a steady market for milk produced in areas near the factories in South-western Ireland. Cakes and puddings exported were £536 (£480) and the quantity was steady at 57,656 cwt. (57,980 cwt.).

#### **Marked Decline in Exports of Fresh Eggs**

Declines were most marked in exports of fresh eggs, with a notable reduction in bacon and hams, and a fall in potato exports. The value of eggs exported was only £2,358 (£4,238) and the quantity fell heavily to 1,648,451 gt. hundred (2,764,440 gt. hundred). Because weather was poor and feeding stuffs short, production fell sharply, while export prices were relatively unattractive compared with rising domestic prices and the keen demand for eggs. Practically all eggs are exported to Great Britain, though a few hundred cases were sent experimentally to Canada and other destinations.

Bacon and ham exports £319 (£522) fell because of the shortage of pigs. However, on comparing the export quantities of bacon and hams, 9,488 cwt. (47,030 cwt.) it would appear probable from the average net prices that 1951 exports consisted largely of canned ham at high unit prices, whereas 1950 exports were chiefly of bacon in flitches.

Potatoes, other than seed, are destined chiefly to Great Britain under a contract with the British Ministry of Food. Exports were £183 for 326,323 cwt. (£212 for 373,124 cwt.). It is reported that Ireland was unable to fulfil the potato contract as the result of a short fall of supplies.

Exports of ale, beer and porter, £2,180 (£2,072) for 454,668 standard barrels (£2,072 for 431,044 standard barrels), form an important part of Irish trade, chiefly with the United Kingdom. Some relatively small quantities were shipped to United States in an endeavour to build up a dollar export market.

Exports of textiles at £3,411 (£2,223) showed a large proportionate increase. A principal item was raw wool, £1,516 for 29,875 centals (£894 for 48,436 centals), showing a large increase in value for a much smaller quantity of wool, and thus reflecting the world price trend. Woollen tissues, £482 (£223), besides increasing in value also showed a rise in quantity at 707,770 square yards (484,440 square yards).

Miscellaneous articles exported, £1,259 (£768) showed an increase, largely due to feathers, £302 (£139); seed potatoes, £292 for 411,569 cwt. (£185 for 279,335 cwt.); other seed for sowing £104 (£47), and hair £104 (£47).

On the whole, the small increase in domestic exports to £31,986 (£29,259) shows the effect of a number of price increases, offset in many important agricultural commodities by a fall in volume.

A large proportion of Ireland's re-exports in the first half of 1951, of £760,432 (actual amount), compared with £973,891 (actual amount), consists of motor spirit supplied to transatlantic airlines at Shannon Airport. The figures for motor spirit are £345,983 for 5,208,704 gallons (£376,707 for 5,592,680 gals.) This business, combined with the revenue at Shannon from other services to North American airlines, adds substantially to Ireland's dollar income.

#### **United States is Chief Source of Tobacco**

Recent Irish statistics show that there were 31,780,966 lbs. of imported unmanufactured tobacco in bond on June 30, 1951, as against 28,735,186 lbs. on June 30, 1950. The quantities in bond represent about two years'

supply at the current rate of consumption. The United States continues to be the chief source of supply of unmanufactured tobacco. Very little tobacco is grown in Ireland, but there was a small quantity of Irish home-grown tobacco in bond, 17,663 lbs. (21,393 lbs.).

Practically all the cigarettes and tobacco sold in the country are manufactured in Ireland. Imports of manufactured tobacco in the first half of 1951 were only 20,713 lbs. (24,924 lbs.) valued at (actual) £22,623 (£22,300). Domestic exports of raw and unmanufactured tobacco are small. The figures are in such general terms as to be misleading, and they may include chiefly low value stems and waste. For instance, exports during January-June, 1950, show 229,406 lbs. valued at £473 (actual), and for 1951, 462,313 lbs. valued at £109,406 (actual). Nevertheless, there is some indication this year that Irish-made tobacco is finding some market abroad.

The tobacco manufacturing industry, while being a considerable consumer of dollars for its raw materials, is one of the most important to the national revenue, as it provides about £15 million a year in customs duties and excise taxes. By comparison, Irish income tax provided only slightly more, £17 million last year.

A system of control over releases of tobacco from bond was wholly removed in 1950, and clearances now show a sustained increase. Some duty-paid Irish manufactured tobacco finds an illicit market in Northern Ireland, where it is smuggled across the border. The differential between cigarette supply and prices in the Republic of Ireland (where some brands are plentiful and retail at 1/8d. for 20), and in Northern Ireland (where they are scarce and 3/6d. for 20) makes this a lucrative trade. No valid statistics or estimates are available, but it is said that the almost daily prosecutions and seizures of large quantities of cigarettes are merely an indication of what is caught, and only a fraction of what is successfully smuggled.

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#### **Factory in Egypt Now Producing Fertilizer**

Cairo, August 17, 1951.—(FTS)—The new factory at Suez is now producing 250 tons of nitrate of calcium fertilizer daily and it is hoped to increase production to 500 tons daily before the end of the year. Some of the output has already reached cultivators and both the Royal Agricultural Society of Egypt and the Agricultural Credit and Co-operative Bank, which are distributing this fertilizer, report that it is equal in quality to imported types.

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#### **Record Milk Production in Norway**

Oslo, August 28, 1951.—(FTS)—As a result of the excellent condition of the pastures this summer, the Norwegian production of milk during July reached record heights for that month, being six per cent larger than in July, 1950. During the first six months of 1951, deliveries to the dairies totalled somewhat more than 500 million litres, or one per cent more than for the same period of 1950, and 29 per cent more than for the first half of the prewar year 1939. Compared with last year, the sale of whole milk declined somewhat during this period, but was still 1½ times as large as in 1939. The reduction in milk sales has partly been compensated by a larger cheese production, while the remaining surplus of milk has had to be returned to the farmers.

# French Price Levels Resumed Upward Course in Past Year

*Internal expansion and Korean conflict responsible—Wholesale price index rose 17 per cent—Prices of imported goods higher than domestic—Measures taken to hold down increases.*

By James H. Stone, Assistant Commercial Secretary for Canada.

PARIS.—The French economy, after enjoying a period of relative stability during 1949, was again seized during 1950 by inflation, and resumed the upward spiral which had continued since 1940. Rising wages, an unbalanced budget, and during the final months of the year, a favourable balance of trade, all played their parts in this, but the principal factor was, of course, the world-wide inflation touched off by hostilities in Korea. Dependent on imported raw materials for a large number of her basic industries, France was in no position to isolate herself from the international rise in prices. Wholesale prices rose by approximately 17 per cent during the last half of the year, followed to a lesser extent by retail prices.

The extent of the rises in food, fuel and industrial products (raw materials and finished goods) is illustrated in the following table. It will be seen that the general index, which is made up of all the others shown, was relatively stable until July, when the effects of the Korean hostilities began to make themselves felt.

## French Wholesale Price Indices, 1950

(Average 1949=100)

|                 | Food<br>Products | Fuel and<br>Electricity | Industrial<br>Products | General<br>Index | Imported Products<br>Raw<br>Materials | All<br>Products |
|-----------------|------------------|-------------------------|------------------------|------------------|---------------------------------------|-----------------|
| January .....   | 104·9            | 103·8                   | 102·9                  | 103·8            | 113·6                                 | 113·8           |
| February .....  | 101·8            | 104·9                   | 103·5                  | 103·0            | 114·3                                 | 114·1           |
| March .....     | 104·6            | 104·5                   | 104·3                  | 104·4            | 121·1                                 | 127·1           |
| April .....     | 104·4            | 104·0                   | 104·6                  | 104·4            | 122·5                                 | 128·4           |
| May .....       | 102·7            | 103·0                   | 105·9                  | 104·2            | 125·4                                 | 119·8           |
| June .....      | 97·4             | 104·3                   | 108·2                  | 103·2            | 133·1                                 | 124·2           |
| July .....      | 101·0            | 104·0                   | 111·2                  | 106·1            | 139·3                                 | 127·6           |
| August .....    | 101·0            | 104·2                   | 113·8                  | 107·3            | 143·7                                 | 129·4           |
| September ..... | 102·5            | 106·1                   | 121·4                  | 111·6            | 169·4                                 | 145·7           |
| October .....   | 101·5            | 108·8                   | 124·9                  | 113·1            | 177·1                                 | 152·6           |
| November .....  | 106·4            | 110·3                   | 127·5                  | 116·5            | 183·6                                 | 156·9           |
| December .....  | 109·1            | 111·5                   | 133·5                  | 120·7            | 204·5                                 | 170·0           |

Industrial products showed a general rise throughout the year, partly because rising wage-levels were showing up in factory prices. Wages had been controlled since 1940 but at the beginning of February, 1950, these controls were lifted, and wage-levels are now determined by collective bargaining. As a result of this, hourly wages rose by 6 per cent during the first six months of 1950, compared with an increase of 1·4 per cent during the last half of 1950. A further factor was the increasing cost of fuel and electricity (from 102·9 in January to 108·2 in June), and especially of imported raw materials, whose index went from 113·6 in January to 133·1 in June.

From July onwards, all wholesale prices went steadily upwards, led by imported materials, with the exception of food prices, where the rise was delayed by the seasonal summer slump. It is apparent that international conditions largely conditioned the behaviour of prices at the wholesale level although domestic factors played their part.

Of these latter, it may be briefly stated that the money supply (notes and bank accounts) rose from 2,645 billion francs to 3,121 billion francs\*, government expenditure exceeded revenue by 290 billion francs, and a favourable balance of trade appeared during the last half of the year, of a monthly average of 3.68 billion francs in the third quarter and 18.81 billion francs in the last three months. (One billion francs is approximately \$30,300).

#### Retail Price Trends Strongly Upwards

By the end of the year, a Parisian family of 4 in modest circumstances was spending 17.4 per cent more than the average expenditure during 1949, to provide the same goods and services.

A new Price Index of Family Expenditures in Paris, published every three months by the National Institute of Statistics, gives for the first time since 1930, an indication of the cost of maintaining a representative family.

Index of Family Expenditures in Paris

| Item                     | Average | March | June  | Sept. | Dec.  |
|--------------------------|---------|-------|-------|-------|-------|
|                          | 1949    | 1950  | 1950  | 1950  | 1950  |
| Food .....               | 100     | 108.3 | 105.1 | 113.4 | 118.0 |
| Heat and Light .....     | 100     | 102.2 | 109.3 | 119.6 | 120.1 |
| Manufactured goods ..... | 100     | 99.7  | 99.9  | 102.2 | 106.2 |
| Services .....           | 100     | 118.0 | 122.0 | 126.0 | 131.0 |
| Miscellaneous .....      | 100     | 100.0 | 108.3 | 108.3 | 108.3 |
| Total .....              | 100     | 107.5 | 106.9 | 113.1 | 117.4 |

It is evident that the rises occurred almost exclusively in the last half of the year, and were particularly marked in the prices of services.

In an effort to limit, as far as possible, the rise in prices, the government allowed certain "shock imports" of products whose domestic prices were judged unreasonably high, reduced or eliminated customs duties on certain raw materials and finished products of prime importance, and forbade the export of others which were in short supply.

Price controls are still in effect on certain products, and an attempt to impose a general control was made in October by the publication of a decree forbidding any unjustified increase in the price of any product whose price was not officially controlled otherwise. This law is obviously extremely difficult to enforce, and its effective working has been questioned.

#### New Government Agricultural Bank Formed in Israel

Athens, August 1, 1951.—(F.T.S.)—A Government Agricultural Bank has been formed in Israel according to a report in "Business Digest" of July 26, 1951, under the management of the former Director-General of the Ministry of Agriculture, with a share capital of I£2.5 million obtained from the Development Budget. In addition, the bank will administer all direct loans issued under the Agricultural Development Budget amounting to another I£5 million per annum.

Loans issued under the authority of the Bank are mainly granted for irrigation schemes, for the expansion of herds, etc., and more than I£500,000 in loans have already been approved for medium terms of three to five years, at five per cent interest. Loans will not be granted for amounts under I£1,000.

\* These figures are rough estimates from various sources, and are approximations.

# Most Crops in Colombia Affected By Heavy Rains in Past Year

*Imports of many agricultural commodities necessary—Some 55,000 metric tons of wheat purchased from Canada—Canadian certified seed potatoes imported on trial basis—Coffee is main export crop—Favourable crops expected this year.*

By W. Ross Van, Assistant Canadian Government Trade Commissioner.

(One peso equals \$0.5641 Canadian.)

**B**OGOTA.—Most Colombian crops suffered greatly during 1950 owing to unusually heavy rains. As a consequence, it was necessary to make substantial imports of many agricultural commodities in which Colombia is normally self-sufficient or has to supplement its production only to a limited degree. It is considered that 1951 will prove to be a good crop year, since weather conditions so far have been satisfactory.

The wheat crop suffered severely during 1950, necessitating the importation of some 55,000 metric tons, all of which came from Canada, as compared with approximately 20,000 tons in the previous years. The Federación de Molineros, a co-operative representing the millers of the coastal areas, and the Asociación de Molineros, which represents the flour mills located in the grain-producing areas of the interior, are the two principal entities authorized to make importations. Independent millers, located in less accessible regions, were permitted small importations amounting to less than 10 per cent of the total quantities imported.

