



foreign trade

OL. II OTTAWA, JANUARY 5, 1952. NO. 262

CANADA	
Fisheries are a Valuable Asset	2
GREAT BRITAIN	
Private Traders May Now Import Softwoods	8
PORTUGAL	
Balance of Trade Improved in 1951	11
SWEDEN	
Steady Improvement in Economic Position	14
TRADE NOTES	
Hong Kong	15
Israel	16
New Zealand	17
Scotland	19
South Africa	20
URUGUAY	
New Foreign Trade Record Established	22
NETHERLANDS	
Fishing Industry Needs Export Markets	25
TRADE COMMISSIONERS ON TOUR	26
TRADE AND TARIFF REGULATIONS	27
FOREIGN EXCHANGE QUOTATIONS	28

COVER . . . Seine fishing is one of the common methods of harvesting one of Canada's oldest industries. This country's coastal and inland waters, teeming with many varieties of fish, provide employment for many persons the year round as well as a major item of export trade.

National Film Board Photo

Published weekly by the Foreign Trade Service, Department of Trade and Commerce, under authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Price: 10 cents per copy. Subscriptions: \$1.00 in Canada and \$3.50 abroad. All subscriptions and orders should be forwarded to the King's Printer, Government Printing Bureau, Ottawa.

The Fisheries of Canada

A Valuable Asset

By T. R. Kinsella, Agriculture and Fisheries Branch,
Department of Trade and Commerce.

CANADIAN fish exports in 1950, including those from the province of Newfoundland were valued at \$118.5 million compared with shipments in the previous year of \$106.1 million. The main outlet was the United States, which accounts for roughly 70 per cent of the value of all fisheries exports. However, the products produced in Canada are known world wide since in normal times, shipments are made to almost every country in the globe.

There are other countries which possibly export larger quantities of fish. Canada, however, through its high ratio of preferred products, such as Atlantic lobster and Pacific salmon, leads all others as the nation getting the most returns from abroad for its fisheries products.

Canada's production of fish has recently increased, and it is estimated that Canada ranks sixth in the list of world fish producers with the entry of Newfoundland into Confederation. In the prewar period, Canada ranked tenth, with an annual production of 1.0 billion pounds. The catch of fish by Newfoundland in 1950 amounted to about 549 million pounds with a marketed value of \$29 million, while the total mainland landings reached 1.577 billion pounds and the marketed value was \$151 million. Thus, the addition of the famed Newfoundland fisheries to the former Canadian catch now means a yearly crop fluctuating between 1.8 to 2.1 billion pounds.

The Early Fisheries

Fishing is one of the earliest and most historic industries in Canada. Leaving aside inconclusive evidence in favour of authentic record, one must ascribe to John Cabot the honour of having discovered in 1497, the cod banks of Newfoundland, when he first sighted the mainland of North America. He reported that the seas were so covered with fish that they could be caught "with baskets, a stone being attached to make the basket sink in the water". Cape Breton, one of the oldest place-names on the American continent, is a memorial of the early French fishermen, with the Spaniards and the Portuguese but little behind. It is mentioned that all three were frequenters of the "Grand Banks" before 1502. The fishing was by hand lines over barrels made fast to the bulwarks to prevent fouling, the vessels remaining during fine weather, then returning to France with from 30,000 to 50,000 cod. Voyages along the coast soon showed the cod as plentiful inshore as on the outer banks, and it became common for a crew to anchor in a bay, to erect a hut on shore, and make daily excursions to the fishing grounds. The products were salted and dried on land and at the end of the season shipped to France. Jacques Cartier, when he sailed up the St. Lawrence in 1534, found traces everywhere of these early "Captains Courageous" and of their rivalries in arms

no less than in the capture of the teeming product which had tempted them so far from home. An establishment of the kind mentioned was founded at Tadoussac by Chauvin in 1599. Soon the fishermen began to stay all winter and to erect permanent fishing settlements. The first grant of the fisheries of Canada was made by the King of France to de Monts in 1603. Fishing, therefore, may well be regarded as the first industry to be systematically prosecuted by Europeans in what is today the Dominion of Canada. It has never since ceased to yield a perennial harvest.

