

# FOREIGN TRADE

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**COVER SUBJECT—S.S. Canadian Constructor loading sugar in Georgetown, British Guiana, one of the colonies participating in the British West Indies Trade Liberalization Plan. Extensive modifications to this plan, announced this week, will go into effect on January 1, 1952. List of items covered by the agreement expanded to embrace wider range of commodities. Colonial governments authorized to introduce a system of world open general licence for certain products, most of which are considered essential for the development of the colonies. (See article on page 810).**

*Canadian National Steamships.*

**Price 10 cents**

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

# Extensive Modifications Made in British West Indies Trade Liberalization Plan

*Range of commodities affected is extended—Import licences available for higher percentage of average exports from Canada during base period—Vouchers issued against allocations for six-month periods—Canadian firms failed to take full advantage of plan in first nine months.*

CANADA and the United Kingdom have agreed on extensive modifications to the British West Indies Trade Liberalization Plan, which went into effect on January 1, 1951. The purpose of the plan is to assist many exporters whose sales to markets in the Caribbean area were drastically curtailed as a result of the dollar conservation policy of the sterling area. Amendments to the original plan were made following discussions in Ottawa last May and June between representatives of Canada and Great Britain, and the visit to Canada of a delegation from the British West Indies.

Effective January 1, 1952, the list of items covered by the plan will be expanded to embrace a much wider range of commodities, including food products, leather, metal, electrical and textile manufactures. The new plan will enable Canadian exporters to obtain import licences in the British West Indies for either 50 per cent or 40 per cent of their average exports to the individual colonies during the base period of 1946-47-48. The percentage will depend on the commodities concerned, that for the second group having been increased from 33½ per cent to 40 per cent.

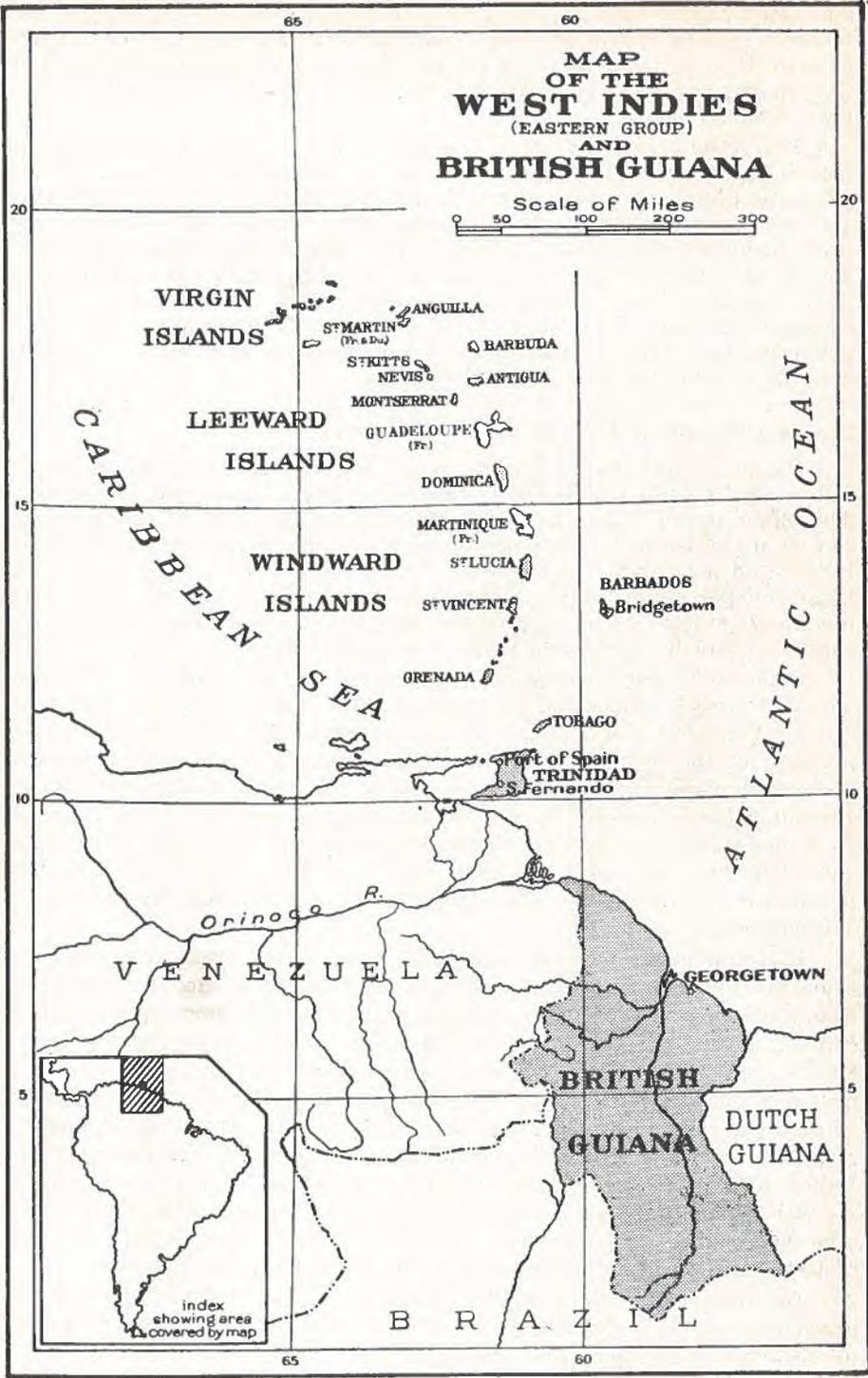
Canadian firms should also benefit from the authority recently granted for the Colonial Governments to introduce a system of world open general licence for certain commodities, most of which are considered essential for the development of the colonies concerned. The items involved include a wide range of finished steel and semi-manufactures of copper, zinc and nickel, dried, pickled, salted and smoked fish, onions, potatoes, certain animal feeding stuffs, jute goods, newsprint and kraft paper.

## **Exports Must Find Ready Buyers for Products**

Canadian sales to the British West Indies, British Guiana and British Honduras during the base period reached a very high level, and the essential purpose of the British West Indies Trade Liberalization Plan is to provide Canadian exporters with an opportunity to recover a portion of the export trade enjoyed at that time. However, the plan does not guarantee a market, since the Canadian exporter must first find a willing buyer for his product. Neither does it impose a ceiling, since those territories already licensing imports in excess of the guaranteed minimum level may continue to do so.

The Export Division of the Department of Trade and Commerce will continue to administer the plan, and will forward details of the procedure involved to all Canadian firms known to be interested in trade with the British West Indies.

Colonies concerned in this trade liberalization plan are: Bahamas, Barbados, British Guiana, British Honduras, Jamaica, Leeward Islands (Antigua, Montserrat, St. Kitts-Nevis, British Virgin Islands), Trinidad and Tobago, and the Windward Islands (Dominica, St. Lucia, St. Vincent and Grenada).



The first group of items includes meat, canned meat, canned fish, milk, lumber and wood products, paper products other than newsprint and kraft paper, chemical fertilizers, chemicals and allied products and tobacco. The British West Indies are prepared to issue licences for imports of each of these types of goods for not less than 50 per cent by value of the amount exported by individual Canadian exporters during the base years 1946-47-48.

The second group of items includes a wide range of miscellaneous foodstuffs, such as canned fruits and vegetables, leather products, rubber products, pulp and fibre wallboard, metal products, electrical apparatus and other products, chemicals, such as paints, varnishes and toilet preparations, manufactured plastic products, industrial chemicals, office appliances and parts, textiles and wearing apparel, and a number of miscellaneous items, including beer, brushes and confectionery. In the case of these commodities, the colonies are prepared to licence imports for up to 40 per cent by value of the amount exported by individual Canadian exporters during the base years 1946-47-48.

#### **Canadian Exports to B.W.I. in Base Period High**

Canada's total annual exports to the British West Indies in the years following the Second World War, 1946-48 inclusive, amounted to \$67,000,000, which is four times that in the prewar years. Part of this increase can be attributed to the economic growth of Canada and the British West Indies, and part to the higher prices that have prevailed since 1939. An important percentage of the business was achieved as a result of the low inventory position at the end of the war, and the difficulty of obtaining supplies from the traditional prewar sources of supply.

Canadian exports commenced to decline in 1948, and the reduction was still greater during the first half of 1949, due partly to the fact that some of the backlog of demand had been satisfied. As the dollar exchange problem of the sterling area became increasingly acute, severe import restrictions were imposed at the request of the United Kingdom in July, 1949, that dollar imports throughout the sterling area be further reduced by 25 per cent. The impact of this policy was not fully reflected in reduced shipments of Canadian goods until later in 1949. During the first five months of 1950, Canadian exports declined to a level of approximately \$30,000,000 per annum.

It is now possible to evaluate roughly the actual trade transacted by Canadian exporters under the British West Indies Trade Liberalization Plan. Allocations approved up to September 15, 1951, amounted to \$11.5 million, against which vouchers to the value of \$10.0 million were issued. Official statistics indicate, however, an increase during the nine-month period of only \$4.2 million in Canadian exports to the colonies concerned of products covered by the trade liberalization plan. It is evident, therefore, that the value of Canadian commodities exported to the British West Indies during the twelve months ending December 31, 1951, is likely to be well below the figure of \$11.5 million for which allocations were approved, and the \$10.0 million for which vouchers were issued. A total of 650 Canadian firms participated in the trade liberalization plan.