In Colombia, there is only one wheat crop. It is usually planted between late February and late March, the majority being sown during the first two weeks of March. The harvesting starts in September and usually goes on until late November, depending upon the region.

The majority of the local wheat crop that survived bad weather conditions in 1950 was saved for planting the 1951 crop. It is grown in the high altitude central region of the country.

The principal wheat developed in Colombia is that of "Bola Picota" of which the available quantities are still insufficient to meet demand. This wheat is a government development, and is supposed to be very good in yield and well adapted to local conditions. It is a slow maturing variety, rust resistant, semi-hard, and said to be good for milling, possessing average protein and gluten content. Every effort is being made by the Ministry of Agriculture to improve its quality.

## Government Attempting to Increase Wheat Yield

Although wheat acreage has increased, the main concern of the Ministry of Agriculture is to increase the yield per acre. Nevertheless, it is considered by many sources that the growing of wheat in Colombia, other than in limited quantities, is far from economical and that the land should be used for a crop more suited to local conditions. It is admitted that wheat can never be grown here as cheaply as it can be imported from abroad. At present, it is subsidized at a support price three times world price levels. As the standard of living in Colombia is gradually raised, enabling more people to purchase flour rather than other substitutes presently used, the consumption of wheat will increase more rapidly than

local production can ever hope to cope with, thereby necessitating progressively greater imports. This especially applies to Colombia's coastal areas.

Although normally Colombia has a small exportable surplus of potatoes, nearly 10,000 metric tons had to be imported during 1950. It is considered, however, that the 1951 crop-year reach expectations, the crop will again be sufficient to meet requirements. The main potato crop is harvested in July and August, and a smaller crop in December and January. During the year, purchases of potatoes were made from Holland, the United States and Canada, the latter country having supplied 3,000 metric tons.

#### Canadian Certified Seed Potatoes Being Tried for First Time

The Ministry of Agriculture has taken great interest in the certification of potatoes, and has progressed satisfactorily in the Department of Antioquia as well as to a lesser degree in other departments. Plans are being made for the shipment of sixty crates of Canadian certified seed potatoes of six different varieties to government experimental stations for the first trial of Canadian seed in Colombia. As an incentive to improve the quality of local potatoes, the Instituto Nacional de Abastecimientos, a semi-official government agency, has agreed to buy all of the certified crop and sell it at cost for use as seed. The price of certified crop has been set at 10 per cent above that of non-certified of best quality. The Ministry of Agriculture has agreed to provide free certification services for the first several years until the plan is well under way, and then nominal charges will be made for the inspection of crops.

During the latter part of the year, a commission was sent to Ecuador by the Ministry of Agriculture to buy seed potatoes, but none of the desired qualities were available. The Ministry of Agriculture believes that only varieties of the types which have proven satisfactory in areas similar to those found in Colombia are to be considered, although they have finally been persuaded to experiment with a small trial shipment of Canadian certified seed.

#### Coffee Is Main Merchandise Export

Coffee still remains Colombia's principal source of foreign exchange, and accounts for over 90 per cent of her merchandise exports. Comparative export figures for the last three years are as follows:

|            | Bags of 60 kilos | Value           |
|------------|------------------|-----------------|
| 1948 ..... | 5,587,535        | US\$225,210,814 |
| 1949 ..... | 5,409,653        | 242,276,072     |
| 1950 ..... | 4,472,356        | 357,788,480     |

The breakdown of 1950 exports is as follows: United States, 4,000,854 bags; Canada, 170,036 bags. The small balance was shipped principally to northwest Europe. Exports to Canada were far below 1949 figures, which amounted to 234,304 bags. Roughly 10 per cent of the total production is required to meet domestic demand.

It had been expected that exports for the year would reach the 5,000,000-bag figure, but unfavourable weather conditions and transportation difficulties caused a decrease of 900,000 bags in the export figures and brought the output below what had been recorded in the three previous years. Nevertheless, the higher prices commanded by Colombian coffee on the New York market resulted in much greater receipts of U.S. dollars.

During the year, the New York market price fluctuated between US\$0.47 and US\$0.60 per pound, closing at the end of the year at US\$0.57

per pound. At the end of December, 404,843 bags were at seaboard, maintaining the monthly average of close to one-half million bags available for immediate shipment.

The tendency is now towards firm prices, and a maximum price of 60½ cents has been set by the United States Office of Price Stabilization. It is expected that 1951 will be a good crop year, and that export volume will rise to previous records, with prices keeping very close to the U.S. maximum price. World demand is expected to maintain strong pressure against available supplies for at least two more years. More young coffee trees are being planted, both in Colombia and Brazil, but five years' growth is needed to bring them into good production.

It is estimated that there has been a substantial increase in the production of sugar over that of 1949, which yielded approximately 108,850 metric tons. In 1950, sugar was shipped to Japan and Greece, and smaller exports were made to Venezuela and Western Germany. Together with the increase in production of cane, new sugar mills are being established.

The production of fique fibre during 1950 was sufficient to permit a small export. Although raw fibre is usually not exported, sales are made in the form of sacks, particularly to Venezuela. The principal uses for fique fibre are for coffee bags, sandals and cordage.

#### **Rice Crop Damaged by Unfavourable Weather**

The rice crop was damaged by unfavourable climatic conditions that persisted during the year, and although production met local demand, it left none for export as in previous years. The Federation of Rice Growers was established during the year for the principal purpose of supervising cultivation and grading. Rice growers are not obliged to join this association, but the advantages are obvious when rice output again exceeds local demand.

The tobacco crop, consisting of a dark-leaf type, was sufficient during the year for local needs, leaving satisfactory quantities for export to Holland and Western Germany. Steady increases are being noted in the production of tobacco, sufficient to keep up with growing domestic and export demand.

The cotton crop during 1950, owing to its shorter growing period, escaped rain damage. It is estimated that there was an increase of almost 45 per cent over 1949 which had given a yield of 6,600 metric tons, which was approximately 30 per cent of local industry's requirements. In order to encourage the growers, the government still guarantees the selling price of domestic production, and all of it must be used by domestic mills before importations are permitted. Cotton growers have requested an approximate 30 per cent price increase for cotton in 1951, stating that machinery, labour and all other costs have increased.

The cotton boll weevil has appeared in the small cotton-growing area near Cartagena on the Caribbean coast, for the first time. Attempts are being made at elimination, but the principal difficulty in control of such a pest is the lack of seasons. Fortunately, however, this insect has not yet been noted in the principal cotton-producing areas in the Departments of Bolívar and Tolima.

Crude rubber production still takes care of only a very small portion of local requirements. The grade of rubber produced has been poor owing to the fact that there have been no established cultivated plantations. Local consumers must first purchase all local production before being authorized to import from abroad. It is believed that new government measures are successfully encouraging the setting up of new modern plantations to operate under favourable standards of price and quality.

### **Banana Production Increased**

Banana production in the main growing areas situated in the Department of Magdalena steadily increased over the previous year. New developments are being made on the Pacific Coast near the port of Tumaco. It is estimated that in 1950, 49,910 hectares were under cultivation and the production during the year was 18,900,000 stems with an estimated value of Ps.43,800,000. The increase in acreage in the main producing area was about 15 per cent over 1949. Total exports in 1950 are given as being 6,346,287 stems as compared with 6,060,345 stems in 1949. During the year, 1,858,879 stems were exported to Europe, mostly going to Western Germany. The total value of exports was Ps.18,462,414.

All producers have been doing their utmost to protect themselves against the Sigatoka disease which caused such havoc in the banana industry during the early forties. Independent producers are having a difficult time to cope with this disease owing to lack of capital and equipment to carry out the necessary spraying. It is indicated that the Colombian Government is considering the establishment of an official control for the treatment of Sigatoka disease, and at the same time, raising the standards of export fruit. The United Fruit Company is still the principal producer in the Colombian market, exporting mainly to the United States and Canada, while independent exporters are concentrating on Germany and Denmark, particularly under the recent clearing agreements.

The incessant heavy rains experienced during the year, although detrimental to the production of crops, proved beneficial to grazing conditions. It is estimated that the number of head of cattle in 1950 approximated 15,512,900, which is an increase of approximately 10 per cent over the previous year. Increased exports of Colombian cattle to Venezuela were made. Unfortunately, no accurate figures can be obtained for the complete exports, most of which were contraband. The reason for this is that cattlemen legally exporting cattle are remunerated at the official rate of exchange, whereas otherwise dollars are obtained and could be sold at a premium of 45 or 50 per cent. Prices for cattle throughout the country brought 15 per cent higher returns over 1949. Slaughter and consumption also increased and are estimated as being in the vicinity of 1,600,000 head. During the year, imports of cattle, especially Holstein Friesian, were made from Canada and the United States. It is believed that the Canadian dollar value of \$61,702 had a slight edge over United States imports.

Towards the end of the year, aftosa—which had ravaged the cattle in Venezuela—was found in Colombia. The disease continued to spread through many parts of the country since preventive measures taken have not yet proved effective. Authoritative sources state that Colombia, which was previously free from the dangerous types of foot-and-mouth disease, will now undoubtedly have it here permanently. Only a small percentage of the cattle have been destroyed.

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### **Lime Output in Canada Higher**

Producers' shipments of lime during 1950 were recorded at 1,124,188 short tons valued at \$12,281,084 compared with 1,018,823 tons worth \$11,309,820 in the preceding year. Quicklime shipped or used totalled 885,219 tons as against 798,187 tons. There were 43 plants in operation during the year—one more than in 1949—with 1,133 employees whose salaries and wages totalled \$2,760,800, as against 1,060 employees with salary and wage payments of \$2,485,601 in 1949.

# Mexican Production of Oils and Fats Greatly Increased in Recent Years

*With exception of hog lard, formerly large import trade has almost disappeared—Per capita consumption expected to increase—Export trade in oil-bearing seeds considerable.*

By Clive B. Smith, Office of the Commercial Secretary for Canada.

**M**EXICO CITY.—Mexican production of animal and vegetable oils and fats in recent years has increased so rapidly that, with the notable exception of hog lard, a formerly large import trade has almost disappeared. Domestic consumption of fats and oils, estimated on a per capita basis, is much lower than in many other countries and can be expected to increase as the national economy expands. There is a considerable export trade in oil-bearing seeds.

Per capita consumption of fats and oils, for which the latest available figures refer to the year 1948, was 16·5 grams daily in Mexico, as compared with 57·0 in Canada, 45·5 in Argentina, and 16·4 grams daily in Chile. The Mexican figure may rise as high as 28 grams daily during the next decade.

The following table shows domestic consumption in 1948-50 and estimated production in 1951.

|                            | Consumption<br>1948-50<br>(metric tons) | Estimated<br>Production 1951<br>(metric tons) |
|----------------------------|---|---|
| Cotton seed oil .....      | 32,000                                  | 57,000  |
| Sesame oil .....           | 40,000                                  | 44,650  |
| Peanut oil .....           | 7,000                                   | 9,500   |
| Hog lard .....             | 28,000                                  | 30,000  |
| Coconut and Palm oil ..... | 26,500                                  | 30,000  |
| Tallow .....               | 12,500                                  | 12,800  |
| <b>Total .....</b>         | <b>146,000</b>                          | <b>183,950</b>                                |

Production this year has risen to 183,950 metric tons from 120,000 metric tons, or 0·63 per cent of the world total, in 1948. In the latter year, Mexico produced 61,000 metric tons of vegetable and edible oils; 25,000 metric tons of coconut and palm oil; 2,500 tons of industrial oils and 31,000 tons of animal fats.

In the five-year period 1940-44, imports averaged 2,425 metric tons of coconut and palm oil, 13,511 tons of hog lard and 2,967 tons of tallow. In the five years 1945-49, average imports declined to 1,718 tons of coconut and palm oil, 14,317 tons of hog lard and 6,767 tons of tallow. Imports of these three products totalled 9,837 metric tons in 1950 and hog lard represented 96 per cent of this total. Mexico's recent inability to increase the production of lard was attributed to the lack of corn available as animal feed.

Mexican exports of oil-bearing seeds in 1950 comprised 22,413 tons of linseed, 10,387 tons of peanut seed, 1,554 tons of cotton seed, and 203 tons of other types of oil seeds, to a total value of nearly 38 million pesos.

## Foreign Investment in Turkey Given Encouragement

Istanbul, August 2, 1951.—(FTS)—The long discussed Bill affecting foreign investment in Turkey has been passed by the Grand National Assembly. The law now provides a guarantee to the foreign investor of the transferability of capital after a period of three years. Foreign exchange will also be granted for the transfer in any one year of profits up to 10 per cent of the investment.

# Value of Swedish Foreign Trade Reached New Peaks Last Year

*Exports increased 34 per cent and imports by over 40 per cent in 1950—Strong advance recorded in trade with Western Germany—Swedish exports to Canada higher while purchases of Canadian products lower.*

By B. J. Bachand, Commercial Secretary for Canada.