The Canadian Fishing Grounds Are Extensive

Canada's fishing grounds are perhaps the most extensive in the world. On the Atlantic, from Grand Manan to beyond Labrador, the coast line, not including the lesser bays and indentations, measures over 5,000 miles. The Bay of Fundy, 8,000 square miles in extent, the Gulf of St. Lawrence, fully ten times that size, and other ocean waters comprise not less than 200,000 square miles, or over four-fifths of the area of the fishing grounds of the North Atlantic. In addition, there are on the Atlantic seaboard over 15,000 square miles of inshore waters controlled entirely by the Dominion. Large as are these areas, they represent only a part of the fishing grounds of Canada. The Pacific coast of the Dominion measures 7,180 miles in length and is exceptionally well sheltered. Throughout the interior is a series of lakes, which together contain more than half the world's fresh water, Canada's share of the Great Lakes alone amounting to over 34,000 square miles. This does not include Lake Winnipeg (9,457 square miles), Lake Manitoba, and others of even greater area.

Still more important than the extent of the Canadian fishing grounds is the quality of their product. It is an axiom among authorities that food fishes improve in proportion to the purity and coldness of the waters in which they are taken. Judged by this standard, the Canadian salmon, cod, halibut, herring, mackerel, and whitefish are equal to the best in the world. It is possible, therefore, to state that the most valuable fisheries of the western hemisphere, if not of the globe, belong to Canada. Omitting Hudson Bay and the peri-Arctic region, which extends from Ungava to Alaska, the following comprise the Canadian fisheries.

Atlantic Coast Fisheries

The Atlantic coast fisheries were the first Canadian fisheries in point of time, and until 1918 they remained the most important for aggregate value of product. Cod, halibut, haddock, herring, mackerel, smelt, sardine, swordfish, salmon, lobster and oyster fisheries are included. Conditions are fairly uniform throughout these fisheries, which are commonly divided into the inshore and deep-sea fisheries. The inshore or coastal fishery is carried on in small boats, usually motor driven, with crews of two or three men, and in a class of small vessels with crews of from four to seven men. The means of capture employed by boat fishermen are gill nets and hooks and lines, both hand lines and trawls; whilst from shore are operated trap nets, haul seines, and weirs.

The deep-sea fishery is often called the "banks" fishery, because it is largely carried on in waters which cover those "banks" or upland and hill portions of the ocean bottom that are found between the outer edge of the shore fishery area and the deep waters of the Atlantic. The main

"banks" range from the Grand Bank, southward of Newfoundland, to Georges Bank, off the southwestern coast of Nova Scotia. Twelve of them have a combined area of nearly 70,000 square miles. A number of smaller "banks" are also fished by Canadian fishermen.

Deep-sea fishing schooners are sturdy craft, equipped with both sails and engine power, which are capable of withstanding stormy weather. They range in size from vessels of 70 tons to those of more than 125 tons, and they carry crews of from 14 to 25.

Fishing in deep-sea waters is also carried on to some extent by otter trawlers—really steam vessels which operate by dragging "trawls" or specially constructed strong bag-like nets, through the water behind them. Steam-trawling or otter trawling is done by steam vessels of from 250 tons to over 350 tons.

The marketed value of the Atlantic coast fishery in 1950 was \$94,-500,000, whilst the catch amounted to approximately 1.283 billion pounds.

A large part of the Atlantic sea catch is marketed in fresh and frozen form in Canada and the United States, with some shipments going also to Europe. During the war years, large quantities of Atlantic frozen fish and substantial shipments from British Columbia were sent to the United Kingdom. Marketing of frozen fish has increased greatly in comparatively recent years, due in part to the development of a mechanical process known as "rapid freezing". Fish frozen by this process will keep fresh for months, if properly handled, without losing any of the flavour and the firmness of tissue which characterizes it when fresh from the water. Numerous kinds of fresh and frozen fish alike are marketed both "in the round" or, in other words, as whole fish, and as fillets, which are slices cut from the fish in such a way as to be virtually free from bones.