The Department of Trade and Commerce will mail details concerning procedure, as set forth below, to all Canadian exporters known to be interested in the British West Indies market.

Canadian manufacturers of listed products, who are either satisfied with their present volume of trade or who believe that their present trade



**St. George's, capital of Grenada, which is served by the Canadian National Steamships. This is a mountainous and picturesque island in the "Windward" group of the British West Indies, which was discovered by Columbus in 1498.**

is in excess of the minimum guaranteed by the plan, obviously need no recourse to this plan. On the other hand, if they are likely to benefit from its provisions, the following points should be noted.

Canadian manufacturers of the listed products who have a previous history of export trade in the British West Indies, British Guiana and British Honduras for the years 1946, 1947 and 1948 are eligible for the plan. The manufacturer may designate in writing a Canadian agent to act on his behalf.

Each manufacturer or designated agent is entitled to dollar allocations in respect to each of the listed commodities exported to the individual colonies, based on a fixed percentage of the average value of such shipments during the base period, 1946-48 inclusive. The percentage of each commodity is indicated on the approved commodity lists.

#### **Import Controllers May Increase Allocations**

It should be clearly understood that allocations established under the trade liberalization plan designate the minimum shipments for which import licences will be granted by the respective colonies. Where the current rate of trade of the individual Canadian firm is in excess of the allocation, the operation of the scheme itself will not interfere with the continuance of this trade at its present level. Moreover, the Import Controller in each colony has authority to make such further increases as he may deem desirable, having regard to the needs of the local economy and the currency situation.

The use of allocations does not relieve Canadian firms of the necessity of competing for business in markets of the British West Indies. It does ensure, however, that import licences will be granted once the Canadian firm has succeeded in selling its products.

The revised plan, designed to operate on a calendar year basis, will come into effect on January 1, 1952.

### **Procedure Is Outlined**

Each Canadian firm should examine the list of commodities carefully, and determine the number of revised application forms it will require in each of the percentage classifications, bearing in mind the following points:

(a) Each percentage classification requires its own distinct form.  
(b) Only one commodity may be listed on each percentage allocation form, and a separate form is required for each colony.

(c) These forms must be completed for return in triplicate to the Export Division of the Department of Trade and Commerce, Ottawa.

Application blanks may be obtained from the following sources:

Export Division, Department of Trade and Commerce, Ottawa, Ont.

L. M. Cosgrave, Western Representative, Department of Trade and Commerce, 355 Burrard Street, Vancouver, B.C.

W. F. Rendell, Newfoundland Representative, Department of Trade and Commerce, Stott Building, St. John's, Nfld.

Canadian Manufacturers' Association, 67 Yonge Street, Toronto, Ont.

Canadian Exporters' Association, 20 Temperance Street, Toronto, Ont.

Export Manager, Montreal Board of Trade, 300 St. Sacrament Street, Montreal, Que.

Secretary, Board of Trade, Halifax, N.S.

Applications for allocations should be submitted to the Export Division, Department of Trade and Commerce, not later than March 31, 1952. Applications received after that date may not receive approval for the full amount requested.

On receipt of the allocation applications, completed in triplicate, the Export Division, Department of Trade and Commerce, will check each submission, and in due course return one copy approved by the Director, bearing the allocation number. This will serve as the Canadian firm's authorized allocation for each commodity for each colony. The approved allocation form should be retained by the Canadian firm. The Department of Trade and Commerce will keep the Import Controllers in the individual colonies informed of all allocations issued to each Canadian firm.

A number of vouchers will be supplied with each approved allocation returned to the Canadian firm. These vouchers are necessary:

(a) To satisfy the Import Control authorities in each colony that the agent designated by the Canadian firm on the voucher has authority to dispose of the firm's allocation in the said colony among various customers who are entitled to claim import licences for quantities sold to them by the agent, or

(b) To enable customers, who purchase direct from a Canadian firm instead of through agents, to secure an import licence.

### **Vouchers, in Triplicate, Required**

Irrespective of the method of sale adopted by the Canadian firm, vouchers for all or whatever portion of the allocation is being disposed of should be completed in triplicate for submission to the Export Division. Two vouchers, duly approved by the Director, will be returned to the Canadian firm, one of which should be forwarded to its agent or customer in the British West Indies, as the case may require. If the Canadian firm has elected to dispose of its allocation through its resident agent, the voucher may be made out for 50 per cent of the value of the allocation in the name of the agent. The approved voucher should be sent by the Canadian firm to its agent who will deposit it with the Import Control authority of the designated colony. This will serve as the authority for the agent to designate the various customers whose orders should be honoured with import licences under the Canadian firm's allocation.



Barbados—Roadstead at Bridgetown, carenage in foreground as seen from the Clock Tower.

Each licence thus issued by the Import Control authority to designated customers will be noted on the voucher held by the controller until the allocation is completely exhausted, when no further licences may be issued under the plan.

Where the Canadian firm wishes to sell direct to a number of importers in any specified colony, vouchers should be made out for each individual customer and submitted for approval to the Export Division in the usual manner. Of the approved vouchers, which the Canadian firm will then receive, one should be forwarded to the customer in question in the British West Indies, who will submit it to the Import Controller along with his application for an import licence.

When a Canadian firm has occasion to use the service of an agent, only one voucher may be required to cover a number of shipments to the various customers. In the case of a Canadian firm selling direct to customers, a number of individual vouchers will become necessary.

This variable procedure will enable Canadian firms, most of which are represented by agents, to keep their paper work to a minimum. At the same time, the use of individual vouchers for customers, in the absence of any local representation, provides the necessary flexibility for such individual transactions as the Canadian firm may desire to arrange.

Canadian firms that no longer have agents in the British West Indies, and wish to secure such firm agents, may obtain assistance from the Canadian Government Trade Commissioners in Kingston, Jamaica, and Port of Spain, Trinidad, in the selection of agents within their territories.

All vouchers approved for 1952 should be in the hands of Import Control authorities of the respective colonies by December 31, 1952, although shipments thus covered will be allowed to clear customs in the British West Indies, against import licences issued under this plan, until March 31, 1953.

#### **Vouchers Issued Against Allocations**

(a) Vouchers will be issued to applicants up to one-half the value of their allocations. Additional vouchers will be issued against the unused balance of the allocation on receipt of an application from a Canadian firm, provided it is accompanied by certificates from the Import Controller of the colony concerned that import licences have been issued up to half the value of the allocation.

(b) Vouchers will be granted to the complete value of the allocation, when the Canadian firm certifies that half the value is inadequate to complete a business transaction. In this case, the Import Controller of the colony concerned may be informed, and requested to confirm later the issuance of import licences for the transaction.

(c) Where there is evidence that all or part of the allocations have not been used, these may be transferred semi-annually at the discretion of the Department of Trade and Commerce. In other words, 50 per cent of the allocation would be transferable, if unused by June 30, 1952, and the balance, if unused, transferred at the close of the year.

(d) Vouchers issued prior to June 30, 1952, if not used by that date, will apply automatically to the second half of the allocation, as the first half will have been re-allocated.

(e) The Export Division, Department of Trade and Commerce, will consider withholding a transfer in the event that a Canadian firm can assure the Director that the bulk of its business is likely to be transacted during the second half of the year.

(f) Allocations of \$1,000 or less are not subject to the provision of the preceding paragraphs (a) and (b).

#### Items Placed on World Open General Licence

1. Tin plate,terneplate or black plate.
2. Semi-manufactured copper.
3. Semi-manufactured zinc.
4. Semi-manufactured nickel.
5. Borax.
6. Boric acid.
7. Newsprint.
8. Jute goods.
9. Dried, smoked, pickled and salted fish. (Subject to agreement of colonies where this item is bought on government account.)
10. Onions.
11. Potatoes.
12. Animal feeding stuffs (excluding wheat and wheat flour).
13. Finished steel (excluding fabricated steel) as under:
  - (a) Heavy Steel Products—including heavy rails, sleepers, etc. and heavy and medium plates.
  - (b) Light Rolled Products—including bars, rods, hoop and strip.
  - (c) Steel sheets.
  - (d) Wire plain or barbed, other than insulated wire.
  - (e) Wire rods.
  - (f) Tubes and Pipes—including tube fittings.
  - (g) Tires, Wheels and Axles.
  - (h) Steel forgings, nails, screws, nuts and bolts.
14. Kraft paper.

#### LIST "A"

(Revised List "A", effective January 1, 1952)

Goods for which minimum licences for Canadian firms are to be not less than 50 per cent by value of the firm's exports to each of the colonies concerned in the base period, are as follows:

*Fish, canned*—Including such items as haddock, herring, pilchards, salmon, sardines, clams, lobsters, and all other sea fish.

Note.—Canned fish placed on Open General Licence for the Colony of Jamaica.

*Meats*—Encompassing all meats, whether fresh, pickled, canned or otherwise preserved or prepared and including such items as beef, veal, mutton, lamb and pork, fresh chilled or frozen; game dressed or undressed; poultry dressed or undressed; beef and pork, dry, salted or pickled in barrels; bacons and hams, shoulders and sides; sausage and bologna; canned meats; extracts of beef; edible animal entrails; all other meats.