**S**TOCKHOLM.—Both Swedish exports and imports have risen considerably and reached new peak values during 1950. Owing to the increased world demand for Swedish goods and liberalization of trade between the Marshall Aid countries, exports reached very high figures. Concurrently, imports went up substantially, after having declined in 1948 and 1949. The total export value during the year amounted to Kr.5,710 million as compared with Kr.4,250 million in 1949, an increase of 34 per cent. At the same time the import value rose from Kr.4,333 million to Kr.6,103 million, or by well over 40 per cent. In both cases, the increase is due partly to the rise in prices since the devaluation of the Swedish krona and, in particular, since the beginning of hostilities in Korea.

However, Sweden's foreign trade has greatly exceeded the level of 1949 in volume also, both exports and imports being estimated to have increased in volume by 23 per cent. The trade balance shows a greatly increased import surplus which, however, was more than offset by the net revenues from shipping.

The expansion of exports refers to all the main commodity groups. The steepest relative rise was recorded in respect of paper pulp, paper and board, which yielded a revenue of Kr.1,750 million as against Kr.1,333 million in 1949. The exports of farm produce, ships, machinery, electrical apparatus, and base metals also showed a large increase.

On the imports side, mineral oils, coal and coke, machinery, textiles, motor cars, fruits and coffee have been imported in much larger quantities than during the previous year. Iron imports are the only important item showing a decline. Imports of mineral oils, coal and coke, the biggest import commodity group, amounted to Kr.1,160 million as compared with Kr.870 million in 1949. The textile imports, which rank second in size, rose from Kr.760 million to Kr.1,050 million. Relatively, the heaviest increase was recorded in the case of motor vehicles. The number of imported cars amounted to 52,000, as against 8,600 in 1949. This considerable rise from the very low level of the previous years is primarily attributable to the liberalization of motor-car imports from Great Britain, Western Germany and France.

## **Trade with Western Germany Materially Increased**

With regard to the distribution of foreign trade by countries, the most outstanding change has been the strong advance recorded by Western Germany. Exports to Western Germany rose from Kr.316 million in 1949 to Kr.730 million in 1950. At the same time, the imports from that country went up from Kr.282 million to Kr.653 million. This brought Western Germany into second place after Great Britain on the export side as well as on the import side. Trade with the Scandinavian countries, notably with Denmark, has also increased substantially. Exports to the United States have risen from Kr.247 million in 1949 to Kr.345 million

last year, which, however, is almost entirely attributable to the rise in prices in terms of the krona. The imports from the United States have increased by about the same amount, so that the deficit vis-à-vis that country has remained unchanged.

### Swedish Trade, by Main Countries

|                          | Jan.-Dec.<br>1949 |                          | Jan.-Dec.<br>1950 |
|--------------------------|-------------------|--------------------------|-------------------|
|                          | (Kr. '000,000)    |                          | (Kr. '000,000)    |
| <b>IMPORTS</b>           |                   | <b>IMPORTS</b>           |                   |
| Great Britain .....      | 747               | Great Britain .....      | 1,218             |
| United States .....      | 416               | Western Germany .....    | 653               |
| Western Germany .....    | 282               | United States .....      | 537               |
| Belgium-Luxembourg ..... | 279               | France .....             | 383               |
| France .....             | 238               | Netherlands .....        | 276               |
| Netherlands .....        | 213               | Belgium-Luxembourg ..... | 240               |
| Poland .....             | 207               | Denmark .....            | 213               |
| Norway .....             | 169               | Poland .....             | 207               |
| Denmark .....            | 156               | Brazil .....             | 201               |
| Italy .....              | 135               | Norway .....             | 181               |
| <b>EXPORTS</b>           |                   | <b>EXPORTS</b>           |                   |
| Great Britain .....      | 728               | Great Britain .....      | 812               |
| Norway .....             | 417               | Western Germany .....    | 730               |
| Western Germany .....    | 316               | Norway .....             | 512               |
| United States .....      | 247               | Netherlands .....        | 348               |
| Netherlands .....        | 226               | United States .....      | 345               |
| Belgium-Luxembourg ..... | 212               | Denmark .....            | 336               |
| Denmark .....            | 208               | France .....             | 249               |
| France .....             | 191               | Brazil .....             | 229               |
| Italy .....              | 126               | Belgium-Luxembourg ..... | 215               |
| Poland .....             | 124               | Poland .....             | 167               |

#### Exports from Canada to Sweden Lower

Canada's trade with Sweden in 1950 amounted to exports of \$4,249,000 and imports of \$5,145,000. While Canadian exports in 1950 were approximately 23 per cent lower than in 1949 (\$5,515,000), imports from Sweden increased approximately 45 per cent over 1949 (\$3,473,000).

Principal commodities exported from Canada were seeds, textiles, lumber, steel bars, non-ferrous metals, machinery, asbestos, porcelain insulators, petroleum coke, chemicals and pharmaceuticals, while the principal Canadian imports from Sweden were seeds (clover and timothy), iron ore, iron and steel products, rock drills, office machinery, industrial machinery and tools, ball and roller bearings, scientific and precision instruments, and granite.

The import surplus of Kr.393 million was more than offset by revenue from other items figuring in the balance of trade. In 1949, the import surplus was Kr.83 million.

Last year, the net earnings from shipping totalled Kr.560 million, of which Kr.90 million are accounted for as expenditure by foreign vessels in Swedish ports. Other current transactions showed a deficit of about Kr.70 million, so that the surplus in the balance of trade worked out at about Kr.97 million, as against Kr.490 million in the preceding year. The gold and foreign exchange (net) reserves of the Riksbank and the National Debt Office were reduced during the year by Kr. 190 million, in addition to which there was a decline of Kr.172 million in the commercial banks, foreign exchange holdings. The composition of the gold and foreign exchange reserves altered considerably. Sterling holdings showed the most significant change, declining by one-third. The gold and dollar position, on the other hand, steadily improved, notwithstanding the import surplus from the United States, the explanation being Sweden's ability to cover part of her imports out of Marshall funds.

Prices were rising throughout the year. The upward movement was relatively slow right up to the autumn, but the inflationary tendency on the world market, which made itself felt with growing strength after the start of the Korean war made its mark in Sweden, particularly towards the end of the year. Up to October, wholesale prices increased only slowly, but a powerful upward trend was registered during November. Due to this fact, a remarkable rise in consumer prices and in the cost of living was noticed in December. This increase in consumer prices is also attributable to a certain degree to the removal of certain subsidies at the end of the year, e.g., on imported coffee, cotton, hides and household coke, also on various domestic farm products.

The cost-of-living index compiled by the Social Board of Sweden rose from 166 in December, 1949, (1935=100) to 171 in December, 1950. After the turn of the year, wholesale and consumer prices have kept on increasing quite rapidly and the steady rise in the cost of living has been one of the most discussed subjects in Sweden since the beginning of 1951.

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## Importance of Engineering Industry to British Economy Shown at Exhibition

*Eighteenth Engineering, Marine and Welding Exhibition held in London from August 30 to September 13 emphasizes position of industry in economy of the country—Exports of engineering equipment reach new record high and account for 37 per cent of total shipments abroad.*

By K. D. Paquin, Office of the Commercial Counsellor for Canada.

LONDON.—The importance of the engineering industry to the United Kingdom economy was emphasized at London's Olympia, between August 30 and September 13, during the Eighteenth Engineering, Marine and Welding Exhibition. This year it incorporated the Foundry Trades Exhibition and many of the exhibits, especially in the welding section, were entirely new. Others incorporated improved features, adapted as a result of working experience.

The United Kingdom continues its lead in the construction of merchant shipping, 1,325,000 tons, or over one-third the world's recorded total and the highest figures for twenty years, having been launched in 1950.

A large proportion of the exhibits displayed were in operation. These ranged from a minute gear to a 3,000 b.h.p. marine-power diesel unit, comprising two 8-cylinder, two-cycle engines, running at 3,200 r.p.m. and driving a single propeller shaft at 128 r.p.m. through electro magnetic slip couplings. Although each engine weighs 38 tons, considering the power developed the unit occupied a relatively small space. Some of the larger types of engines were in model form.

Most units on display in the pump section incorporated the latest designs for general engineering and marine use. A number of special purpose pumps were prominent. A new automatic water pressure system, for fresh water and sanitary supplies, was exhibited by a London manufacturer. Its primary function is to afford simple installation and to operate within an outside source of pressure to top up the pressure tank. One exhibitor had a pump which is suitable for such liquids as bitumen grade oil, hot waxes and molasses. On the same stand was a new eight-inch rotary horizontal cargo oil pump.

### **Wide Variety of Welding Equipment Displayed**

Demonstrations of welding equipment ranged from submerged melt welding equipment to arc welding of aluminum alloys, magnesium, copper, stainless steel and heat resistant nickel alloys. With the submerged arc welding process, visitors were able to watch the plant actually welding steel plate without having to look through coloured glasses. On one stand was a supersonic flaw detector which is used for the non-destructive test, by ultrasonic sound waves, on iron, steel and non-ferrous metals. The results of these tests are presented on a cathode ray tube.

Although numerous items in the electrical welding equipment were displayed, other electrical products, including accumulators, cables, electric motors, generating sets, etc., played an important part in the exhibition. A 55kv electron microscope with a magnification of 12,000 was on one stand, which also had a model of 18,100 kva 11.5 kv vertical A.C. generator made for a hydro-electric scheme in Australia. Another interesting exhibit, a self-regulating alternator, does not require a separate automatic voltage regulator and gives an inherent voltage regulation of plus or minus 2½ per cent.

### **Interest Shown in Foundry Equipment**

As three productivity teams have recently visited the United States, under the auspices of the Anglo-American Council on Productivity, to study foundry techniques, great interest was shown in foundry equipment. The recommendations contained in the reports of the various teams are now being applied. The iron foundry industry has set up a new production record by producing iron castings at the rate of 3.7 million long tons per annum in the first quarter of 1951. This record was only possible by improved efficiency and through increased use of mechanical ideas.

Exhibits in this section were varied, ranging from rotary and semi-rotary melting furnaces, to a magnetic floor-sweeper for the rapid collection of nails, nuts, scrap, etc. Visitors were able to see moulding machines actually making moulds.

### **Industrial and Marine Engines Section Outstanding**

Industrial and marine engines section was the most outstanding of the exhibition and one which attracted a lot of interest. An important new range of direct injection engines, for heavy duty industrial applications and for marine and rail car work were shown. One firm had a range comprising engines of four, five and six cylinders, each with a bore of 5 inches and a stroke of 5¾ inches. The four cylinder unit develops 75 b.h.p., and five cylinder 94 b.h.p., and the rating of the six cylinder unit is 112 b.h.p. at 1,500 r.p.m. Weights vary from 2,100 lbs. to 2,850 lbs.

Production in the engineering industry, with its labour force of over 2,750,000 men and women, has made a highly significant contribution to increasing the level of production in the United Kingdom in 1950 by 40 per cent above the 1946 volume. Production of industrial machinery and equipment last year was 70 per cent more than in 1946. Exports of engineering equipment, including electrical goods and vehicles, were valued at £808 million in 1950, but based on the first six months, exports in 1951 should reach £891 million. This is the highest figure ever recorded in the history of British engineering and represents 37 per cent of total United Kingdom exports.

# Syria Produced Sufficient Cotton Last Year to Enter Export Field

*Cotton production in 1950 totalled 45,000 tons, of which 30,000 tons were exported—Production in former years was some five to ten thousand tons—Demand for Syrian wool very large and prices very high.*

By J. M. Boyer, Canadian Government Trade Commissioner in Egypt.

(Editor's Note.—£S.1 equals US\$0.27, approximately, at latest free market rate.)

**C**AIRO.—Production of a cotton crop in quantities sufficient for export, for the first time, was the most important contribution to Syrian prosperity in 1950. In earlier years, Syria produced some five to ten thousand tons of cotton annually, all of it spun in Syrian mills. In 1950, the production was about 45 thousand tons, of which 30 thousand tons were exported at prices which provided high profits both for growers and exporters. This, naturally, has led to increased interest in the cultivation of cotton, and Syria will have for export at least 40 thousand tons in the current year. The only disturbing factor at present in this important new agricultural development is that cotton production has probably outstripped the facilities for ginning, transporting and financing the crop.

## Large Demand for Syrian Wool

The unfortunate economic rupture with its neighbour, Lebanon, was prevented by fortuitous circumstances from harming the prosperity of Syria in 1950. Crops were good and world prices were high. Syrian wool was so much in demand, and the prices were so good, that many Syrian peasants are said to have stripped their homes, even emptying the mattresses, to find anything that could be sold as wool.

The cereal crop also was good in 1950, amounting to a total of 921,000 tons, of which 260,000 tons was exported. This year, owing to lack of snow and rain during the winter, the cereal crop is very short and it is doubtful whether the country will be self-sufficient. Exports of wheat and flour have been prohibited since the end of December.