Large quantities of Atlantic cod, haddock, hake, cusk, and pollock are put up for market as "dried salt fish". There is a large trade in dried fish with the British West Indies, Puerto Rico, Cuba, Portugal, Italy, and other countries. Atlantic fish is also used for pickling and smoking, being marketed as smoked fillets of cod, haddock, finnan haddie, smoked herring, pickled alewives, herring and mackerel.

Although lobster packing is the major branch of the fish canning industry in the East Coast provinces, in point of value of output, there is also a very large production of canned sardines, mostly in New Brunswick. Among other important branches of canning are the processing of herring, mackerel, clams, chicken haddie and "flake-fish".

Fish livers, medicinal cod liver oil, some other fish oils, fish meal, fish glue, fish fertilizer and herring scales are among the by-products of Atlantic fishery operations. Large quantities of certain varieties of fish are used for bait in commercial fishing and some use is made of waste fish for fertilizing fields.

It should also be mentioned that considerable quantities of whale and seal oil are processed in Newfoundland.

Pacific Coast Fisheries

Salmon are first in importance among Canada's Pacific coast fish and are the chief factor in placing British Columbia in top position among the ten provinces, so far as the value of fisheries production is concerned. Other major species taken by British Columbia fishermen include, in

alphabetical order, grayfish or dogfish, halibut, herring, and pilchards. Among others of substantial importance are clams, crabs, lingcod, oysters, sharks, and whales. All of the species named, except grayfish, sharks and whales, are used for food purposes, though some of them also enter into the manufacture of fish meal and oil. The grayfish are turned into meal and industrial oil, and vitamin oil in large and valuable volume is produced from their livers. Shark livers are also sources of vitamin oil. Meal, industrial oil, and fertilizer are produced from the whale landings. A number of minor species, in addition to those already named, come into the British Columbia catch. In the 1937-39 period, the Pacific catch had an average annual value of \$17,500,000, and in 1950 the marketed value reached \$68,800,000. The importance of salmon in the Pacific fisheries is emphasized by the fact that the average annual return from the salmon fishery in 1937-39 exceeded \$13,100,000 and in 1950 it was over \$48,700,000.

Most of the Pacific Coast salmon catch is used for canning. In 1941 a record pack of 2,248,870 cases (48-pound cases) was produced by the canneries from the year's catch, but cannery output fluctuates more or less from year to year. Many of the fish are also sent to the fresh and frozen fish markets, some are mild cured, a few smoked or pickled. In normal times, some dry salting of salmon is also carried on. Waste from salmon processing operations is used to some extent in the manufacture of meal and oil and some livers go into the production of vitamin oil.

The catches are made by means of gill-nets, purse seines, trolls, traps and drag seines.

Under normal conditions, British Columbia canned salmon goes to many parts of the world, the main markets being Great Britain, South Africa, Australia, New Zealand, Belgium and France. However, the critical currency situation is presently curtailing shipments.

In the prewar period, the bulk of the Pacific herring catch was used in preparing dry salted fish for export to the Orient and in making fish meal and oil. Following the outbreak of war, the canning operations were expanded enormously as Britain's food needs became more urgent. The remarkable expansion which took place in cannery operations is sufficiently indicated by the fact that in 1938 the British Columbia pack of canned fresh herring was less than 23,500 cases, while in 1942 it exceeded 1,537,000 cases. However, with the decline in the demand for this commodity after the war, the main production of herring was changed to fish meal and oil. The 1950-51 pack of canned herring was 117,000 cases, while production of meal amounted to 31,349 tons, most of which was sold either in the United States or in the domestic market. The output of herring oil from that season's production amounted to over 3,250,000 gallons. This was also sold chiefly in the United States and Canada.

Practically all the Pacific landings of herring are made by means of purse seines, which are similar in design to the salmon purse seines, though the mesh of the herring seine is smaller.

British Columbia is fortunate in being close to the world's greatest halibut fishing grounds. The various areas in this fishery yield up to 60 per cent of the world's annual halibut catch. United States vessels share in it, but the Canadians make large landings, in some years amounting to more than 18 million pounds.