*Poultry products*—(New group).

Eggs in the shell n.o.p.; frozen eggs.

*Vegetable products*—(New group).

Dried beans; dried peas, whole; dried peas, split.

Note.—Onions and \*potatoes placed on Open General Licence for all colonies.

\* Not applicable to Jamaica.

*Milk and its products*—Including such items as fresh milk and cream; butter; casein; cheese; milk powder whether of whole or skimmed milk; milk preparations containing chocolate; \*condensed milk; \*evaporated milk; all other milk preparations—\*roller milk powder, substandard.

\* Not applicable to Jamaica.

*Feedingstuffs*—Placed on Open General Licence for all colonies.

*Lumber and wood products*—Comprising unmanufactured, partially manufactured and fully manufactured wood products including timber and lumber of all kinds; plywood; shingles of all kinds; box shooks; staves; headings and barrel shooks; boxes and other containers of wood; barrels, casks, kegs and hogsheads; pails, tubs and other hollow woodenware; kitchen and household woodenware; doors of wood; mouldings, trimmings and other house furnishings of wood; furniture of wood; handles of wood; coffins, caskets and parts; match splinters and matches; all other manufactures of wood.

*Paper products*—Book paper; coated and all other wrapping papers except kraft (see note below); paperboard of all sorts; book blanks; paper hulls; uncut bond and writing papers; writing paper and envelopes; bags of paper; boxes and cartons of paper or fibreboard; hanging papers, whether printed or not; roofing and building papers (except asbestos roofing); waste papers, including mutilated newsprint; handkerchiefs and facial tissues of paper; napkins and towels of paper; tissue paper; toilet paper; all other manufactures of paper, except pulp and fibre wallboard which appears on List "B".

*New items*—Printed and lithographed matter including calendars, greeting cards, etc.; folders; carbon paper.

Note.—Newsprint and kraft paper placed on Open General Licence for all colonies.

*Chemical fertilizers*—of all sorts including ammonium sulphate, nitrogen and phosphate fertilizers.

*Chemicals and allied products*—Mineral earth pigments, dry colouring pigments of all sorts.

*New item*—Cement, portland.

*Tobacco products*—Cigarettes.

*New item*—Leaf tobaccos.

#### LIST "B"

(Revised List "B", effective January 1, 1952)

Goods for which minimum licences for Canadian firms are to be not less than 40 per cent of the firm's exports to each of the colonies concerned in the base period, are as follows:

*Food products*—Canned pears, canned peaches, canned apples, canned cherries, canned plums; canned baked beans; canned peas, canned toma-

toes; canned tomato juice; canned soups of all kinds; prepared cereal foods of all kinds including ready-to-eat breakfast foods such as cream of wheat, corn flakes, rice krispies, rice cereal foods, all bran and bran flakes, baby foods such as pablum and pabena, pearl barley and all other prepared cereal foods; macaroni, spaghetti and vermicelli, whether canned or not; jelly and dessert powders of all kinds including vegetable flavourings and colourings such as burnt sugar colouring, creamix and flavouring bases.

*New items*—\*Coffee and imitations of; corn meal; rolled oats and oatmeal; jams, jellies and preserves; fruit, canned or preserved n.o.p.; fruit juices and fruit syrups n.o.p. and including apple juice and grape juice; molasses and syrups n.o.p.; spices; vegetable products n.o.p. including sausage binder, peanut butter, mayonnaise, relishes, prepared mustard; sauces and catsups; pickles; yeast; tea; cocoa, powdered and including cocoa and chocolate preparations but not including candy.

\* Not applicable to Jamaica—except roasted coffee in accordance with terms granted by the Collector General of Customs.

*Leather products*—\*Boots and shoes with leather uppers for women and children; unmanufactured leather including gloves, harness, sole, patent and other upper leathers; manufactures of leather including leather belting (industrial type), cut soles, harness and saddlery; wallets and other manufactures of leather.

\* Not applicable to Jamaica.

*New items*—\*Footwear of leather, men's; \*boots, shoes and slippers n.o.p.; trunks and valises; belts of leather; gloves, mitts and mittens of leather.

\* Not applicable to Jamaica.

*Rubber products*—All footwear of rubber; canvas shoes with rubber soles; belting of rubber (industrial type); clothing of rubber of all kinds including raincoats, rubber aprons, gloves, rubber soles and heels.

*New items*—Manufactures of rubber including tire repair kits, drug sundries, sheet packings, baby nipples, erasers, and similar rubber goods; tires and tubes; hose of rubber.

*Paper products*—Pulp and fibre wallboards.

*Metal products*—Automobile parts; kitchen hollow-ware and cooking utensils of enamelware, aluminumware, tinware including cans for food products, and iron and steel including hand-operated ice cream-making machines; freezers and parts (commercial, powered); tools and hand implements including axes, shovels, forks, files and rasps, saws (except power-operated), taps, dies, wrenches and all other hand tools; all furniture of metal including iron bedsteads, springs, cots and cribs; lamps and lanterns of metal of all sorts including pressure lamps; dental and surgical apparatus of all sorts; bottle closures of the crown cork type; cash registers.

*New items*—Bicycles and parts; wire cable and rope; chains of iron and steel n.o.p.; fire extinguishers; solder; metal cabinets; soda fountains of monel metal; dental alloys; clocks and parts; watches and parts; stoves, gasoline and oil; motors, marine; screws and washers (brass); tacks of all kinds; valves (brass); valves (iron); wire cloth (wire screen) of iron; power tools (specify by name) including power-operated saws, pumps and parts, etc.; manufactures of brass n.o.p. including bushings; manufactures of aluminum n.o.p. including mouldings, corrugated aluminum (roofing), foil aluminum, cable fittings and tubing of aluminum; manufactures of iron and steel n.o.p. including kerosene irons; unmanufactured metals n.o.p. (babbit, typemetal); lead in pigs, refined lead; insulated wire and cable (copper); wire, bare (copper); builders hardware n.o.p. (specify by name) including stanchions, cow stalls, water bowls, manure

carrier outfits, and hay carrier outfits; machinery and parts, n.o.p. including fans and ventilators (industrial), bottling machinery including liquid meters, laundry, concrete, paint spraying and textile machinery; agricultural implements (specify by name); locks of iron and steel.

*Electrical products*—Domestic cooking and heating apparatus including toasters, waffle irons, sandwich grills, electric kettles, hot plates, electric irons, heaters (portable), electric steam radiators, and other similar items; electric stoves including rangettes and parts thereof; electric fans (domestic); radio apparatus; electric household refrigerators; electric household washing machines; electric meters and parts; switches, sockets and all wiring devices including fuses, fuse plugs, and cut-outs; storage batteries, dry batteries and parts; spark plugs.

*New items*—Electrical apparatus n.o.p. including battery charger, electric fences, conduits for electric fences; electric light bulbs, electric light fixtures and parts; electric floor lamps (portable); transformers and parts; dynamos, generators and parts; electric motors and parts.

*Chemicals*—Paints, varnishes, enamels, putty, linseed oil, white lead—either dry or in oil; perfumery, cosmetics and toilet preparations of all kinds including creams, lotions, shaving creams and sticks, shaving cakes, shaving powders, dentifrices; \*toilet soaps, other soaps including soap flakes, powders and cleansers.

\* Not applicable to Jamaica—cleansers accepted.

*Industrial chemicals*—of all kinds including paint remover, floor wax, dyes, etc.

*New items*—Calcium compounds, stove polish, boot and shoe polish, baking powder, explosives and fulminates n.o.p., other chemicals and allied products n.o.p. including insecticides, penicillin and products, and streptomycin and products, but *excluding borax and boric acid, which have been placed on Open General Licence.*

*Manufactured plastic products*—Including aprons, hose, cigar ribbons, foils, manicure sets, hand mirrors, shade strips, knobs, marking cases, mats, plastiscreen, plastic screening, bottle seals, shoe forms, shower curtains, bathroom fixtures, jars, shoe display forms, fruit covers, vials, belts, and similar manufactured plastic products.

*Office appliances and parts*—Office or business machinery and parts n.o.p.; calculating machines and parts; adding machines and parts; book-keeping machines and parts; typewriters (portable); typewriters n.o.p.; typewriter parts.

*Fibre textiles and textile products*—\*Rayon dresses; \*women's cotton dresses; \*men's cotton shirts; rayon fabrics.

\* Not applicable to Jamaica.

*New items*—\*Artificial silk underwear; \*underwear, cotton; khaki drill; cotton duck; cotton fabrics n.o.p.; cotton socks and stockings; socks and stockings n.o.p.; ladies' full fashioned hosiery; cotton clothing n.o.p.; manufactures of cotton n.o.p. including typewriter ribbons; cordage and twine n.o.p.; blankets, bedspreads and quilts of cotton; corsets and girdles; brassieres; elastic fabrics and stockingettes; surgical gauze including sanitary napkins.

\* Not applicable to Jamaica.

Note.—Jute goods placed on Open General Licence.