## Major Part of Olive Crops Irreparably Damaged

Although 1950 was in general a very good agricultural year in Syria, it should be noted that 60 to 80 per cent of the olive crops were irreparably damaged by the extremely cold winter of 1949-50. This may lead to a permanent reduction in olive growing, particularly if cotton cultivation continues to be successful, in which case many former olive groves will be converted to cotton cultivation.

Syrian industry, the most important branch of which is the manufacture of textiles, was fully occupied in 1950, and continued to benefit from government support in the form of long-term loans and customs tariff measures which resulted in increased production of local goods.

A new feature of merchandise distribution has resulted from the economic rupture with Lebanon. Formerly, Syrian merchants purchased the greater part of their imported products from Lebanese importers who extended credit terms. Since the break-up of the Customs Union, Syrian merchants have been encouraged (one might almost say compelled) to do

their own importing and, of course, to pay cash. This has led to an increased demand on the part of merchants for bank loans, and it is estimated that bank advances to Syrian merchants have been increased by something like £S50 million.

#### **Attempts Made to Develop Port of Latakia**

Syria's withdrawal from the Customs Union is indicative of her desire to be independent of Lebanese co-operation. However, the Lebanese port of Beirut is still essential as the only practical port of entry for Syrian imports arriving by ocean-going ships. Nevertheless, Syria has taken every opportunity to develop the use of the Syrian port of Latakia. This port has no facilities for large steamers, nor are there at present adequate rail or road communications with the inland centres of commerce and industry, Aleppo, Homs and Damascus. The Syrian Government has evolved plans to develop the port of Latakia, but little progress has been made owing partly to difficulties of finance. The government formed a company for the development of the port and endeavoured to finance it by a public offering of shares. However, of 160,000 shares only 10,000 were taken up. In spite of the inadequacy of the port of Latakia, its use has increased. This is shown by the fact that 18,000 tons of cargo was landed in January, 1951, as compared with 8,000 tons in January, 1950.

Currency circulation decreased from £S236·5 million at the beginning of 1950 to £215 million at the end of that year. This does not accord with the comparative economic state of the country at those times, but it is due to the fact that when, on March 11, 1950, Syria proceeded to change her note issue, the process resulted in repatriation and withdrawal from circulation of large sums of money in notes from abroad, especially from the Lebanon.

Little detailed information is yet available as to Syria's foreign trade. It is known that Syrian imports for the last nine months of 1950 were valued at £S197 million, exports at £S207 million. The excess of exports over imports was due entirely to the new development of cotton production. In general, Syrian exports are agricultural products, and her markets in order of importance are Turkey, Lebanon, Belgium, United States, Iraq, United Kingdom, Saudi Arabia, Jordan and Egypt. Imports include agricultural and industrial machinery, certain textiles, motor vehicles and equipment, petrol products, and the general range of manufactured consumer goods. Principal sources of supply, recently, were in order of importance, United States, United Kingdom, Iraq, Italy, France and Lebanon.

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#### **Italian Wheat Imports Decreased**

(1 metric ton equals 2204 lbs.)

Rome, August 18, 1951.—(FTS)—Development of the Italian foreign trade, as far as agricultural products are concerned, was normal, during the first quarter of 1951. The decrease in wheat imports has continued, 345,000 tons against 394,000 for the first quarter of 1950. Marked progress was registered in the exportation of citrus and fresh fruits, 326,062 tons against 284,019 tons for the same period of last year. However, the exports of fresh vegetables have shown a decrease from 124,650 tons to the present level of 116,000 tons.

## Canadian Imports by Areas

| Country                              | July        |              |              | January-July |                |                |
|--------------------------------------|-------------|--------------|--------------|--------------|----------------|----------------|
|                                      | 1938        | 1950         | 1951         | 1938         | 1950           | 1951           |
| <b>COMMONWEALTH COUNTRIES</b>        |             |              |              |              |                |                |
| (Millions of Dollars)                |             |              |              |              |                |                |
| United Kingdom and Europe.....       | 9.7         | 32.7         | 43.3         | 69.3         | 219.9          | 267.9          |
| America.....                         | 3.0         | 9.2          | 10.1         | 12.4         | 34.7           | 41.0           |
| Africa.....                          | 0.3         | 2.1          | 4.3          | 2.8          | 14.7           | 15.5           |
| Asia.....                            | 1.8         | 6.7          | 11.8         | 13.5         | 46.6           | 86.7           |
| Oceania.....                         | 1.6         | 4.0          | 12.6         | 9.3          | 23.1           | 42.3           |
| <b>TOTAL COMMONWEALTH COUNTRIES</b>  | <b>16.5</b> | <b>54.7</b>  | <b>82.0</b>  | <b>107.3</b> | <b>338.9</b>   | <b>453.4</b>   |
| <b>FOREIGN COUNTRIES</b>             |             |              |              |              |                |                |
| United States and Possessions.....   | 34.1        | 170.9        | 235.0        | 249.6        | 1,176.3        | 1,707.8        |
| Latin America.....                   | 1.4         | 18.1         | 23.5         | 8.4          | 108.1          | 157.3          |
| Europe.....                          | 3.2         | 8.3          | 18.5         | 21.3         | 50.0           | 98.2           |
| Other Foreign Countries.....         | 0.7         | 7.4          | 11.6         | 5.9          | 39.2           | 56.3           |
| <b>TOTAL FOREIGN COUNTRIES</b>       | <b>39.3</b> | <b>204.7</b> | <b>288.6</b> | <b>285.2</b> | <b>1,373.6</b> | <b>2,019.6</b> |
| <b>TOTAL IMPORTS FOR CONSUMPTION</b> | <b>55.8</b> | <b>259.5</b> | <b>370.6</b> | <b>392.5</b> | <b>1,712.5</b> | <b>2,473.0</b> |

## Canadian Imports, by Countries

| Country                           | July         |               |               | January-July  |                |                |
|-----------------------------------|--------------|---------------|---------------|---------------|----------------|----------------|
|                                   | 1938         | 1950          | 1951          | 1938          | 1950           | 1951           |
| <b>COMMONWEALTH COUNTRIES</b>     |              |               |               |               |                |                |
| (Thousands of Dollars)            |              |               |               |               |                |                |
| <b>Europe:</b>                    |              |               |               |               |                |                |
| United Kingdom.....               | 9,747        | 32,717        | 43,299        | 69,257        | 219,894        | 267,905        |
| Gibraltar.....                    | 1            | 2             | 8             | 1             | 6              | 27             |
| Malta.....                        | 1            | 2             | 8             | 1             | 6              | 27             |
| <b>TOTAL EUROPE<sup>1</sup></b>   | <b>9,748</b> | <b>32,719</b> | <b>43,307</b> | <b>69,274</b> | <b>219,900</b> | <b>267,932</b> |
| <b>America:</b>                   |              |               |               |               |                |                |
| Newfoundland <sup>2</sup> .....   | 409          | .....         | .....         | 1,151         | .....          | .....          |
| Bermuda.....                      | 5            | 4             | 13            | 55            | 30             | 57             |
| Barbados.....                     | 393          | 1,215         | 1,334         | 1,070         | 5,129          | 8,509          |
| Jamaica.....                      | 619          | 3,154         | 3,129         | 3,196         | 9,830          | 10,898         |
| Trinidad and Tobago.....          | 372          | 2,638         | 2,605         | 1,799         | 9,908          | 10,113         |
| Bahamas.....                      | 414          | 36            | 32            | 1,779         | 295            | 194            |
| Leeward and Windward Islands..... | 414          | 146           | 66            | 1,779         | 317            | 491            |
| British Guiana.....               | 768          | 1,997         | 2,859         | 3,347         | 9,114          | 10,341         |
| British Honduras.....             | 29           | 34            | 23            | 47            | 63             | 426            |
| Falkland Islands.....             | .....        | .....         | .....         | .....         | .....          | .....          |
| <b>TOTAL AMERICA</b>              | <b>3,009</b> | <b>9,224</b>  | <b>10,061</b> | <b>12,444</b> | <b>34,686</b>  | <b>41,029</b>  |
| <b>Africa:</b>                    |              |               |               |               |                |                |
| Northern Rhodesia.....            | 32           | 4             | .....         | 556           | 36             | 5              |
| Union of South Africa.....        | 32           | 274           | 554           | 556           | 2,556          | 3,598          |
| Other British South Africa.....   | .....        | .....         | .....         | .....         | .....          | .....          |
| Southern Rhodesia.....            | .....        | 67            | 524           | 1             | 170            | 911            |
| Gambia.....                       | .....        | .....         | .....         | .....         | .....          | .....          |
| Gold Coast.....                   | 184          | 1,151         | 2,204         | 562           | 4,498          | 3,941          |
| Nigeria.....                      | .....        | 64            | 419           | 357           | 948            | 718            |
| Sierra Leone.....                 | 1            | .....         | 5             | 10            | 15             | 39             |
| Other British West Africa.....    | .....        | .....         | .....         | .....         | .....          | .....          |
| Anglo-Egyptian Sudan.....         | .....        | 3             | 11            | 11            | 20             | 39             |
| British East Africa.....          | 100          | 532           | 576           | 1,328         | 6,453          | 6,290          |
| <b>TOTAL AFRICA</b>               | <b>317</b>   | <b>2,095</b>  | <b>4,293</b>  | <b>2,825</b>  | <b>14,696</b>  | <b>15,541</b>  |

(1) Includes Ireland in 1938, see page 495.

(2) The trade of Newfoundland is included in Canadian Statistics as from April 1, 1949.

Throughout this bulletin, totals represent sums of unrounded amounts, hence may vary from sums of rounded amounts.

Canadian Imports, by Countries—Continued

| Country                                  | July   |         |         | January—July |           |           |
|--|--------|---------|---------|--------------|-----------|-----------|
|  | 1938   | 1950    | 1951    | 1938         | 1950      | 1951      |
| COMMONWEALTH COUNTRIES—Conc.             |        |         |         |              |           |           |
| (Thousands of Dollars)                   |        |         |         |              |           |           |
| <b>Asia:</b>                             |        |         |         |              |           |           |
| India.....                               | 520    | 3,192   | 5,312   | 4,724        | 23,032    | 29,045    |
| Pakistan.....                            |        | 96      | 282     |              | 1,023     | 1,748     |
| Ceylon.....                              | 275    | 2,069   | 789     | 2,080        | 10,101    | 12,115    |
| Aden.....                                |        | 7       |         |              | 7         | 22        |
| Federation of Malaya.....                | 912    | 1,150   | 4,625   | 5,723        | 10,600    | 39,599    |
| Other British East Indies.....           | 2      | 12      | 346     | 96           | 27        | 2,262     |
| Hong Kong.....                           | 52     | 159     | 398     | 482          | 1,161     | 1,872     |
| TOTAL ASIA (1).....                      | 1,827  | 6,685   | 11,752  | 13,457       | 46,551    | 86,663    |
| <b>Oceania:</b>                          |        |         |         |              |           |           |
| Australia.....                           | 1,072  | 2,617   | 7,516   | 4,584        | 12,213    | 26,103    |
| New Zealand.....                         | 340    | 1,127   | 5,038   | 3,380        | 5,749     | 13,593    |
| Fiji.....                                | 201    | 269     | 40      | 1,319        | 5,129     | 2,55      |
| Other British Oceania.....               |        |         |         | 16           |           |           |
| TOTAL OCEANIA.....                       | 1,613  | 4,013   | 12,594  | 9,299        | 23,001    | 42,251    |
| TOTAL COMMONWEALTH COUNTRIES (2).....    | 16,516 | 54,739  | 82,007  | 107,298      | 338,925   | 453,414   |
| FOREIGN COUNTRIES                        |        |         |         |              |           |           |
| <b>United States and Possessions:</b>    |        |         |         |              |           |           |
| United States.....                       | 34,051 | 170,648 | 234,741 | 249,434      | 1,175,194 | 1,705,750 |
| Alaska.....                              | 9      | 10      | 143     | 49           | 560       | 645       |
| American Virgin Islands.....             |        |         |         |              | 8         | 164       |
| Hawaii.....                              | 20     | 17      | 135     | 88           | 215       | 677       |
| Puerto Rico.....                         |        | 111     | 17      | 1            | 223       | 505       |
| United States Oceania.....               |        | 115     |         |              | 115       |           |
| TOTAL UNITED STATES AND POSSESSIONS..... | 34,080 | 170,901 | 235,036 | 249,572      | 1,176,315 | 1,707,750 |
| <b>Latin America:</b>                    |        |         |         |              |           |           |
| Argentina.....                           | 40     | 1,858   | 1,029   | 1,157        | 4,804     | 11,595    |
| Bolivia.....                             |        | 3       |         | 8            | 1,200     | 1,082     |
| Brazil.....                              | 36     | 1,862   | 3,092   | 388          | 13,267    | 23,209    |
| Chile.....                               |        | 196     | 50      | 73           | 424       | 1,396     |
| Colombia.....                            | 769    | 1,016   | 1,187   | 3,050        | 6,327     | 7,385     |
| Costa Rica.....                          | 7      | 384     | 947     | 39           | 1,784     | 4,979     |
| Cuba.....                                | 36     | 205     | 359     | 253          | 2,149     | 3,135     |
| Dominican Republic.....                  |        | 33      | 287     |              | 688       | 973       |
| Ecuador.....                             | 2      | 139     | 104     | 16           | 716       | 1,174     |
| El Salvador.....                         | 1      | 158     | 166     | 7            | 499       | 1,041     |
| Guatemala.....                           | 11     | 595     | 414     | 62           | 3,067     | 3,326     |
| Haiti.....                               | 1      | 210     | 180     | 50           | 1,067     | 1,917     |
| Honduras.....                            |        | 662     | 302     | 6            | 3,316     | 2,428     |
| Mexico.....                              | 8      | 1,613   | 1,055   | 424          | 15,189    | 12,011    |
| Nicaragua.....                           |        | 41      | 41      |              | 241       | 390       |
| Panama.....                              |        | 567     | 722     | 12           | 3,741     | 2,136     |
| Paraguay.....                            | 5      | 34      | 20      | 53           | 220       | 263       |
| Peru.....                                | 369    | 162     | 41      | 1,863        | 2,248     | 3,640     |
| Uruguay.....                             | 11     | 254     | 186     | 59           | 936       | 3,503     |
| Venezuela.....                           | 71     | 8,036   | 13,278  | 883          | 46,248    | 71,733    |
| TOTAL LATIN AMERICA.....                 | 1,367  | 18,078  | 23,520  | 8,403        | 108,131   | 157,316   |
| <b>Europe:</b>                           |        |         |         |              |           |           |
| Albania.....                             |        |         |         | 2            |           |           |
| Austria.....                             |        | 42      | 148     | 83           | 359       | 2,585     |
| Belgium and Luxembourg.....              | 441    | 1,624   | 4,390   | 3,210        | 10,846    | 21,729    |
| Bulgaria.....                            |        |         |         |              |           | 2         |
| Czechoslovakia.....                      | 245    | 471     | 263     | 1,660        | 3,594     | 3,204     |
| Denmark.....                             | 16     | 58      | 375     | 96           | 475       | 1,303     |
| Estonia.....                             | 2      |         | 18      | 14           | 2         | 100       |
| Finland.....                             | 3      |         | 16      | 40           | 171       | 84        |