Pacific halibut fishing is done with "long lines", set from power vessels, each line carrying a large number of hooks. The vessels range from 40 feet to 80 feet in length and may remain on the grounds for as long as two weeks at a time, keeping the catch in good condition by icing. Virtually all of the fish are marketed either fresh or frozen. The bulk of the catch is sold in Canada and the United States, though shipments have been made to the United Kingdom. Halibut livers have taken on value since the discovery some years ago that the oil extracted from them is rich in vitamin content (A and D). Vitamin oil is also produced from halibut viscera.

Not so many years ago, grayfish or dogfish were regarded as only a nuisance because of the damage they did to some kinds of fishing gear and their appetite for commercial fish. Then they took on some value when it was found that they could be satisfactorily used as raw material for the reduction plants producing fish meal and industrial fish oil. Later on, only a few years ago, scientific research revealed that the livers of the Pacific grayfish contain vitamin A. In consequence, the once-despised creature became one of the important fish of British Columbia.

Fresh-water commercial fishing is carried on principally in Ontario, the Prairie Provinces of Manitoba, Saskatchewan and Alberta, and Quebec, but there are also small-scale operations in New Brunswick, and the Yukon. There are many fish-containing waters in the Northwest Territories, but commercial exploitation of them has so far been limited to Great Slave Lake.

Total marketed value of the inland or fresh-water catch averaged \$6,600,000 in the 1937-39 period, and \$15,024,800 in 1949. Ontario usually accounts for something under half of the total value, with Manitoba ranking second.

The chief kinds of fish taken in Ontario are lake trout, whitefish, herring, pickerel, pike, and sturgeon. Virtually all fishing is done

Canadian Exports of Fishery Products

Values to Principal Destinations

	1949	1950
	('000)	
TOTAL	\$106,147	\$118,554
United States	67,223	80,923
CARIBBEAN AREA	16,389	15,007
British Caribbean	6,381	4,128
British Guiana	453	356
Barbados	705	542
Jamaica	3,167	2,216
Trinidad and Tobago	1,227	447
Leeward and Windward Islands	702	462
Other Caribbean	10,008	10,879
Cuba	2,806	3,025
Dominican Republic	879	1,190
Haiti	583	964
Panama	356	357
Puerto Rico	4,614	4,795
EUROPE	17,897	20,004
United Kingdom	8,225	5,381
Belgium and Luxembourg	3,057	5,374
Italy	2,354	2,890
Netherlands	82	926
Portugal	1,837	4,068
Switzerland	147	336
REST OF THE WORLD	4,636	2,620
Other Commonwealth	1,414	876
Malaya	142	347
Hong Kong	478	390
Other Countries	3,222	1,744
Belgian Congo	192	369
Brazil	2,142	496

with nets. Whitefish leads among fish of the Prairie Provinces, so far as the marketed value of the annual catch is concerned. The other principal species taken in all three provinces are pickerel, pike, tullibee, saugers and perch. Whitefish and lake trout are of course the principal species taken in Great Slave Lake N.W.T.—and this fishery is becoming an important producing centre.

The main markets for fresh-water fish, which is processed in fresh, frozen and smoked forms, are in the Dominion and the United States.

Canadian Trade Commissioners in all parts of the globe, through head office in Ottawa, furnish the industry with information on developments in their respective territories, in particular, the fancies and tastes of the populations in the various markets. In this way, the industry—which lands something like 2 billion pounds of fish each year—may continue to supply the fish consuming nations throughout the length and breadth of the world with the products they desire.

While Canada is the principal exporter of fish in the world, it also imports substantial quantities of specialty packs and other types of fishery products from such countries as—

United Kingdom	Portugal	United States
Norway	Morocco	Mexico
Sweden	Italy	Venezuela
Netherlands	Poland	Ecuador
Denmark	New Zealand	Peru
France	Australia	Hong Kong
Spain	South Africa	Japan

Imports of fish and fish products from these countries into Canada during 1950 reached \$4·8 million—and in 1949 they were \$5·6 million.

It is realized that international trade is a two-way street—and the Fisheries Section, Foreign Trade Service, Department of Trade and Commerce, together with officials in the field, make every effort to foster trade between Canadian importers and suppliers in the other fish producing countries.