*Miscellaneous*—Beer and ale including porter and stout; malt for beer; whisky; paint brushes; tooth brushes and other toilet brushes; other brushes and mops; handbags of all types; buttons of all kinds; buckles and slide fasteners; optical supplies including goggles, spectacles and parts, binoculars, and lenses of glass—rough or finished; dolls, doll carriages and toys of all kinds except sporting goods; fountain pens including pen and pencil sets, mechanical and propelling pencils and parts, ball point

pens, pens and pencils—stationery lead. Confectionery:—chocolate bars, candy—coated with or containing chocolate, candy of other sorts, fruit cake, fruit pudding, marshmallow, cones, orange peels—dried, cracker jacks, chewing gum, nuts in shell or unshelled (salted or coated); bottle closures of glass, plastic or resin; bottles of glass; pharmaceuticals and proprietary medicines of all kinds; hats of fabric, felt or straw; fresh apples; unsweetened, sweetened biscuits and bread; mattresses and pillows; domestic glassware including pyrex ovenware, flameware, and tableware of glass.

*New items*—Beekeeper supplies; brooms and whisks of all kinds; films, photo; sand paper; gin; wines; salt, oilcloth and linoleum; ammunition; candles; jewellery of all kinds n.o.p.; pyrometers; pottery; organs and parts; mirrors; atomizers.

## Bicycle Manufacturing Industry In India is Showing Progress

*Local manufacture of bicycles increasing, but imports still required to meet demand—Certain essential components on Open General Licence when imported by manufacturer—United Kingdom, the main source of supply for bicycle parts in the past, is presently unable to meet demand from India.*

By Bruce I. Rankin, Commercial Secretary for Canada.

(Editor's Note.—One rupee equals 22 cents Canadian.)

**B**OMBAY.—The local manufacture of bicycles and bicycle parts in India has expanded considerably in the last few years. In 1949 Indian manufacturers produced 64,425 bicycles and Rs.1,796,053 worth of bicycle parts. In 1950 production rose to 103,153 complete bicycles, and bicycle parts worth Rs.6,451,908. Up to August, 1951, 52,703 complete bicycles were produced, and parts produced up to July were valued at Rs.5,910,410. The demand for bicycles in the Indian Union has been estimated at 375,000 for 1950-51 and 400,000 for 1951-52.

To partially meet this demand, imports of complete bicycles and bicycle parts during the last three years were as follows:

	Number of Complete Bicycles	Value of Bicycle Parts
1948-49 .....	264,392	Rs.15,086,997
1949-50 .....	268,148	15,918,684
1950-51 .....	165,461	9,640,307

The import of bicycles was permitted during the period January-June, 1949. During July-December, 1949, no licences were issued. In January-June, 1950, imports of complete bicycles were allowed up to a value of Rs.10,000,000, and in the case of bicycle parts up to Rs.2,000,000. In July-December, 1950, import of complete bicycles was again allowed up to Rs.10,000,000, while the import ceiling for bicycle parts was raised to Rs.5,000,000. In the first half of 1951 the foreign exchange allocation was maintained at Rs.10,000,000 and Rs.5,000,000 for bicycles and bicycle parts respectively. During July-December, 1951, following the liberalization of import policy, the foreign exchange ceiling for complete bicycles was raised to Rs.19,600,000, and that for parts was raised to Rs.7,500,000.

### **Import of Some Accessories Banned**

Importation of bicycle bells, stands, carriers, lamps, handle grips and brake rubbers, reflectors and tool kits is banned, as these are manufactured within the country.

The bicycle industry in India has been handicapped in that it has not been able to obtain its raw materials in sufficient quantity. In addition to the shortage of indigenous basic raw materials, such as steel sheets, bars, wheels, etc., some of the important parts of the bicycle, such as free wheels, chains, spokes, nipples, lugs and ball bearings, are not manufactured in India and have to be imported. The United Kingdom has been the main source of supply for these parts in the past, but the producers in the United Kingdom are currently unable to supply them in sufficient quantities to meet the demand.

As a result, at the present time, the import of free wheels, chains, spokes, nipples, lugs and ball bearings is allowed under Open General Licence No. 23, provided the items are being imported by a manufacturer engaged in producing bicycles, and whose manufacturing process includes the making of some essential component in India and does not only amount to assembly of imported components.

Until last year the firms manufacturing complete bicycles were the Hind Cycles Ltd., Bombay, and the Hindustan Bicycles and Industrial Corporation. Since then Messrs. T. I. Cycles of India, Madras, Messrs. Sen Ralleigh Industries, Calcutta, and Atlas Cycles Industries (India) Ltd., Senapat, have established factories for the manufacture of bicycles with the assistance, technical or otherwise, of foreign firms of repute.

All these firms are working on an approved and phased program of progressive production which aims at cutting down imports of components which are at present imported from abroad, as local production of these components develops. However, it is expected that the indigenous bicycle manufacturing industry will have to rely on imported free wheels, spokes, chains, nipples, lugs, and ball bearings for some considerable time. Production of other components, sufficient to meet the demand, is being encouraged.

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### **Mexican Rail Transportation Unsatisfactory**

Mexico City, September 15, 1951.—(FTS)—A shortage of freight cars continues to hamper the movement of both imports and exports. Congestion at frontier points causes shipments to be delayed and sometimes lost for long periods. The railways in Mexico are in poor condition and much of the rolling stock needs replacing. The government is spending large sums of money on a renovation program and orders have been placed for new equipment, but delivery will be slow and the present unsatisfactory situation will prevail for some time to come.

An increasing amount of cargo is being moved by truck, and the roads in Mexico are good. The government is presently building a wide highway through to Acapulco, which will cut down the driving time now required by about half. This will be important both for tourist traffic and freight movement by truck with this important Pacific port and famous tourist resort.

Extensive harbour improvements have been undertaken at Veracruz, the main port for Mexico City, and several ports on the Pacific, notably Mazatlan, are being improved as well. The government is fully conscious of the importance of good transportation facilities and has been very progressive in its improvement programs.

# Trade Notes

## ARGENTINA

### Diesel Locomotive Constructed in Argentina

Buenos Aires, November 24, 1951.—(FTS)—The Ministry of Transport has announced that a diesel electric locomotive has been constructed in Argentina and has successfully passed its tests. It consists of two coupled units, is supplied with four motors of 735 horse power each which supply power to motors fixed to each axle. Each motor group is completely independent, permitting power distribution according to requirements. The four-axle motor bogies and the system of axle suspension are claimed to be of special design already patented in Argentina.

### Experimental Forestry Station Established in Mendoza

Buenos Aires, November 30, 1951.—(FTS)—The Argentine Ministry of Agriculture has begun the construction of an experimental forestry station in the Province of Mendoza, the first of its kind in that province. Special attention will be paid to the development of timbers suitable for posts and box wood. Sub stations will also be established throughout that province. Experiments will be carried out in impregnating soft woods with preservatives. The Ministry of Industry and Commerce recently initiated the third annual reforestation campaign. The plan is to plant 5,700,000 trees during the next 12 months in various parts of the country.

## CHILE

### Chile to Survey Plantations of Insignis Pine

Santiago, October 31, 1951.—(FTS)—The Development Corporation (CORFO) is to invest Ch.\$3,500,000 in plans and surveys of the plantations of "insignis" pine in the provinces in the south of Chile. Of this amount, Ch.\$2,000,000 will be spent in the present year for studies, experiments and assistance to technical schools, and the balance during the year 1952. The work includes preparation of plans and aerial photographs of extensive zones.

These studies and experiments are necessary due to the development of the "insignis" pine plantations over the last 20 years, which makes it indispensable to study its industrial use, especially in reference to production of cellulose and newsprint.

At the same time, experience over several years in regard to supplies and prices has shown the advantage of amplifying the pulp and newsprint industry. The studies will include the following:

1. General survey of "insignis" pine plantations between the Provinces of Linares and Malleco; areas, ages of trees, number of trees and volume per plantation; value and distribution of the property.

2. Studies of volume and present and future yields per industrial sector, or situation as regards possible industrial use.

3. Plan of development of the industry; number of trees, their characteristics, capacity and investment necessary.

4. Study as to the possible finance, so as to arrive at the integral utilization of the raw material to the maximum advantage from the national point of view.

### **Chile to Import Rice From Brazil**

Santiago, November 12, 1951.—(FTS)—Chile will import 8,000 tons of rice from Brazil, involving an expenditure of about US\$2 million, it is reported. Several offers were received, the lowest quotations coming from countries of the dollar area, but the quotation from Brazil was accepted because of the favourable dollar balance held by Chile in that country. The deficit of the 1950-51 rice crop is estimated at 25,000 tons.

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### **Chile to Increase Nitrate Exports**

Santiago, November 19, 1951.—(FTS)—Exports of nitrate will be increased it has been announced, especially with those countries where compensation agreements are in force. It is expected that the annual exports will reach 1,700,000 tons, which is nearly 100,000 tons more than for the year 1950.

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### **French Trolley Buses Purchased for Santiago**

Santiago, November 20, 1951.—(FTS)—Fifty trolley buses are being purchased for the Santiago transport services from the French Company "Vetrá," it is reported in the press, the payment to be made on a compensation basis by the export of nitrate and other Chilean products. These vehicles will be imported over a period, but it is expected that the total number will be received within eight months of signing the purchase contract.