(1) Includes Burma and Israel in 1938, see page 495.

(2) Includes Ireland, Burma and Israel in 1938, see page 495.

Canadian Imports, by Countries—Concluded

| Country                             | July          |                |                | January—July   |                  |                  |
|-------------------------------------|---------------|----------------|----------------|----------------|------------------|------------------|
|                                     | 1938          | 1950           | 1951           | 1938           | 1950             | 1951             |
| FOREIGN COUNTRIES—Conc.             |               |                |                |                |                  |                  |
| (Thousands of Dollars)              |               |                |                |                |                  |                  |
| <b>Europe—Conc.</b>                 |               |                |                |                |                  |                  |
| France.....                         | 427           | 1,264          | 2,956          | 3,065          | 6,587            | 13,334           |
| Germany.....                        | 912           | 1,117          | 3,798          | 5,034          | 5,289            | 16,441           |
| Greece.....                         | 1             | 22             | 6              | 16             | 121              | 119              |
| Hungary.....                        | 10            | 2              | 14             | 104            | 17               | 84               |
| Iceland.....                        |               |                | 5              |                | 11               | 8                |
| Ireland*.....                       |               |                | 15             | 16             | 61               | 402              |
| Italy.....                          | 212           | 571            | 1,162          | 1,361          | 4,489            | 8,436            |
| Latvia.....                         | 2             |                | 4              | 7              | 2                | 21               |
| Lithuania.....                      |               |                |                |                |                  | 6                |
| Netherlands.....                    | 212           | 944            | 1,435          | 1,735          | 3,807            | 7,727            |
| Norway.....                         | 78            | 60             | 225            | 370            | 594              | 1,114            |
| Poland.....                         | 12            | 6              | 186            | 138            | 121              | 947              |
| Portugal.....                       | 13            | 127            | 194            | 130            | 799              | 1,058            |
| Azores and Maderia.....             | 13            | 30             | 42             | 88             | 240              | 254              |
| Roumania.....                       | 2             |                | 3              | 18             |                  | 12               |
| Spain.....                          | 39            | 226            | 731            | 498            | 1,872            | 5,391            |
| Sweden.....                         | 176           | 659            | 975            | 1,350          | 2,555            | 4,969            |
| Switzerland.....                    | 243           | 1,109          | 1,492          | 2,089          | 7,919            | 8,694            |
| U.S.S.R. (Russia).....              | 92            |                | 24             | 193            | 5                | 60               |
| Yugoslavia.....                     |               | 13             | 2              | 12             | 59               | 119              |
| <b>TOTAL EUROPE.....</b>            | <b>3,151</b>  | <b>8,345</b>   | <b>18,477</b>  | <b>21,313</b>  | <b>49,995</b>    | <b>98,203</b>    |
| <b>Other Foreign Countries:</b>     |               |                |                |                |                  |                  |
| Afghanistan.....                    |               |                |                |                | 16               | 32               |
| Arabia.....                         |               | 2,868          | 3,789          |                | 14,648           | 15,713           |
| Belgian Congo.....                  |               | 223            | 332            | 1              | 648              | 2,210            |
| Burma*.....                         | 63            |                | 1              | 221            |                  | 4                |
| China.....                          | 206           | 461            | 110            | 1,516          | 3,786            | 1,472            |
| Greenland.....                      |               |                |                | 253            |                  |                  |
| Egypt.....                          | 22            | 253            | 5              | 349            | 410              | 468              |
| Ethiopia.....                       |               |                |                | 2              | 12               | 26               |
| French Africa.....                  | 19            | 3              | 195            | 40             | 104              | 340              |
| French East Indies.....             | 23            |                |                | 139            |                  |                  |
| French Guiana.....                  |               |                |                |                |                  |                  |
| French Oceania.....                 |               | 5              |                |                | 443              | 12               |
| French West Indies.....             |               |                |                | 1              |                  |                  |
| Madagascar.....                     | 2             | 1              |                | 33             | 8                | 22               |
| St. Pierre and Miquelon.....        | 1             | 1              | 7              | 8              | 8                | 15               |
| Iran.....                           | 6             | 6              | 43             | 26             | 91               | 348              |
| Iraq.....                           | 5             | 12             | 101            | 71             | 50               | 1,108            |
| Israel*.....                        | 3             | 5              | 78             | 124            | 283              | 612              |
| Jordan.....                         |               |                |                |                |                  |                  |
| Tripoli.....                        |               |                |                |                |                  |                  |
| Other Italian Africa.....           |               |                |                |                |                  | 3                |
| Japan.....                          | 388           | 1,245          | 946            | 2,723          | 6,232            | 7,116            |
| Korea.....                          |               | 18             |                | 1              | 35               |                  |
| Liberia.....                        | 5             |                |                | 21             |                  |                  |
| Morocco.....                        |               |                | 5              | 35             | 153              | 465              |
| Indonesia.....                      | 15            | 99             | 78             | 338            | 338              | 591              |
| Surinam.....                        |               | 38             |                |                | 38               | 363              |
| Netherlands Antilles.....           |               | 1,735          | 1,042          |                | 6,619            | 6,564            |
| Philippines.....                    | 11            | 318            | 486            | 275            | 3,550            | 6,447            |
| Portuguese Africa.....              |               |                |                |                | 109              | 10               |
| Portuguese Asia.....                |               |                |                | 1              |                  |                  |
| Siam (Thailand).....                | 1             | 8              | 218            | 9              | 948              | 1,499            |
| Canary Islands.....                 | 2             |                | 3              | 8              | 4                | 10               |
| Spanish Africa.....                 |               |                |                |                |                  |                  |
| Syria.....                          |               | 5              | 4,032          | 9              | 34               | 9,767            |
| Turkey.....                         |               | 116            | 131            | 64             | 597              | 1,124            |
| <b>TOTAL OTHER FOREIGN.....</b>     | <b>706</b>    | <b>7,420</b>   | <b>11,602</b>  | <b>5,923</b>   | <b>39,164</b>    | <b>56,341</b>    |
| <b>TOTAL FOREIGN COUNTRIES.....</b> | <b>39,307</b> | <b>204,743</b> | <b>288,634</b> | <b>285,217</b> | <b>1,373,607</b> | <b>2,019,615</b> |
| <b>TOTAL DOMESTIC IMPORTS.....</b>  | <b>55,823</b> | <b>259,481</b> | <b>370,642</b> | <b>392,515</b> | <b>1,712,532</b> | <b>2,473,029</b> |

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

# Demand For Tea and Coffee Is Related to Expanding Markets

*Deputy Minister discussed trade in general during present complex period of rearmament at Annual Convention of Tea and Coffee Association of Canada—Canada provides market for sale of goods and services of over \$20 billion a year, almost as large as that of France, with three times population of Canada.*

**B**ONDS of common interest in ever-increasing markets, with particular reference to the external trade of Canada, were examined by Wm. Frederick Bull, Deputy Minister of Trade and Commerce, at the annual convention of the Tea and Coffee Association of Canada, held in Quebec City on September 19. "The countries that grow coffee and tea are expanding," Mr. Bull pointed out. "They need many products, from capital equipment to step up the rate of industrial growth to consumer goods to raise the domestic standard of living. One way of paying for increased imports of such commodities is to sell more indigenous products. Among these, tea and coffee rank high in a number of countries favoured by climate to grow these commodities. In turn, most of the countries that buy tea and coffee are themselves expanding. They need more tea and coffee to meet domestic requirements, and they welcome opportunities for two-way trade with nations who want to buy their surplus commodities."

In discussing this subject of growing markets, the Deputy Minister dealt with the effect of such growth on the tea and coffee trade and trade in general during this complex period of rearmament. "Canadians have become accustomed to the fact that they are blessed with resources, and have been experiencing a rate of industrial expansion hardly matched by any other country. Canada, with just over half of one per cent of the world's population, is a leading producer of such important strategic materials as nickel, asbestos, the platinum metals and newsprint. She is the world's second largest source of electric power, aluminum (from imported ore), zinc, gold, cadmium, selenium and probably of radium and uranium. This country is the third largest trading nation in the world, and holds a similar place in the production of wheat, silver and lumber. Canada ranks fourth in the output of cobalt, copper and lead.

## **Canada Best Customer of United States**

"Because this country imports substantial quantities of raw materials and manufactured products, she is the best customer of a number of countries, including the United States. Canada produces a diversity of industrial products, and comes close to the stage of development reached in the United States and the United Kingdom, both of which have a much longer history of industrial expansion.

"The stage of Canadian economic development and the size of the market which this country now offers to both domestic and foreign traders have been reached with intermittent interruptions, but the most rapid growth in Canada's history has taken place between 1939 and 1951. In this period, our population has risen by 25 per cent, the number of persons working in remunerative civilian jobs by about 30 per cent. The average disposable income for a Canadian family of four is \$4,000 or two and one-half times what it was in 1939. Even if allowance is made for

rising price levels, which have been experienced in Canada as in other countries, the average family of four earns about one and one-half times as much in real terms as it did in 1939. And since the savings pattern has not changed very much, Canadians spent correspondingly more on consumer goods and services. All of this has been achieved with the Canadian working man being able to enjoy a greater amount of leisure than ever before. Average hours worked per week in manufacturing, for example, are now about 10 per cent below the practice prevailing in 1939. While increased defence needs may arrest this trend towards greater leisure, and in several key industries the number of hours worked is likely to increase, the productive capacity of the country is proving so great as to make possible increased production both for military and civilian purposes and greater voluntary leisure than before World War II.

### **Canada Provides \$20 Billion Market**

"Canada provides a market for the sale of goods and services of over \$20 billion a year. This market is almost as large as that of France, a country with about three times Canada's population. In Canada, about every third person is working. Persons in civilian occupations involve 5.3 million, a record number for Canada. Unemployment is running at about 2 per cent of the labour force, or a minimum required for the maintenance of occupational and industrial mobility. Exports and imports of goods and services this year are likely to involve something like \$11 billion, of which some \$8½ billion may involve commodity trade alone. The Canadian capital expenditure program including resources development, industrial, utility and commercial expansion, housing, institutional and public facilities may involve an expenditure of \$4½ billion, another Canadian record both in volume and value terms. In addition, defence expenditures of \$1.7 billion are planned for the current fiscal year, the highest in Canada's peacetime history.

"This country has not been able to isolate itself from inflationary forces operating the world over. In fact, the Canadian Government's attitude has been that this would not be necessarily the wisest course for a country as dependent on world trade as Canada at a time when the rigours of all-out war are absent and many supplies are available in comparative abundance.

"One of the encouraging features in this period of rising prices has been the accompanying increase in incomes. This in turn has made it possible to maintain consumer spending at a very high level even though it must, of necessity, be a little lower than might have been feasible had there been no need to raise substantially Canadian defence spending. The experts in my Department tell me that, out of a gross national product for 1951 which may come close to \$21 billion, we may be spending some \$13½ billion on consumer goods and services. While most of the increase over last year will be due to higher prices, the significant point is that when all the dollars spent in 1951 on consumer goods and services are estimated next year it may be found that in volume terms the average Canadian was able to maintain his expenditures at the 1950 level.