Since 1867, the federal fishery authorities by their protective activities have helped to conserve the great natural resources on which the Canadian fishing industry is based. In accordance with legislation, the Federal Department of Fisheries regulates the catch of many species of fish by closed seasons, size limits, closed areas, gear limitations, and licensing. A staff of field officers and guardians, as well as protection vessels and patrol boats, is employed to supervise the application of conservation measures.

The government is equally concerned in counteracting developments that might decrease fish populations and in assisting actively in maintaining and developing runs by fish culture. The Inspection Services of the Department of Fisheries, operated partly on a voluntary and partly on a compulsory basis, help the fishing industry to maintain a high standard of quality and facilitates the marketing of fishery products by proper grading.

The Fisheries Research Board has charge of all federal fishery research stations in Canada, and conducts and controls investigations of practical and economic problems connected with marine and fresh-water fisheries.

Imports of Softwoods by Private Traders From All Sources Permitted by Britain

By R. D. Roe, Commercial Secretary for Canada (Timber).

LONDON.—Effective January 1, 1952, private traders in the United Kingdom will be permitted to import softwoods from all sources. Timber Control, which has been transferred from the Board of Trade to the Ministry of Materials, will take delivery of the balance of its existing contracts, but will not place any more. It is the present intention to allow importers freedom in choosing the sources from which they buy, within the global limit on imports.

Total imports of softwoods during 1952, including balances of public and private contracts, will be limited to an amount necessary to maintain the present rate of consumption, and to provide commercial stocks of about 400,000 standards at December 31, 1952. If it is decided to increase the strategic reserve in 1952, the total imports will be correspondingly increased. The stocks already forming the strategic reserve will not be disposed of without prior consultation with the trade.

The amount of softwoods to be imported privately by the trade during 1952 is estimated on the basis of the preceding paragraph to be about 600,000 standards, including any shipments under existing private contracts which have not arrived in 1951.

Against the estimated 600,000 standards, quotas in the form of import licences, valid until December 31, 1952, for an initial total quantity of 350,000 standards of softwoods will be issued as soon as possible. Timber Control will not recommend the granting of import licences for softwoods in excess of the applicant's quota, until a further notice has been issued about the method of dealing with the quantity remaining to be privately imported during 1952, concerning which no decision has yet been taken. The Ministry of Materials can give no undertaking as to the conditions under which the importation of this remaining quantity will be permitted.

Quotas Given in Proportion to Sum of Purchases

After consultation with the Softwood Decontrol Committee of the Timber Trade Federation, it has been agreed that quotas totalling 350,000 standards will be given to persons or firms in proportion to the sum of the quantity of softwoods which they have purchased at first hand from overseas shippers, and which has arrived during the period January-November, 1951, and the quantity which they have purchased from National Softwood Brokers, Limited, under the present scheme up to the end of November, 1951. The information necessary for these calculations is already in the possession of the Timber Control, and no applications for quotas should be made. Persons or firms who qualify will be advised not later than December 21 of the amount of their quotas and sent form ILB/A (Revised)—Application for Import Licence—together with instructions for completion of the form which must be sent in the first instance to the Ministry of Materials, Timber Control, Department IIX/8, Room 344, Lacon House, Theobalds Road, London, W.C.1.

After verification, these applications will be passed to the Import Licensing Branch of the Board of Trade, which will then issue to the

applicant a specific import licence, valid during 1952, for the importation of the approved quantity from any country.

In those cases where an applicant intends to import through a number of separate ports in the United Kingdom, the applicant may apply for his quota to be divided into convenient quantities for which separate import licences will be issued. This arrangement will enable a licensee to present specific import licences for goods arriving simultaneously at more than one port, thus obviating delay in making the customs entry and obtaining clearance of the goods. Requests for multiple licences should be made on receipt of Form ILB/A (Revised). The number of forms appropriate to the number of licences required must then be completed.