## **CUBA**

### **Cuban 1952 Sugar Crop Expected to Break Records**

Havana, November 19, 1951.—(FTS)—Latest estimates indicate that the 1952 sugar crop should reach a minimum of 6 million long tons, which is considerably larger than the previous all-time record crop of 5,876,761 long tons in 1948. In spite of the size of the crop, the lack of any carry-over from this year's large crop of 5,589,000 long tons leads many sources to believe that no marketing problems should be encountered, and that the record-breaking crop of 1952 will be disposed of at satisfactory prices.

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### **Cuban Farm Mechanization Growing Rapidly**

Havana, November 19, 1951.—(FTS)—Cuba has expanded its farm mechanization tremendously in the last six years. From a tractor force of only 1,888 tractors in 1945, representing one machine for every 1,043 hectares of cultivated land, it has grown to 11,394 tractors, or one unit for every 173 hectares. Much of this advance is due to the work of the Department of Agriculture in teaching farmers the advantages of the tractor, as well as the saving in time and money in using machines instead of ox-plows to work the land. Where, by the old method, it would normally take a farmer six months and cost him \$562.53 to plow one "caballería" (33 acres) of land, the tractor does the job in 5½ days and costs only \$154.00. The Cuban Agricultural and Industrial Development Bank is expected to be a big factor in increasing the number of tractors in Cuba, through the financing facilities to be offered to farmers.

### **Cuban Firm to Import Grains and Meal Duty Free**

Havana, November 16, 1951.—(FTS)—A new industry, the "Cia. Avicola Ave S.A.," of Havana, is authorized to import, free from all import duties and charges, the following quantities of grains and meal: Oats, 500 long tons; wheat, 200 long tons; millet, 600 long tons; fish meal, 300 long tons; soybean meal, 2,000 long tons; alfalfa meal, 300 long tons; cottonseed meal, 500 long tons; linseed meal, 100 tons; gluten meal, 500 tons; and minerals (manganese, iron, iodine, salt and calcium), 80 long tons. All the foregoing will have to be used in the manufacture of meals and balanced feeds.

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### **Cuba Expanding Cold Storage Facilities**

Havana, November 19, 1951.—(FTS)—A considerable increase in cold storage facilities in Cuba has taken place over the past two or three years. Many projects are either under construction or under study by the National Development Commission to provide sufficient cold storage space in all the principal cities throughout the Island. The principal slaughterhouse in Havana is expanding its cold storage facilities to provide a maximum capacity of 25,000 head of cattle. Ample cold storage facilities should help to ensure availability of beef supplies all year round. In the meantime, plans are being considered for importation of fresh and jerked beef to overcome temporary periods of shortage.

## **GREECE**

### **Greek Dried Figs Export Figures Announced**

Athens, October 27, 1951.—(FTS)—The export of dried figs, from the beginning of this year's export period until October 20, amounted to 8,603 metric tons, according to a report by the Chamber of Commerce and Industry of the city of Calamata, the principal fig producing and exporting centre in Greece. Of this total, 3,470 metric tons have been exported to Germany, 3,160 to the United States, and the balance to other countries in smaller lots. The same source reports that there are 1,500 tons of dried figs at the port of Calamata, ready for shipment to Germany.

According to trade statistics of the Ministry of Trade, exports of dried figs during the calendar years 1949 and 1950 amounted to 11,394 and 10,272 metric tons, respectively.

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### **Industrial Production in Greece Shows Improvement**

Athens, October 31, 1951.—(FTS)—The index of industrial production at the end of the third quarter of this year showed a slight improvement when compared with that at the end of the second quarter, the overall index figures being 117 on June 30 and 122 on September 30, compared with the prewar year 1939 equals 100. Some industries have shown considerable and constant development, the most important being aluminum manufacture, 360 to 410; drugs and pharmaceuticals, 220 to 310; and beer brewing, 240 to 296.

On the other hand, some industries show a slight regression, such as steel from 237 to 195; rayon yarns, 513 to 495; ice refrigeration, 340 to 310; and flour milling, 105 to 95. Other industries which are still in a depressed state are showing slow but gradual improvement, such as wearing apparel, 50 to 60, and ore mining, 43 to 47.

### **Greek Agricultural Bank Seeks Approval to Buy Fertilizers Abroad**

Athens, October 30, 1951.—(FTS)—The Agricultural Bank of Greece has announced that approval has been requested from the Greek authorities to hold an adjudication for the procurement abroad of the following chemical fertilizers: ammonium sulphate, 13,000 metric tons; calcium nitrate, 12,500 metric tons; ammonium nitro-sulphate, 16,700 metric tons; calcium ammonium nitrate, 15,000 metric tons.

The call for tenders, as well as the time and other terms of the adjudication, will be released in a further notice from the bank on receipt of governmental approval.

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### **Codfish Included in Greek General Rationing System**

Athens, October 25, 1951.—(FTS)—The Central Price Control Board of the Greek Government has decided to include codfish as one of the seven commodities under the general rationing system now in force. It is estimated that 15,000 metric tons will be required annually. The procurement of 5,000 tons has already been approved at an adjudication held on October 24, 1951, by the Union of Codfish Importers. Plans are now being made to commence the rationing of codfish as from November, if possible.

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### **Greece Lifts Censorship on Outgoing Mail**

Athens, October 31, 1951.—(FTS)—In an endeavour to prevent the illegal outflow of foreign exchange from Greece through postal channels, a severe censorship was instituted in 1948. This censorship on outgoing letters, parcels and packages has now been lifted by royal decree, effective as from publication in the Government Gazette on October 25.

## **NETHERLANDS**

### **Netherlands Salt Industry Production Increased**

The Hague, November 15, 1951.—(FTS)—The Royal Netherlands Salt Industry, sole producer of salt in Holland, processed 410,000 tons of salt in 1950, a marked increase compared with former years. The higher production may be attributed to extensions and improvements of mine equipment. Of the output in 1950, 62 per cent was exported, mainly to Belgium and the Scandinavian countries. Considerable optimism has been expressed in the Netherlands salt industry regarding the findings of natural gas in the eastern sections of the country. Should the gas fields prove to be extensive, cheap fuel will be provided which, combined with salt, could form the base for further development of the Netherlands chemical industry.

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### **First International Agricultural Fair to be Held in Utrecht**

The Hague, November 20, 1951.—(FTS)—For the first time in its history the Royal Netherlands Industries Fair is organizing a distinct International Agricultural Fair at Utrecht, from May 1 to 7, 1952. In the past an agricultural section has been attached to the Utrecht Fall Industries Fair, but for a long time agricultural exhibitors have been agitating for a larger fair in the spring which would be more opportune from the standpoint of sales and which would fulfil their needs for more space.

The International Agricultural Fair will be devoted to agricultural machinery, building materials, information and transport facilities, fertilizers and feeds, nursery stock, seeds and seed potatoes. For this purpose about 10,000 square metres (nearly 2½ acres) of covered space will be available and an additional 16,000 square metres (about 4 acres) of open space. In addition there will be a special section, occupying 5,000 square metres (about 1¼ acres), devoted entirely to dairy machinery and equipment. This exhibition is regarded as a dress rehearsal for the International Dairy Industries Fair to be held in conjunction with the International Dairy Congress in The Hague in June, 1953.

For additional information application should be made to the Agrarian Section of the Royal Netherlands Industries Fair, Utrecht.

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#### **International Sugar Exhibition to be Held in Amsterdam**

The Hague, November 9, 1951.—(FTS)—An International Sugar Exhibition has been organized by the Dutch sugar and allied industries and will be held in Amsterdam from April 23 to May 4, 1952. Foreign exhibitors are invited to participate and already applications for stand space have been received from the United Kingdom, France, Belgium, Switzerland, Italy and West Germany.

The Exhibition will comprise products of the sugar processing industries and machinery, appliances and wrapping materials used in the sugar manufacturing industries. Other items of interest relating to sugar production, use, means of transportation, vocational and professional training will also be featured. For this purpose an area of 13,000 square metres is available.

Applications for entry and requests for additional information should be addressed to the Executive Committee, Marnixstraat 380, Amsterdam.

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#### **Netherlands Coal Production Has Improved Steadily**

The Hague, November 15, 1951.—(FTS)—The Netherlands supplies approximately 70 per cent of its total coal requirements from twelve mines in the province of Limburg, four of which are state-owned. Owing to the geological formation in the mining area, the coal must be taken from a great depth below the surface. In order to be able to compete successfully with coal mining operations in the surrounding countries, a high degree of mechanization is imperative. In addition, new washing processes have had to be developed in Holland to improve the quality of the coal.

Coal production has improved steadily in the postwar years. In 1950, 12·3 million tons were mined. This figure is just over one million tons less than the peak production recorded in 1938. During 1950 efforts to improve productive efficiency by further mechanization of underground and surface installations are expected to bear fruit in following years. Preparations for working new seams have begun at Hoensbroek and Schinnen.

The main type of coal produced in Netherlands mines is bituminous with a gas content of 20 per cent. Coal of this kind is well adapted for conversion into coke, large quantities of which are exported. The gases freed in the manufacture of coke are for the most part used in the nitrogen fixation plant of the State Mines for the synthetic production of nitrogenous fertilizers. The production of ammonia sulphate and nitrogenous lime amounts to 250,000 metric tons annually.