### **Canada Between Great Britain and United States**

"It is often said that Canada occupies a middle position between the United Kingdom and the United States. This is also true with regard to the tea and coffee business.

"British tea consumption is very high—about seven pounds per capita per annum. Then comes Canada with about four pounds. The United

States follows with less than one pound. In coffee, on the other hand, the United States is the leading country, with an estimated annual per capita consumption of eighteen to nineteen pounds. Canada is again in the middle with six pounds, while in Great Britain coffee is less popular and consumption involves a little over one pound per person per year. I mentioned earlier that in general the Canadian market has been growing more rapidly than the American market in the last decade. This is also true for the coffee and tea trade. Not only has Canada's population proportionately grown more quickly but also per capita consumption in this country has increased at a faster rate. This is particularly the case for coffee. In Canada per capita consumption between 1939 and 1950 has risen by 46 per cent and in the United States by 5 per cent. For tea the corresponding increases were 4 per cent and 1 per cent.

"Last year Canadian imports of tea involved about 55 million pounds amounting to \$29 million. This is an increase of 27 per cent in volume over 1939. Of the \$29 million spent by Canada on tea \$14 million went to India, \$12 million to Ceylon and the remaining \$3 million to several other countries.

"Tea is India's most important export item to Canada, making up 38 per cent of her total exports to this country in 1950. The \$14 million India earned by selling tea to Canada last year helped her to buy from us close to \$11 million worth of locomotives and parts, \$1½ million worth of automobiles, trucks and parts and about \$1 million each worth of fertilizer and newsprint. India has recently purchased substantial quantities of wheat in Canada and this year we will exchange our major export crop of wheat for India's principal export to Canada—tea.

"Similarly for Ceylon, tea is the leading export commodity to Canada, involving in 1950, 66 per cent of her sales to us. The \$12 million which Canadians paid for the tea helped Ceylon to buy some \$4½ million worth of goods from this country, including flour, milk products, railway ties, newsprint and automobiles, trucks and parts. In addition, Ceylon had a handsome surplus on trading account with Canada, which helped to bolster the dollar reserves of sterling countries.

"Coffee imports into Canada in 1950 amounted to 84 million pounds, valued at \$43 million. This is almost double the volume of what Canadians imported in 1939. Of the \$43 million Canada paid for coffee imports, \$18 million went to Brazil, \$12 million to Colombia and the remaining \$13 million mainly to countries in Central America.

"Coffee is one of the most important commodities in Canada's trade with Latin America, not only because of its value, but also because of the great number of countries which export this commodity to us.

"In many instances, Canada is the second largest market for coffee produced in the various countries of the Southern and Caribbean areas. The large earnings which accrue to these countries through exporting coffee to us have enabled them to maintain an active trade and a satisfactory balance of trade as well with Canada.

#### **Preparedness is Principal Preoccupation of Canada**

"The major factor influencing current economic developments is, of course, this country's preoccupation with increased military and industrial preparedness for security reasons. As the Canadian Government has pointed out, the present target calls for a three-year program involving some \$5 billion for defence spending. This amount, as large as it appears by previous peacetime standards, reflects only the direct and most visible impact of defence. Besides the military program, a substantial proportion of Canadian expansion presently under way or contemplated is closely

allied to the defence program. It manifests itself in the expansion of planned capacity in a large number of basic and manufacturing industries, from base metal mining and hydro developments to extending steel production and establishing new tool-making facilities. Further, as Canadian defence plans reach a mass production stage, much of the output is likely to increase not only because of domestic defence orders but also because of orders for other countries. For Canadian productive capacity goes far beyond national requirements. In World War II, for example, some two-thirds of defence production were made available to allied nations. With large defence requirements to be met in the next three years, civilian demand is likely to press heavily on some if not most resources available in the country. While problems of materials, manpower and price adjustments are likely to be with us over the next two or three years, the general outlook is for a growing market and this growth may be of the order of from 4 to 5 per cent of the gross national product in volume terms.

"Such a growth of the Canadian market, which is feasible of achievement, although it may not necessarily be achieved, will probably be a welcome indication to most businessmen. For there is nothing as conducive to increased sales as an expanding and prosperous economy.

"Canada's population is presently increasing by about 300,000 people a year, a little more than half by natural increase and little less than half by migration. This means an extra consumption of 1.2 million pounds of tea and 1.8 million pounds of coffee per year. In actual fact the increase in consumption is likely to be greater, because the per capita consumption has increased during most of the life of this generation.

#### **General Attitude Towards Trade Outlined**

"With some further growth of the Canadian market in sight, the question you might raise is: What is the government's attitude towards expanding trade in a period of rapid rearmament? Another question might be: How much or how little government control can we expect?

"As a civil servant, I cannot tell you what decisions the government might be making in this rapidly changing world of ours. But the economic policies which are currently being pursued in Canada provide some signs of the attitude of the government towards the two questions posed.

"As to trade in a defence economy, the government has indicated that it considers international exchange of commodities as an important means of increasing the supply of strategic materials and essential civilian goods where they are most needed. The importance which the Canadian Government has attached to this problem of increasing trade among nations, in spite of all the difficulties encountered in a period of rearmament, is indicated by the Canadian participation in tariff negotiations, the conclusion of trade agreements and the continuing discussions with trade-minded nations to encourage a freer flow of goods across borders. Also Canada has an annual international trade fair which is designed to emphasize the part played by this country both as a market for foreign goods and as a supplier of many items needed abroad.

"The first of these Trade Fairs was held in 1948. We have learned a lot about the administration of such ventures, and I think businessmen from all parts of Canada and from many countries of the world have learned something about the nature of our fair as a means of promoting down-to-earth business. For example, and coming very close to your own interests, I can recall the enthusiastic report we got from an exhibitor, two years ago, who sold coffee roasting machines to the tune of some pretty large figures. And we have dozens of equally satisfied exhibitors who have been in our Trade Fair year after year. Our plans for the fifth

fair in June, 1952, are shaping up well. The department, at home and through our corps of 100 trade officers throughout the world, is bending every effort to make this our best fair to date, and we are leaving no stone unturned to ensure that Canadian interests, both exhibitors and buyers, are well represented. I take this opportunity, therefore, to express the hope that we will see your trades represented in the 1952 fair, and that many of you will attend and see for yourselves this contribution to trade promotion which we were the first to introduce into North America," Mr. Bull said.

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#### **France Imposes Restrictions on the Use of Nickel**

Paris, August 10, 1951.—(FTS)—Stainless steel containing 2.5 per cent or more of nickel may not be used in any article, unless technical reasons make such use necessary. This regulation, which came into effect on August 3, is designed obviously to reserve scarce supplies of nickel for essential uses, and a long list of uses considered non-essential has been published. These particular prohibitions include all decorative applications, sanitary appliances, agricultural machinery (except where required to prevent rapid deterioration), grills, automobile bodies, furniture, household equipment, sporting goods, jewellery and musical instruments. Goods now in production may be completed during the next three months.

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#### **Canadian Asbestos Production Greatly Increased**

Producers' shipments of asbestos by Canadian mining concerns in 1950 reached a new high of 875,300 tons valued at \$65,854,600 against 574,900 tons at \$39,746,100 in the preceding year, and compares with the previous peak of 716,800 tons worth \$42,231,500 in 1948. The 1949 output was adversely affected by a labour strike which extended from February to June.

Fifteen establishments were engaged in asbestos mining in 1950, the same number as in the preceding year. These factories employed 5,552 persons who received \$15,848,800 in salaries and wages against 4,053 employees whose salary and wage payments totalled \$10,569,100 in 1949. Cost of materials used amounted to \$7,707,100 against \$4,668,900.

Shipments of all grades were higher in 1950 than in 1949, shorts amounting to 363,200 tons compared with 260,700, waste, stucco or plaster 175,700 tons compared with 106,000, paper stocks 106,400 tons compared with 65,000, spinning stocks 34,000 tons compared with 22,600, sand 30,300 tons compared with 13,000, and crude 904 tons compared with 652.

### **TRANSPORTATION**

The Transportation and Communications Division is in a position to furnish information on water, rail, air and road transport services to and from Canada. Shippers having any transportation problems are invited to use the facilities of this Division.

A list of the principal Canadian trade routes and the various steamship companies maintaining services thereon has been compiled and may be obtained on request.

Inquiries for this list or other information concerning international transportation services should be addressed to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

# Trade Notes

## BRAZIL

### Subway Proposed for Rio de Janeiro

Rio de Janeiro, September 11, 1951.—(FTS)—The plans for the construction of a subway in Rio have been submitted to the Mayor by Engineer Jorge Burlamaqui and his Subway Commission. The plan includes three lines from the Central do Brazil Railway Station and running to Copacabana, Tijuca and Quinta da Boa Vista. The time required to complete the project is estimated at six years, and the commission has suggested financing the project by increasing present transportation rates by 10 and 20 centavos. It is expected that if the project is approved, work will begin on the tunnels in 1952 or 1953.

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### Caustic Soda to be Manufactured in Brazil

Rio de Janeiro, September 11, 1951.—(FTS)—The Brazilian Government has approved the plan for the Companhia Nacional de Alcalis to manufacture about 150,000 tons per annum of caustic soda and by-products. The factory is to be built at Cabo Frio in the State of Rio and will be steam-equipped, using some 200,000 tons of Brazilian coal yearly. The scheme will now be studied by the Joint Brazilian-American Committee. In announcing approval of the enterprise, the President of the Republic invited other interests, both national and foreign, to consider the manufacture of caustic soda and to give special consideration to the use of cheap electric power.

## NORTHERN RHODESIA

### Northern Rhodesian Trade With Japan Will Reach New High

Johannesburg, August 17, 1951.—(FTS)—According to a recent press report from Southern Rhodesia, trade between that colony and Japan will reach its highest proportions since the war during the current financial year. For the twelve months ending June 30, 1952, the government has made available Japanese currency equivalent to £750,000. Of this £485,000 will be spent on cement, £80,000 on iron and steel and £155,000 on piecegoods, leaving £30,000 to be held in reserve. For the first time since trade between the two countries was resumed, ready-made Japanese clothing will be allowed into the colony. One of the objects of this move is to make available to the lower income groups cheaper clothing than can be made from British materials.

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### Northern Rhodesia Will Develop Fifth Great Copper Mine

Johannesburg, August 17, 1951.—(FTS)—Establishment of a fifth great copper mine in Northern Rhodesia has been announced as a result of the provision by the Economic Corporation Administration of funds totalling £3 million for its development. Production is expected to start in five years' time, and when the mine is in full operation it will yield in the neighbourhood of 16,000 long tons of copper and 50,000 lbs. of cobalt

per year. Ore reserves, as at present estimated, will average 5.23 per cent copper and 0.25 per cent cobalt. The announcement has been received in Northern Rhodesia as the greatest step in the Colony's development for many years.

## PORTUGAL

### Portuguese Shipyards Active

Lisbon, July 27, 1951.—(FTS)—New ship construction continues very active in Portugal. On the ways at present are: one 10,500-ton tanker; two trawlers of just over 2,000 tons and one of 1,500 tons to augment the codfishing fleet; while seven 510-ton trawlers are also being built for the fresh fish fleet fishing on the high seas.

A hospital ship of 4,800 tons is also being built for the codfishing fleet, along with two ocean going tugs, powered with 1,200 h.p. engines each.

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### Portugal Increases Production of Electrical Material

Lisbon, July 27, 1951.—(FTS)—With the extending use and lower cost of hydro-electric power, the utilization of electrical equipment is expanding and new industries are springing up within the country to meet this demand. Local industry can now supply practically the entire demand for transformers, switchboard material, motors, wires and cables in the small and medium ranges.

The production of electric motors from  $\frac{1}{8}$  to 50 h.p. is now sufficient for local needs and with the installation of new plants, the prices of motors have decreased in varying degrees by 10 per cent to as much as 40 per cent.

## SCOTLAND

### Scotland May Have New Agricultural Machinery Factory

London, August 9, 1951.—(FTS)—The British subsidiary of John Deere & Co., of the United States and Canada, has been discussing preliminary arrangements regarding layout plans for an agricultural machinery factory to be erected in Kilbride, Ayrshire. It is hoped this factory will provide employment for more than 3,000 persons.

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### New Chemical Industry Plant Completed in Scotland

London, August 11, 1951.—(FTS)—The new £25 million chemical plant which has just been completed at Grangemouth is a joint venture by Distillers Company Ltd. and Anglo Iranian Oil Co. Ltd. It will produce substances, which will ultimately emerge as plastics, synthetic rubber, detergents, fumigants, solvents, glycol, anti-freeze, adhesives, explosives, nylon, and other synthetic fibres which at the present time scarcely have a name.