### **Rubber Foundation Opens Offices in Netherlands**

The Hague, November 1, 1951.—(FTS)—The Rubber Foundation, a non-commercial organization financed by the rubber producers in Indonesia, has opened new buildings in the city of Delft. Up-to-date laboratories and a permanent exhibition of rubber applications have made this institute of great importance, both to scientists and businessmen.

The main purpose of the Rubber Foundation is to promote sales possibilities for natural rubber. It co-operates with similar institutes in Great Britain, France and Indonesia and has branch offices in Belgium, Switzerland, Scandinavia and Western Germany. It is also intended to establish a branch office in Latin America.

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### **Manufacture of Electric Locomotives in the Netherlands**

The Hague, November 16, 1951.—(FTS)—The first of twenty-five electric locomotives has been completed by the Netherlands Railway Equipment Factory in Utrecht. The locomotives' maximum speed is about 100 miles per hour. The working speed, pulling 55 loaded freight cars, is approximately 40 miles per hour. These locomotives will be used by the Netherlands Railways.

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### **Netherlands Oil Industry Important Contributor to Economy**

The Hague, November 15, 1951.—(FTS)—One of the most amazing postwar achievements of the Netherlands has been the development of oil-fields, which now supply about 30 per cent of Holland's domestic petroleum requirements. The oil fields, which had been known to exist in the province of Drenthe and adjoining Northern German lowlands, were not developed until the Germans invaded Holland in 1940. During the war the Netherlands, under pressure from Germany, was required to develop the area but until the liberation of the Netherlands the wells produced only one cubic metre of oil per day. In 1950 over 100,000 tons of oil were produced. Important refineries were established as a result of the postwar development, which has contributed substantially to the support of the Netherlands economy.

## **SOUTH AFRICA**

### **First Gold from New South African Field Poured in October**

Johannesburg, November 21, 1951.—(FTS)—The first gold from the new field in the Orange Free State was produced on October 25. Three bars of bullion, each weighing 1,000 oz., with a total value of about £40,000, were poured at St. Helena Mine. The gold poured was from the Basal Reef which is expected to be the mainstay of the field. The work of developing this new gold producing area, which started in 1937 with geophysical prospecting and continued after the war with shaft sinking, has thus reached another stage nearer fruition.

The new Free State field is being actively developed by thirteen companies formed in the last six years. To bring these companies to production capital funds of more than £100 million will be required apart from what may be required for national services such as rail and road transport, electric power and water supply, education and other amenities necessary to an established community.

### **South Africa Doubles Imports of British Tractors**

Johannesburg, November 21, 1951.—(FTS)—South Africa has doubled her imports of British agricultural tractors and now ranks as the United Kingdom's second most important customer for this type of vehicle. In the first nine months of this year the Union imported 8,869 British tractors valued at just over £3,000,000 as compared with 4,386 tractors worth £1,381,324 imported in the same period last year.

According to the Society of Motor Manufacturers and Traders, South Africa spent just under £4,500,000 on 16,849 British motor cars imported in the first nine months of this year. This is an increase of nearly £120,000 compared with the same period last year when Britain exported 14,474 cars to South Africa.

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### **United Kingdom Largest Buyer of South African Wool**

Johannesburg, November 21, 1951.—(FTS)—During the period from July to October of this year South Africa and South-West Africa exported 140,083 bales of wool. The total comprised 115,010 bales of grease wool and 25,073 bales of scoured wool. The chief buyers were the United Kingdom, 33,743 bales; the United States, 29,494 bales; France, 22,987 bales; Italy, 18,402 bales, and Germany, 13,612 bales.

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### **South African Hosiery Industry Planning Expansion**

Johannesburg, November 21, 1951.—(FTS)—The Union at present has only one fully-fashioned hosiery factory. There are a number of factories, however, knitting socks and stockings, four of them producing the great bulk of these items—mostly of wool and wool mixtures. The local industry has in recent years produced about a quarter by value of the country's requirements. Several of the factories have big expansion plans in mind which, if carried out, will nearly double the present capacity. A new factory with considerable capacity is also being projected.

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### **South African Leather and Footwear Production Sets Record**

Johannesburg, November 21, 1951.—(FTS)—The Union's footwear industry during August produced approximately 104,000 more pairs of shoes than during the previous month, thereby reaching the record total of 1,602,000 pairs. During the period January to August of this year, the output of shoes exceeded that of the corresponding period of 1950 by approximately 1,000,000 pairs. During July the leather production of the Union was approximately 37,000 lbs. below the figure of 2,622,607 lbs. for the previous month, which, however, was considerably higher than the figure for the corresponding month of 1950.

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### **Tourism Now a Profitable Industry in South Africa**

Johannesburg, November 21, 1951.—(FTS)—The number of visitors to South Africa is steadily increasing, and the total of 43,660 in the first half of 1951 was 7,000 more than in the same period last year. From a total of 39,689 visitors in 1946 the figure has risen to the record total of 78,559 last year. Revenue from the tourist trade now totals between £10,000,000 and £12,000,000 each year, according to the Minister of Transport, "It is probably the biggest export industry after wool," he said.

### **South Africa to Have Cyclotron for Nuclear Research**

Johannesburg, November 21, 1951.—(FTS)—Work has started at the Council for Scientific and Industrial Research building for a 45-inch cyclotron. This instrument will be used for studying nuclear reactions and for producing short-lived radioactive isotopes which cannot be imported and are urgently required for research on medical, biological and agricultural problems. It is considered most suitable for training research students in the techniques of modern nuclear physics, and will be available for South African universities for this purpose.

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### **Rayon Wood Pulp to be Made in South Africa**

Johannesburg, November 21, 1951.—(FTS)—Further announcements regarding the manufacture of rayon wood pulp in the Union confirm that South Africa has entered the cellulose industry. The state-owned National Development Corporation is an equal partner with Courtaulds of Britain and Snia Viscosa of Italy in a new company registered under the name of South African Industrial Cellulose Corporation (Pty) Ltd.

Steps have been taken to secure the ownership of plantations of eucalyptus saligna, a source of cellulose. Courtaulds and Snia Viscosa will buy the output of the factory in the initial stages. Operatives and key personnel will be brought in from overseas, particularly from Italy.

## **SWEDEN**

### **Sweden Sells Prefabricated Houses to Israel**

Stockholm, November 26, 1951.—(FTS)—An agreement has recently been made for the delivery from Sweden to Israel of prefabricated wooden houses at an approximate value of 12 million kronor. One half of the payment is to be made in United States dollars and deliveries are expected to be completed within eight months.

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### **Swedish Exports Increased Greatly in September**

Stockholm, November 26, 1951.—(FTS)—Statistics for September show a heavy export increase and a considerable decrease in import deliveries, as compared with August. Export values increased to 915 million kronor—an amount only surpassed by the figures for June—while the import value remained at 756 million, the lowest amount since March. The result was that the import surplus of 83 million kronor for August was surpassed by an export surplus in September of no less than 159 million kronor.

The Swedish balance of trade with other countries has, so far, been positive only for June and September, when export surpluses of practically the same amount were achieved in both months. As was the case in June, the large September surplus was partly due to a speeding up of pulp and paper deliveries before the expected increase in export fees became effective. Exports of paper pulp in September rose by 84 million to 280 million kronor, as compared with the previous month, while deliveries of cardboard and paper increased by 25 million to 120 million kronor. In addition the export figures showed increases for iron, steel, machines, apparatus and vessels, while deliveries of wood products and iron ore have decreased. On the import side there were considerable decreases for mineral oils, textiles and automobiles.

### **Sweden Will Assemble Cars in Belgium**

Stockholm, November 26, 1951.—(FTS)—The Swedish automobile firm, Volvo, is at present constructing a new assembly plant in Belgium to which all parts except batteries are to be supplied directly from Sweden. Batteries will be of Belgian origin. The new plant is to assemble passenger cars in an effort to bring down customs and freight costs involved in shipping Volvo products into this extensive market. Previously only Volvo lorries have been assembled at the Swedish factory in Brussels.

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### **Sweden Concludes Tripartite Contract with Brazil and Italy**

Stockholm, November 26, 1951.—(FTS)—A tripartite contract has recently been concluded between Sweden, Brazil and Italy for an amount of approximately 25 million kronor. The transaction implies that Italy, for surplus kronor, purchases Brazilian coffee to be debited to Swedish account.

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### **Sweden Has Shortage of Electric Power**

Stockholm, November 26, 1951.—(FTS)—Because of the low rainfall during the autumn months, there is now a considerable shortage of electric power in Sweden. The electric generating plant in Skelleftea has been forced to decrease deliveries of electric power and as a result the electric furnace in Rönnskärs cannot be used. The old reverberatory furnace is being used instead, but a considerable decrease in the copper production has resulted. The electric lead works at Rönnskärs have also been forced to cease operations, and certain reductions in production have been made in the wood pulp industries of Byske, Klemensnäs and Burea.

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### **Sweden Is EPU Creditor**

(Editor's Note.—One krone equals \$0.2020 Canadian.)