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### Scrap Iron Shortage in Scotland

London, August 2, 1951.—(FTS)—Prospects of increasing steel output in Scotland are not very bright while scrap and iron ore supplies remain

at present levels. Hopes that had been entertained of improved supplies of scrap from Germany were shattered by a recent report from that country which practically closed the door to any increased shipments to Scotland. If this position continues, Scottish steel production will decline below the 80 per cent of capacity level recently prevailing.

## **SOUTH AFRICA**

### **South African Foreign Exchange Resources Decline**

Cape Town, August 31, 1951.—(FTS)—Depletion of South Africa's foreign currency reserves was accelerated in the week ending August 24, with foreign bill credits of the Reserve Bank declining by £3.5 million to £66.2 million. Foreign credits, mainly sterling, have decreased in the last two months by about £23 million, but currency and gold reserves still exceed £140 million. With £100 million frequently mentioned as an irreducible minimum of foreign credits, a "wait and see" policy on new import control measures can be continued for at least three months even if the current rate of decline be continued.

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### **Bank Credit in South Africa at New Peak**

Cape Town, August 31, 1951.—(FTS)—Despite the statement by the Minister of Finance calling for curtailment of consumer credit in South Africa, total loans and discounts by commercial banks during the second quarter increased by nearly £21 million during the quarter to a new high of £182.4 million.

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### **South African Retail Trade Less Buoyant**

Cape Town, August 31, 1951.—(FTS)—The South African retail trade has lost much of the buoyancy which characterized the earlier months of the year. The contraction is in part seasonal and sales figures generally exceed those for the corresponding period of last year. Consumer buying is increasingly being restricted to essentials by the continued rise in prices. Stocks are being cleared less rapidly. This, coupled with heavy arrivals of overseas goods, has resulted in overstocking and an increased demand for credit facilities.

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### **Business Activity in South Africa Records Decline in June**

Cape Town, August 31, 1951.—(FTS)—The index of business activity compiled by the Standard Bank of South Africa records a minor seasonal decline in June. Emphasizing the difficulties of the period, bank debits to individual accounts have risen by eighteen per cent during the month and have reached a record total of £818.3 million. The mid-year figure for note issue in circulation increased by £921,000 to a new record of £78.4 million, while deposits with commercial banks declined by a further £5 million to £372.6 million.

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### **Major Irrigation Project Formulated in South Africa**

Cape Town, August 31, 1951.—(FTS)—Plans are well developed for the conservation of the "run-off" from the Orange River which carries twenty per cent of all water in South Africa to the sea.

The projected development, at a cost of £18 million, proposes to divert one million acre feet of water a year from the Orange River for the irrigation of 220,000 acres in the Fish and Sunday River Valleys. A major feat in connection with the project will be the completion of a fifty-mile underground tunnel between the Orange and Fish drainage basins.

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#### **Sugar Production in South Africa Increased**

Cape Town, August 31, 1951.—(F'TS)—The annual production of sugar in South Africa, which amounted to 40,000 tons in 1900, had risen to 100,000 tons by the beginning of World War I, to 440,560 tons in 1946 and to 685,798 tons in 1950-51. In this latest year, consumption in the Union amounted to 602,353 tons.

Increase in consumption by 125,000 tons in the two years 1946 and 1947 resulted in a five-year suspension of the quotas determined under the International Sugar Agreement.

Despite the uncertainties of the international trend in sugar price and the sharply increasing costs of production, retail price of domestic sugar is 4½d. per lb. as against 10½d. per lb. based on the international level of price plus freight costs of delivery to this country.

### **SPAIN**

#### **Spanish Zinc Production Higher**

Madrid, September 3, 1951.—(F'TS)—The average yearly production of zinc ore for the period 1930-35 was, according to an official report, 91,921 tons, whereas last year's output reached 116,131 tons, or 24,356 tons over the 1949 production. The province of Santander produced 92 per cent of the total.

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#### **Spanish Caustic Soda Production Figure Announced**

Madrid, September 3, 1951.—(F'TS)—Caustic soda production in 1950 reached 69,483 metric tons, according to official statistics.

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#### **Spain to Have Kraft Paper Plant**

Madrid, September 3, 1951.—(F'TS)—Press reports state that the government has given permission for the installation of a new plant for the manufacture of kraft paper, which will be the first of its kind in Spain. Paper will be manufactured at the rate of 10-15 tons per day and will be of a special quality for wrapping different kinds of goods, and for manufacturing into bags for cement, gypsum, fruits and other commodities with the object of doing away with the costly jute sacks. Only Spanish wood pulp will be employed in the manufacture of this paper.

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#### **Spain Expects Good Chickpea Crop**

Madrid, September 3, 1951.—(F'TS)—According to press reports, the general impressions of this year's crop of chickpeas in the southern half of Spain are very optimistic. The estimates place the crop at approximately 175,000 tons. Similar perspectives are presented by the new crop of beans,

lentils and unhulled rice. The present crop of lentils is placed at 30,000 tons and that of unhulled rice at 280,000 tons. Rice has been derationed this year in accordance with a recent government decree.

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#### **Spain to Have Television**

Madrid, August 8, 1951.—(FTS)—Television will be in operation in Spain in the not too distant future, it is learned from official circles. In this connection, "El Economista" writes that an old-established lamp factory, "S.E. de Lamparas Electricas Z", is about to begin the manufacture of domestic television sets, with a yearly production of 20,000 complete units.

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#### **Cellulose Factory Building in Spain**

Madrid, August 8, 1951.—(FTS)—A new cellulose factory is about to be set up in Alboraya, province of Valencia, with a yearly output of 400 tons of cellulose per annum, according to an official report.

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#### **Spain Leading Eucalyptus Oil Exporter to United States**

Madrid, August 8, 1951.—(FTS)—According to an official report, Spain was the number one supplier of eucalyptus oil to the United States market, representing 36 per cent of the total United States imports of this commodity.

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#### **Antimony Production in Spain Reached New High**

Madrid, August 8, 1951.—(FTS)—Production of antimony reached the highest figures in 1950, mainly due to the development of the mines in Spanish Morocco, official reports state. From a yearly average of 249 tons for the five-year period of 1931-35, production rose to 264 tons in 1940, maintaining a yearly increase until, in 1950, the record figure of 1,275 tons was attained.

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#### **Spanish Cereal Crop Best in Fifty Years**

Madrid, August 8, 1951.—(FTS)—The present crop situation cannot be more favourable, the Minister of Agriculture stated in a recent press interview. On the whole, the cereal crop is termed as the best that Spain has had in the present century. A decree has been published allowing the decontrol and free sale of chickpeas, beans and lentils. Barley, oats, beans and peas may be used for cattlefeed. The editors of a usually reliable agricultural journal are of the opinion that Spain will be self-sufficient in wheat for the next year.

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### **SWITZERLAND**

#### **Swiss Chocolate Industry Developing Favourably**

Berne, August 23, 1951.—(FTS)—The Swiss chocolate industry, consisting of 39 manufacturing establishments, is continuing to develop favourably, although not at the record rate of the majority of other Swiss industries. In the first half of 1951, exports of chocolate were valued at

6.9 million francs, compared with 3.7 million francs in the corresponding period in 1950, and 5.6 million francs in the second half of that year. Exports for the full year 1949 were valued at only 8.3 million francs. It should be noted, however, that the 1951 exports are still substantially smaller than those which were recorded in the record years 1929 and 1930. In spite of the marked increases in the cost of raw materials for the manufacture of chocolate (mainly cocoa, milk and sugar), the industry has only increased its prices, on the average, by 25 per cent.

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#### **Swiss Motor Vehicle Imports Reach Record Level**

Berne, August 23, 1951.—(F.T.S.)—Reflecting the very high level of economic activity in Switzerland, imports of motor vehicles in the first half of 1951 reached record levels. With a value of 117 million francs, 21,265 vehicles were imported, compared with 17,727 automobiles worth 92 million francs in the corresponding period of 1950. This increase in imports is more than accounted for by greatly enlarged shipments from Germany, 8,115 vehicles compared with 4,106 vehicles last year. The other important suppliers of automobiles to Switzerland, the United States, France, the United Kingdom and Italy, maintained their exports at about the same level as in the first half of 1950. Canada, as a small supplier to the Swiss market, exported 114 vehicles in the first half of this year, down from 176 in 1950. The demand for the small, economically operated vehicle produced by Germany has been increasing rapidly in this country, and is likely to continue to be the most popular automobile in Switzerland.

### **TRINIDAD**

#### **Trinidad Will Subscribe to West Indies Meteorological Service**

Port of Spain, August 24, 1951.—(F.T.S.)—As one of the signatories to the report of the British Caribbean Meteorological Conference, which recommended the establishment of a British Caribbean Meteorological Service, Trinidad has agreed to subscribe \$20,000 annually to support the organization.

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#### **Trinidad Cost of Living Index Jumps Five Points in August**

Port of Spain, August 24, 1951.—(F.T.S.)—A five point jump in Trinidad's cost of living index, at August 1, from 235 to 240 (1935=100) has been announced by the Statistical Department. Average increase on food prices was 173 per cent, and on all items 140 per cent.

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#### **Establishment of Cement Industry Being Negotiated in Trinidad**

Port of Spain, August 16, 1951.—(F.T.S.)—The Soconusco Quarries and Development Company of Trinidad is negotiating with American and European contractors for the establishment of a BWI \$3 million cement plant in this colony. Soconusco hold a 600-acre site near Port of Spain containing material which tests in England have shown to be capable of producing a high grade product, equal in quality to the best Portland cement. The plant would produce an estimated 50,000 tons of cement a year. Meanwhile, negotiations have been going on between the Trinidad Government and the Colonial Development Corporation since early 1950

for the establishment of a BWI \$7 million plant. The C.D.C. proposes to form a company in Trinidad with the Rugby Portland Cement Company which would have sole manufacturing and importing rights for ordinary Portland cement for a period of twenty years. This plant would be situated in south Trinidad and have a production of 80,000 tons annually.

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#### **Trinidad Plans Rice Expansion Program**

Port of Spain, August 16, 1951.—(FTS)—The sum of \$98,000 has been voted by the government for acquisition of lands in the Caroni Swamp area of Trinidad. The Trinidad Government is planning to erect an embankment in the swamp at a cost of some \$150,000 in order to bring approximately 1,500 acres of this land under rice cultivation as part of its Rice Expansion Program. It is estimated that the entire program will cost \$266,000 during the period 1951 to 1953.

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#### **Trinidad Rejects West Indian Rice Conference Proposal**

Port of Spain, August 16, 1951.—(FTS)—The Trinidad Government has rejected a recommendation put forward by the recent West Indian Rice Conference for a new agreement with the British Guiana Rice Marketing Board, when the present agreement expires at the end of 1951. Although no official statement was made by the Conference it is generally believed that it recommended payment of a higher price to the Rice Marketing Board from January 1, 1952. The terms of the present contract specify that, if there is no agreement reached between the contracting parties, the price to be paid for the next three years should be submitted to arbitration.

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#### **New Blood Plasma Substitute from Cane Sugar Discovered**

Port of Spain, August 24, 1951.—(FTS)—The Chief of the new Sugar Research Laboratory of the Imperial College of Tropical Agriculture in Trinidad announced recently that a discovery by the Chemical Laboratories of Birmingham University has resulted in the development of a blood plasma substitute made from cane sugar. The substance can be stored in the tropics without refrigeration. Great possibilities for the betterment of peoples in tropical countries and for commercial development of the process in these countries is foreseen. The possibility of establishing a processing plant in Trinidad is now under consideration.

### **UNITED KINGDOM**

#### **United Kingdom Steel Prices Increased**

London, August 13, 1951.—(FTS)—Rises in the controlled maximum prices of iron and steel, ranging from 20 to 25 per cent on leading items, have been announced. The Ministry of Supply explained that these increases are necessary because of (1) a sharp rise in the prices of imports of iron ore, scrap, pig iron and semi-manufactured steel; and (2) recent increases in costs in the United Kingdom, including increases in wages, transport, scrap and fuel costs. United Kingdom prices will, it is claimed, continue in the main to be lower than corresponding domestic prices in other countries.

### **United Kingdom Exports to Canada in July Break Record**

London, August 15, 1951.—(F.T.S.)—Exports from the United Kingdom to Canada in July reached the record total of £15.6 million, more than £1 million above the previous record reached in November, 1950, and 15 per cent more than the average for the second quarter. This high value brought total United Kingdom exports to North America in July to £28 million, or 20 per cent over the rate for the first half of this year. Exports to the United States were maintained at the rate for the second quarter, £12.4 million.

Total United Kingdom exports in July amounted to £222 million, which was about seven per cent above the average for the first half of the year. There was, however, a decline of £8 million from the high levels of April and May. The value of exports in the first seven months of this year was equivalent to an annual rate of 16 per cent above last year's.

Imports in July, although slightly below those of June, reached the high total of £359 million. The excess of imports over exports in July was £127 million, compared with £150 million in June.

## **VENEZUELA**

### **Oil Company Will Produce Paraffin in Eastern Venezuela**

Caracas, August 27, 1951.—(F.T.S.)—The Phillips Oil Company has commenced the construction of a refinery, at a cost of Bs.12,000,000, for the production of paraffin. The entire local consumption of 5,000,000 kilograms per year will be supplied by the company and further imports will not be necessary. The crude petroleum produced by Phillips Oil Company will be utilized. Recent tests have demonstrated the excellent quality of the Venezuelan paraffin for the manufacture of candles, which will constitute the main use of this product.