Stockholm, November 26, 1951.—(FTS)—The EPU financial statement for October shows a substantial Swedish net surplus of not less than 422.1 million crowns, which has been received in the form of 83.7 millions in gold and United States dollars, plus an increase in the claim on EPU of 338.4 million crowns. The foreign exchange reserve continued to increase during the second week of November also, and with the increase of 67.4 millions it is now up to 2,062.2 million crowns of gold and foreign exchange.

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### **Swedish Porcelain Produced Very Cheaply**

Stockholm, November 26, 1951.—(FTS)—It is estimated that Sweden can produce porcelain cheaper than any country due to advanced technical development in the Swedish porcelain industry. The AB Karlskrona Porslinsfabrik, Karlskrona, has recently been extended and is now considered to be the largest and most modern of its kind in Europe. The extension work on this factory has taken two years and has cost many million kronor. The Karlskrona concern produces one and a half million pieces of porcelain per week, the weekly production of coffee cups alone being 120,000. One unique line manufactured, for which there is apparently quite a demand in the United States, consists of old-fashioned Swedish porcelain stoves.

## Japanese Trade With Continental China Records Serious Decline This Year

*Decrease attributed to ban placed on exports of strategic goods to China in December, 1950—Shipments amounted to \$6.5 million in January-September, 1951, 82 per cent below total exports of \$36.5 million for July-December, 1950—Imports amounted to only \$30,000, as compared with \$39.5 million during the whole of 1950.*

By W. D. Wallace, Acting Commercial Representative for Canada.

**T**OKYO.—Japan's trade with Continental China has recorded a very severe decline during the past nine months and is attributed to the ban which was placed on the exports of strategic goods to China in December, 1950. Correspondingly, there was a decrease in imports from China as the exchange of goods between the two countries had been under a barter agreement.

During January-September, 1951, Japan's exports, consisting primarily of sundry goods, agricultural and marine products, bicycles and sewing machines, amounted to \$6.5 million and were 82 per cent below the total exports of \$36.5 million for July-December, 1950. Imports from China, consisting of linseed oil and red beans, amounted to only \$30,000 as compared with imports valued at \$39.5 million for the whole of 1950.

The following table shows the value of Japan's exports to Continental China for the first nine months of 1951 as compared with the last six months of 1950:

Japanese Exports to Continental China

	July-Dec. 1950	Jan.-July 1951	July-Sept. 1951	Jan.-Sept. 1951
	('000)			
Food and beverages .....	\$ 2,802	\$ 367.6	\$ 46.7	\$ 414.3
Textile goods .....	6,021	1,672.2	207.1	1,879.3
Wood products .....	284	46.5	60.9	107.3
Animal and vegetable products .....	843	9.3	....	9.3
Oils, fats and chemicals .....	2,608	3.6	....	3.6
Non-metallic ore .....	301	19.7	6.2	25.9
Metals and metal products .....	16,012	....	....	....
Machinery .....	5,568	3,634.1	126.4	3,760.5
Miscellaneous .....	1,028	30.8	9.2	40.0
	<u>36,467</u>	<u>5,783.7</u>	<u>453.5</u>	<u>6,240.2</u>

On September 20, 1951, the Ministry of International Trade and Industry announced that certain textile products could again be exported to Continental China provided the value of the exports was to be settled by reciprocal shipment from China of coal, iron ore, soya beans, salt and other products needed by Japan. Many traders believed that this would lead to the revival of trade with Continental China. To date this has not proved to be the case as only one barter deal, textiles for salt, has been approved. There does not appear to be much hope for increased trade at the moment as Continental China wants more than textiles from Japan in return for raw materials. China would like to obtain steel materials, rolling stock and mechanical equipment and other strategic materials which cannot be exported from Japan to that country under existing conditions.

# Cessation of Meat Exports to Britain Reflected by Conditions in Uruguay

*Shipments suspended in July, 1950, to build up supplies for internal use, and recommenced towards middle of 1951—Severe shortage of sterling occurred early in 1951—High dollar balances provided by sales of wool at exceptionally high prices—Large influx of "flight" dollars encouraged by uncertain international situation.*

Prepared by the Office of the Commercial Secretary for Canada in Buenos Aires.

**B**UENOS AIRES.—Economic and commercial conditions in Uruguay during the year ended August 31, 1951, were greatly influenced by the complete cessation of frozen meat shipments to the United Kingdom in July, 1950. The suspension of meat shipments was officially designated as due to a move to build up supplies for internal use rather than, as in the case of Argentina, due to disagreement over prices. Uruguay recommenced meat shipments to the United Kingdom shortly after the understanding which resulted in the Anglo-Uruguayan Meat Agreement of June 7, 1951. This agreement provided for price increases, in types and qualities of meat similar to those established in the Anglo-Argentine meat agreement of April, 1951.

The suspension of meat shipments, on the one hand, and the heavy imports of goods paid in sterling, on the other, resulted in a severe shortage of sterling early in 1951. Consequently, imports from the sterling area, particularly under Uruguay's "sworn declaration" system, had to be curtailed drastically.

The adverse influence on foreign exchange holdings exercised by the stoppage of meat shipments to the United Kingdom was compensated in part by Uruguayan sales of wool of the 1950-51 clip to the dollar area, principally the United States, at exceptionally high prices. Early in 1951, these sales provided Uruguay with comparatively high dollar balances, which were further increased by an influx of "flight" dollars, a dollar capital movement encouraged by the uncertain international situation and, in particular, the Korean war.

## **Large Influx of Capital Follows Outbreak of Korean War**

It was estimated that after the outbreak of the latter, the equivalent of US\$30,000,000, mainly in United States currency and Swiss francs, found refuge in Uruguayan banks. This influx of capital was facilitated by Uruguayan legislation governing the entry of foreign capital, which is very liberal with respect to either gold in its pure form, securities or currency. For example, imports of gold are free of duty. The only requirement with respect to other forms of capital is that the amount of foreign exchange or gold be stated to the proper authorities. Consequently, with so simple a procedure, the smuggling of gold into the country is virtually non-existent.

As in Argentina, the 1949 drought reduced the meat yield while local consumption showed a marked increase. During the period of suspension of meat exports to the United Kingdom, Uruguay turned to other markets for some of its meats on the Continent and in Israel where the government envisages the shipment of 20,000 tons during the next three years. The result was that the government did not, and probably could not, undertake to export more than a maximum of 23,000 tons of meat to the United Kingdom during the year covered by the latest meat agreement, as opposed to the 45,000 tons mentioned in the Ninth Meat Contract of December, 1949.

The resumption of meat shipments to the United Kingdom at much better prices will provide Uruguay with a substantial amount of sterling exchange, although sterling earnings are expected to be much lower than in 1949 because of the sharply reduced exportable tonnage.

During 1950, the United States took over 50 per cent of Uruguay's total exports or nearly double that of the previous year. These purchases were chiefly wool. However, the fall in international wool prices which occurred when the larger part of last season's wool clip had been disposed of, slowed down, in marked degree, Uruguay's subsequent dollar earnings.

The favourable trade balance during 1950 was US\$53,000,000. However, the relaxations of import restrictions aimed at speeding up the stockpiling of essential goods, have been such that the favourable trade balance for the first six months of 1951 is not likely to be as high as it was in the corresponding period of 1950. However, instead of exchange Uruguay has larger stocks of goods.

The year 1951 opened with a weakening of the dollar vis-à-vis the Uruguayan peso, reflecting the strength of the latter towards the former. This trend was partly accounted for by the heavy wool movements to the dollar area, particularly to the United States, but also by the fear of a weakening dollar because of the unfavourable Korean situation. These shipments decreased notably towards the end of the second quarter of the current year, due mainly to the United States withdrawal from the wool market but also to the disposal of most of the wool clip. Consequently, the dollar began to rise and at the end of June the rate was about 2.15 pesos to the U.S. dollar. At this date the dollar has strengthened to 2.35 Uruguayan pesos because of the brighter international outlook.

#### **Tourist Trade Declined as Exchange Rates Unfavourable**

Tourist trade, one of Uruguay's main contributors of foreign exchange, followed a downward trend this year, especially from Argentina, because of the unfavourable rates of exchange for tourists. Furthermore, Uruguayans profited from their peso's strong value to spend holidays abroad decreasing thereby the country's holdings of various foreign currencies, including dollars.

The purchase by the Uruguayan Government of the Montevideo Waterworks Co. Ltd. was completed at the end of January, 1950. This was the third of the British-owned public services acquired by the State, following the railways and tramways system. The price paid amounted to £3,182,471 or 19,135,502 Uruguayan pesos. This will be financed by an internal bond issue of 20,000,000 pesos.

The memorandum covering Uruguay's economic status during 1950, published by the Ministry of Finance, considers that the country enjoyed a fair economic position. Prices of imported products increased quite sharply but compensating price increases of the country's export commodities have also taken place. Due to the suppression of the "prior" import permit requirement, the country stocked up on raw materials essential to the operations of domestic industry which is fairly well supplied for the time being.

Uruguay's economic welfare and progress in the coming year as in the past will continue to depend mostly on the expansion of its pastoral industries. It is perhaps for this purpose that Uruguay, one of the world's four or five leading exporters of wool and meat products, plans an expansion of its farm economy. Steps to realize this were initiated when the Uruguayan Government requested and obtained a program for the development of agricultural resources. This program is contained in a report

published last July by a joint mission of the International Bank for Reconstruction and Development and the Food and Agriculture Organization of the United Nations.

## Trade and Tariff Regulations

### Import of Sacks into Costa Rica Regulated

Guatemala City, December 7, 1951.—(FTS)—A Costa Rican decree of October 27, 1951, prohibits the importation of bags or other containers which have been used to hold coffee and also the importation of agricultural products in other than brand new bags.

The importation of used bags or containers which have not been used to pack coffee may be permitted if the following requirements are complied with: (a) presentation of a certificate issued by a competent authority in the country of origin certifying that the bags have been fumigated; (b) when they have been re-fumigated under the supervision of the Costa Rican Ministry of Finance; (c) when the importer gives sufficient assurance that the bags will not be used for packing coffee.

### United States Tariff Concessions to China Withdrawn

Washington, December 1, 1951.—(FTS)—The President issued a proclamation on November 26 withdrawing as of January 26, 1952, further tariff concessions originally negotiated by the United States with China at Geneva in 1947. China withdrew from GATT in May, 1950, at which time most of the tariff concessions negotiated with that country were withdrawn. The tariff concessions now withdrawn include:

Par. No.	Agreement Rate	New Rate effective Jan. 26, 1952
54 Soybean oil.....	3c. per lb. but not less than 22½% ad val.	3½c. per lb. but not less than 45% ad val.
712 Whole chickens in air-tight containers.....	5c. per lb.....	10c. per lb.
718a Fish, prepared or preserved in any manner, when packed in oil or in oil and other substances (except sardines, anchovies, tuna, antipasto, bonito, yellowtail, and smoked pollock):		
Valued at not over 9 cents per pound.....	22% ad val.	44% ad val.
Valued at over 9 cents per pound.....	15% ad val.	30% ad val.
721e Oysters, oyster juice, or either in combination with other substances, packed in airtight containers.....	4c. per lb. including weight of immediate container.	8c. per lb. including weight of immediate container.
730 Soybean oil cake and oil cake meal.....	3/20c. per lb.	3/10c. per lb.
917 Gloves or mittens, knit or crocheted, of cotton or other vegetable fibre.....	30% ad val.	45% ad val.
1114b Gloves and mittens, of wool, valued at not more than \$1.75 per dozen pairs.....	30c. per lb. and 17½% ad val.	40c. per lb. and 35% ad val.

The proclamation also makes an adjustment with respect to the rate of duty applicable to eviscerated chickens. On January 26, 1952, the rate of duty on this item will be 5 cents per pound as compared with the present rate of 10 cents per pound.

Previous to the withdrawal of the above concessions representations were made to the United States to maintain the concession rates on these items in which Canada has an interest in the trade. The United States has now accepted the Canadian point of view with regard to eviscerated chickens. In other of the Chinese items, however, such as soybean oil and oil-cake, the United States is not prepared to grant the concessions to Canada in her own right.

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#### **Japanese Government Overseas Agency Establishes Ottawa Office**

The Japanese Government Overseas Agency has established a permanent office in Ottawa in Room 701, Metcalfe Building, 88 Metcalfe Street. The telephone number is 3-6214.

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#### **Portuguese Railways to Receive Government Loan**

(Editor's Note.—One conto equals \$36.1 Canadian.)

Lisbon, November 15, 1951.—(FTS)—With the exception of the Lisbon-Cascais electric railway, all the railways in Portugal have for some years been operated by a single concessionaire, the Companhia Portuguesa dos Caminhos de Ferro, and the C.P., as it is popularly denominated, has had to face constantly growing deficits. Total receipts have fallen from 772,700 contos in 1947 to 597,000 contos in 1950, and the deficit increased from 25,000 contos in 1947 to 70,000 contos in 1949. Causes of this deficit may be traced, at least in part, to heavy taxation, inadequate and obsolete equipment and to the growing use of automotive vehicles. In 1938 there were 36,400 passenger cars registered and in 1950, 63,500, while in 1938 there were 10,000 trucks which had increased in 1950 to 25,500.

The government is therefore taking steps to alleviate the position of the C.P. A loan of 325,000 contos was granted to enable it to set its finances in order. The taxes on the roads under the direction of the C.P. have been decreased, and taxes on commercial motor vehicles with an operating radius of 50 kilometres or more have been increased. Rolling stock is being improved and diesel electrical equipment is now being introduced. It is anticipated that in the near future the sum of 135,000 contos will be used for purchasing more equipment.

The taxes on the railways and on road transport have, to a great extent, been absorbed into the national revenue. Now, however, it is intended that a greater part of this revenue will go to the newly created Special Fund for Land Transport which will be available to the C.P. to cover the deficits which clearly must continue for some years to come.

#### **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, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, 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 Dec. 3	Nominal Quotations Dec. 10
Argentina.....	Peso.....	Off. Free Export	-.2977	-.2078	-.2039
			-.2085	-.0722	-.0710
Austria.....	Schilling.....			-.0486	-.0477
Australia.....	Pound.....		3.2240	2.3260	2.2825
Belgium and Belgian Congo.....	Franc.....		-.0228	-.0206	-.0202
Bolivia.....	Boliviano.....		-.0238	-.0173	-.0170
British West Indies (Except Jamaica).....	Dollar.....		-.8396	-.6059	-.5946
Brazil.....	Cruzeiro.....		-.0544	-.0561	-.0551
Burma.....	Rupee.....		-.3022		
Ceylon.....	Rupee.....			-.2181	-.2141
Chile.....	Peso.....		-.0233	-.0110	-.0108
Colombia.....	Peso.....		-.5128	-.4155	-.4078
Costa Rica.....	Colon.....		-.1800	-.1854	-.1820
Cuba.....	Peso.....		1.0000	1.0387	1.0194
Czechoslovakia.....	Koruna.....		-.0200	-.0208	-.0204
Denmark.....	Krone.....		-.2084	-.1504	-.1476
Dominican Republic.....	Peso.....		1.0000	1.0387	1.0194
Ecuador.....	Sucre.....		-.0740	-.0685	-.0673
Egypt.....	Pound.....		4.1330	2.9828	2.9272
El Salvador.....	Colon.....		-.4000	-.4155	-.4078
Fiji.....	Pound.....		3.6306	2.6203	2.5714
Finland.....	Markka.....		-.0062	-.0045	-.0044
France, Monaco and French North Africa.....	Franc.....		-.0037	-.0029	-.0029
French Empire—African.....	Franc.....		-.0073	-.0059	-.0058
French Pacific Possessions.....	Franc.....		-.0201	-.0164	-.0161
Germany.....	Deutsche Mark.....		-.3000	-.2473	-.2427
Guatemala.....	Quetzal.....		1.0000	1.0387	1.0194
Haiti.....	Gourde.....		-.2000	-.2078	-.2039
Honduras.....	Lempira.....		-.5000	-.5194	-.5097
Hong Kong.....	Dollar.....		-.2519	-.1818	-.1784
Iceland.....	Krona.....		-.1541	-.0638	-.0626
India.....	Rupee.....		-.3022	-.2181	-.2141
Iran.....	Rial.....		-.0212		
Iraq.....	Dinar.....		4.0300	2.9075	2.8531
Ireland.....	Pound.....		4.0300	2.9075	2.8531
Israel.....	Pound.....		3.0000	2.9075	2.8531
Italy.....	Lira.....		-.0017	-.0016	-.0016
Jamaica.....	Pound.....		4.0300	2.9075	2.8531
Japan.....	Yen.....		-.0028		
Lebanon.....	Piastre.....		-.4561		
Mexico.....	Peso.....		-.1157	-.1201	-.1178
Netherlands.....	Florin.....		-.3769	-.2734	-.2683
Netherlands Antilles.....	Florin.....		-.5308	-.5538	-.5405
New Zealand.....	Pound.....		4.0150	2.9075	2.8531
Nicaragua.....	Cordoba.....		-.2000	-.2078	-.2039
Norway.....	Krone.....		-.2015	-.1454	-.1427
Pakistan.....	Rupee.....		-.3022	-.3140	-.3081
Panama.....	Balboa.....		1.0000	1.0387	1.0194
Paraguay.....	Guarani.....		-.3200		
Peru.....	Sol.....		-.1538	-.0651	-.0639
Philippines.....	Peso.....		-.4975	-.5194	-.5097
Portugal and Colonies.....	Escudo.....		-.0400	-.0360	-.0353
Singapore.....	Straits Dollar.....		-.4702	-.3393	-.3330
Spain and Colonies.....	Peseta.....		-.0916	-.0953	-.0936
Sweden.....	Krona.....		-.2783	-.2008	-.1970
Switzerland.....	Franc.....		-.2336	-.2378	-.2338
Thailand.....	Baht.....		-.1000		
Turkey.....	Lira.....		-.3571	-.3710	-.3641
Union of South Africa.....	Pound.....		4.0300	2.9075	2.8531
United Kingdom.....	Pound.....		4.0300	2.9075	2.8531
United States.....	Dollar.....		1.0000	1.0387	1.0193
Uruguay.....	Peso.....		-.6583	-.6838	-.6711
Venezuela.....	Bolivar.....		-.2985	-.3101	-.3043
Yugoslavia.....	Dinar.....		-.0200		

\* September 17, 1949.