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### **Venezuelan Line Purchases New Motor Ship**

Caracas, August 27, 1951.—(F.T.S.)—Compañía Venezolana de Navegación has purchased a new Italian built motor ship of 4,000 tons displacement. This ship will be used on the La Guaira-New York route, due to the increased demand for cargo space. Additional ships may also be purchased. The new vessel will enter service on or before September 30.

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### **Sears Roebuck will Expand in Venezuela**

Caracas, August 27, 1951.—(F.T.S.)—Sears Roebuck & Co. will open their second retail store in Venezuela this month in Puerto La Cruz, the port of Barcelona, 200 miles east of Caracas. A trading area with a population of approximately 103,800 will be served from a modern store offering a complete range of merchandise. The first Sears Roebuck store was opened in March, 1950 in Caracas, and a third is now being constructed in Maracaibo.

## Trade Commissioners on Tour

**C**ANADIAN 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.

J. C. Britton, Commercial Representative of the Department of Trade and Commerce with the Canadian Liaison to Japan since January, 1949, has arrived home on leave and will commence a tour of Canada in Toronto on October 1.

Toronto—October 1-10  
Hamilton—October 11  
St. Catharines-Welland—October 12  
London—October 13

Windsor-Walkerville—October 15  
Montreal—October 17-27  
Quebec City—October 29

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 commenced a tour of Western Canada in Vancouver on September 4.

Montreal—October 1-9

## 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.

# Trade and Tariff Regulations

## Health Certificates Required for Fish Shipped to Argentina

Buenos Aires, September 20, 1951.—(FTS)—Salted and dried fish imported into Argentina must henceforth be covered by a health certificate from the country of origin, in accordance with a directive just issued by the Argentine Ministry of Agriculture. Moreover, the fish must be packed in boxes lined with either greased paper or tin and their weight must not exceed 50 kilograms.

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## Cuba and Germany Sign Trade Agreement

Havana, September 17, 1951.—(FTS)—Cuba and Western Germany signed a new trade agreement at Bonn to become effective on October 19. It provides for reduction in Cuban duties on about 100 tariff items in return for which Germany guarantees to purchase specified amounts of Cuban goods during the next three years.

About one-third of the tariff reductions accorded by Cuba to Germany were also included in the trade agreement between Great Britain and Cuba details of which were given in *Foreign Trade* of September 1. Of the remaining items, there are some new reductions of interest to Canada including those on iron or steel wire and wire gauze, iron or steel pipes, zinc and lead pipe, shot and other unspecified articles, unmounted optical crystals, electric lamp bulbs, carbon electrodes, writing paper, cigarette paper and wall paper. On all the foregoing products the preference previously enjoyed by the United States has been eliminated, except that in most cases a surtax of one-fifth of the duty, from which United States goods are exempt, continues to apply to German products. The reduction accorded to Germany will automatically be extended to Canada under the most-favoured-nation provision of the General Agreement on Tariffs and Trade.

On its part, Germany undertakes to facilitate the acquisition of Cuban products, through normal trade channels, of a minimum of \$35 million worth of Cuban products in each of the years 1951, 1952 and 1953, of which \$29 million shall be for the purchase of sugar and \$6 million for the purchase of other specified Cuban products.

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## United States Table Potato Quota Increased

Washington, September 24, 1951.—(FTS)—The Bureau of Customs announced on September 22 that the tariff rate quota of 1,000,000 bushels of 60 pounds each of white or Irish potatoes, other than certified seed, entitled to entry at 37½ cents per 100 pounds for the 12-month period beginning September 15, 1951, has been increased to 4,160,000 bushels. Imports in excess of the quota are subject to a duty of 75 cents per 100 pounds.

The General Agreement on Tariffs and Trade prescribes that if for any calendar year the United States production of white or Irish potatoes, including seed potatoes, as estimated by the United States Department of Agriculture as of September 1, is less than 350,000,000 bushels, the tariff rate quota for the 12-month period beginning on September 15 of that year is increased by a quantity equal to the amount by which such estimated production is less than 350,000,000 bushels. The estimate of the production of white or Irish potatoes in the United States for the calendar year

## TRADE AND TARIFF REGULATIONS—*Concluded*

1951 made by the United States Department of Agriculture as of September 1, 1951, was 346,840,000 bushels, which is 3,160,000 bushels less than 350,000,000 bushels.

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### **Venezuela Imposes Further Controls on Poultry Imports**

Caracas, September 11, 1951.—(FTS)—Due to a recent outbreak of Avion Newcastle disease, the Venezuelan Ministry of Agriculture has prohibited, effective September 11, the importation of frozen poultry unless all offal, edible and otherwise, has been removed. In addition, the importation of edible offal of all poultry has been entirely forbidden.

It is still necessary to obtain a prior import licence from both the Ministry of Agriculture and the National Supply Commission to import frozen dressed poultry.

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### **Venezuela Alters Powdered Milk Import Ratio**

Caracas, September 12, 1951.—(FTS)—An official notice of the Ministry of Development, dated August 31, advises all importers that, as from October 1, the purchase of one unit of Venezuelan powdered milk will allow the duty-free importation of 18 units of foreign milk powder. The former ratio was 1 to 12 but it has been increased due to continuing low domestic production.

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### **New Zealand Invites Tenders on Electrical Equipment**

Wellington, September 20, 1951.—(FTS)—The New Zealand State Hydro-Electric Department invites tenders for the following electrical equipment:

Contract No. 189—500 mva 11,00-volt switchgear of the duplicate busbar indoor metal-clad draw-out type and accessories, for Islington Substation.

Tenders close with the Secretary, Tenders Committee, New Zealand State Hydro-Electric Department, Wellington, New Zealand, at 4 p.m. on November 27, 1951.

(Editor's Note.—Copies of specifications for this equipment are available from the office of the New Zealand Government Trade Commissioner, 609 Sun Life Building, Montreal.)

### **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.

## Foreign Exchange Quotations

The following are nominal quotations, furnished by the Foreign Exchange Division of the Bank of Canada. These quotations may be found useful in considering statistics and prices generally, but Canadian exporters are reminded that the kinds of currency which may be accepted for exports to different countries are specifically covered by the Foreign Exchange Control Act and Regulations, and that funds may sometimes be tendered in payment for exports, which cannot, in fact, be transferred to Canada. Both importers and exporters are advised to communicate with their bankers before completing financial arrangements for the sale or purchase of commodities, to ensure that the method of payment contemplated is not only possible but that it is in accordance with the Foreign Exchange Control Act and Regulations.

| Country                                | Monetary Unit  | —      | Nominal Quotations Sept. 17* | Nominal Quotations Sept. 24 | Nominal Quotations Oct. 1 |
|--|----------------|--------|------------------------------|-----------------------------|---------------------------|
| Argentina                              | Peso           | Basic  | -2977                        | -2110                       | -2109                     |
|  |                | Free   | -2085                        | -0733                       | -0739                     |
| Austria                                | Schilling      | Export | .....                        | -0494                       | -0493                     |
| Australia                              | Pound          | .....  | 3-2240                       | 2-3620                      | 2-3615                    |
| Belgium and Belgian Congo              | Franc          | .....  | -0228                        | -0210                       | -0210                     |
| Bolivia                                | Boliviano      | .....  | -0238                        | -0176                       | -0176                     |
| British West Indies (Except Jamaica)   | Dollar         | .....  | -8396                        | -6154                       | -6152                     |
| Brazil                                 | Cruzeiro       | .....  | -0544                        | -0570                       | -0570                     |
| Burma                                  | Rupee          | .....  | -3022                        | .....                       | .....                     |
| Ceylon                                 | Rupee          | .....  | -3022                        | -2216                       | -2215                     |
| Chile                                  | Peso           | .....  | -0233                        | -0135                       | -0135                     |
| Colombia                               | Peso           | .....  | -5128                        | -4246                       | -4245                     |
| Costa Rica                             | Colon          | .....  | -1800                        | -1883                       | -1883                     |
| Cuba                                   | Peso           | .....  | 1-0000                       | 1-0550                      | 1-0547                    |
| Czechoslovakia                         | Koruna         | .....  | -0200                        | -0211                       | -0211                     |
| Denmark                                | Krone          | .....  | -2084                        | -1527                       | -1527                     |
| Dominican Republic                     | Peso           | .....  | 1-0000                       | 1-0550                      | 1-0547                    |
| Ecuador                                | Sucre          | .....  | -0740                        | -0639                       | -0640                     |
| Egypt                                  | Pound          | .....  | 4-1330                       | 3-0295                      | 3-0286                    |
| El Salvador                            | Colon          | .....  | -4000                        | -4220                       | -4219                     |
| Fiji                                   | Pound          | .....  | 3-6306                       | 2-6613                      | 2-6605                    |
| Finland                                | Markka         | .....  | -0062                        | -0046                       | -0046                     |
| France, Monaco and French North Africa | Franc          | .....  | -0037                        | -0030                       | -0030                     |
| French Empire—African                  | Franc          | .....  | -0073                        | -0060                       | -0060                     |
| French Pacific Possessions             | Franc          | .....  | -0201                        | -0166                       | -0166                     |
| Germany                                | Deutsche Mark  | .....  | -3000                        | -2512                       | -2511                     |
| Guatemala                              | Quetzal        | .....  | 1-0000                       | 1-0550                      | 1-0547                    |
| Haiti                                  | Gourde         | .....  | -2000                        | -2110                       | -2109                     |
| Honduras                               | Lempira        | .....  | -5000                        | -5275                       | -5273                     |
| Hong Kong                              | Dollar         | .....  | -2519                        | -1846                       | -1846                     |
| Iceland                                | Krona          | .....  | -1541                        | -0648                       | -0647                     |
| India                                  | Rupee          | .....  | -3022                        | -2216                       | -2215                     |
| Iran                                   | Rial           | .....  | -0212                        | .....                       | .....                     |
| Iraq                                   | Dinar          | .....  | 4-0300                       | 2-9525                      | 2-9518                    |
| Ireland                                | Pound          | .....  | 4-0300                       | 2-9525                      | 2-9518                    |
| Israel                                 | Pound          | .....  | 3-0000                       | 2-9525                      | 2-9518                    |
| Italy                                  | Lira           | .....  | -0017                        | -0017                       | -0017                     |
| Jamaica                                | Pound          | .....  | 4-0300                       | 2-9525                      | 2-9518                    |
| Japan                                  | Yen            | .....  | -0028                        | .....                       | .....                     |
| Lebanon                                | Piastre        | .....  | -4561                        | .....                       | .....                     |
| Mexico                                 | Peso           | .....  | -1157                        | -1220                       | -1219                     |
| Netherlands                            | Florin         | .....  | -3769                        | -2776                       | -2775                     |
| Netherlands Antilles                   | Florin         | .....  | -5308                        | -5594                       | -5593                     |
| New Zealand                            | Pound          | .....  | 4-0150                       | 2-9525                      | 2-9518                    |
| Nicaragua                              | Cordoba        | .....  | -2000                        | -2110                       | -2109                     |
| Norway                                 | Krone          | .....  | -2015                        | -1477                       | -1477                     |
| Pakistan                               | Rupee          | .....  | -3022                        | -3189                       | -3188                     |
| Panama                                 | Balboa         | .....  | 1-0000                       | 1-0550                      | 1-0547                    |
| Paraguay                               | Guarani        | .....  | -3200                        | .....                       | .....                     |
| Peru                                   | Sol            | .....  | -1538                        | -0712                       | -0712                     |
| Philippines                            | Peso           | .....  | -4975                        | -5275                       | -5273                     |
| Portugal and Colonies                  | Escudo         | .....  | -0400                        | -0366                       | -0365                     |
| Singapore                              | Straits Dollar | .....  | -4702                        | -3446                       | -3445                     |
| Spain and Colonies                     | Peseta         | .....  | -0916                        | -0968                       | -0968                     |
| Sweden                                 | Krona          | .....  | -2783                        | -2040                       | -2039                     |
| Switzerland                            | Franc          | .....  | -2336                        | -2422                       | -2422                     |
| Thailand                               | Baht           | .....  | -1000                        | .....                       | .....                     |
| Turkey                                 | Lira           | .....  | -3571                        | -3768                       | -3767                     |
| Union of South Africa                  | Pound          | .....  | 4-0300                       | 2-9525                      | 2-9518                    |
| United Kingdom                         | Pound          | .....  | 4-0300                       | 2-9525                      | 2-9518                    |
| United States                          | Dollar         | .....  | 1-0000                       | 1-0550                      | 1-0547                    |
| Uruguay                                | Peso           | .....  | -6583                        | -6945                       | -6943                     |
| Venezuela                              | Bolivar        | .....  | -2985                        | -3149                       | -3148                     |
| Yugoslavia                             | Dinar          | .....  | -0200                        | .....                       | .....                     |

\* September 17, 1949.