Specific Import Licence Required for Customs Entry

It will be understood that the specific import licence must be produced to the customs with the customs entry for each consignment. In cases of re-sales on c.i.f. and c. & f. terms (unless the second-hand buyer himself holds a specific import licence and elects to enter the goods under that licence) it will be necessary for the licensee to lodge with the customs at one time all the entries appropriate to a particular shipment both for himself and for all his second-hand buyers so as to enable the quantities imported to be marked off against the licence. In such cases contracts of re-sale should be claused to the effect that the goods will be imported under specific import licence No. (quoting the number of the seller's import licence) and that the second-hand buyers will arrange for the completed forms of entry to be available to the licensee for lodgment with the Customs. Unless this is done, clearance of the goods for the second-hand buyers may be delayed and additional costs incurred.

The procedure involving the issue and lodging of import certificates for presentation with entries of softwood purchases through National Softwood Brokers, Limited will continue.

It is proposed that on and after January 1, 1952, imports under Timber Control's contracts not required for strategic reserve stock will be offered to the trade on similar lines to those now obtaining under phase I of the Procedure for the Sale of Softwood from Non-permitted Countries, including the system of reservation notes. They will continue to be sold by National Softwood Brokers, Limited to signifiers only. Such purchases will not be set off against the buyer's quota but, as indicated in the preceding paragraph, will be imported as hitherto on the authority of an import certificate issued by National Softwood Brokers, Limited on behalf of Timber Control. They will thus be additional to the 600,000 standards.

It will be recognized that a portion of Timber Control's contracts provides for special requirements and it remains to be considered what method should be adopted to avoid the obviously undesirable duplication of purchases for these requirements.

The present licensing regulations will continue in force, both as concerns acquisitions by importers and merchants of material situated in the United Kingdom and acquisition and consumption by consumers. It has, however, been agreed that from January 1, 1952, allocations to licence-issuing departments will be for six months instead of three.

The Minister of Materials has personally informed the Softwood Decontrol Committee of the Timber Trade Federation that this is not to be construed as a relaxation of the control over consumption, which will continue to be strictly enforced. Traders are also reminded that it is a contravention of the Timber Control orders to supply softwood to a buyer not in possession of the requisite licence. The Minister emphasizes that, where he receives evidence of unlicensed supply or consumption of softwood, he will take a serious view of the case.

The statutory directions issued to the trade which call for the rendering of returns remain in force.

Timber Control will continue to furnish the Timber Trade Federation with monthly statements of purchases, arrivals and stocks.

R. G. Hunt Appointed to Export Credits Insurance Corp. in Toronto

Reginald George Hunt has been appointed Toronto Branch Manager of the Export Credits Insurance Corporation, effective January 1, 1952. Mr. Hunt has been Credits Officer of the Corporation in Ottawa since 1945. He was born in Montreal in 1918 and attended Sir George Williams College. After being employed by Dun & Bradstreet for six years, he joined the R.C.A.F. in 1941 and was awarded the Distinguished Flying Cross. Mr. Hunt is a member of the Canadian Credit Institute and holds the M.C.I. degree.

Great Northern Railway to be Operated by Irish Governments

Dublin, October 31, 1951.—(FTS)—After lengthy negotiations, agreement in principle has been reached between the Government of Northern Ireland and the Government of the Republic of Ireland on the joint acquisition and future administration of the Great Northern Railway (Ireland) which operates between Dublin and Belfast.

The cost of acquiring the railway from its shareholders is expected to exceed £3,900,000. The public have been warned to disregard the unofficial rumours that it will be as much as £4,500,000. Whatever the final figure may be, it is to be borne by the two governments in equal shares. An offer of £3,900,000 was rejected by the shareholders. In general, profits or losses on future operations are to accrue to or become the responsibility of the government in the area in which they occur. Fixed assets in each area will be vested in the government for that area, except for the workshops at Dundalk, which are to be the main workshops for the whole system. All the other assets (including the Dundalk workshops) and the obligations will be transferred to a joint board, on which each government would be equally represented, and which would operate the railway as a whole.

It is the intention of the Government of Northern Ireland to designate the Ulster Transport Authority for all purposes connected with the railway. The Republic of Ireland has not yet designated its representation, but it is generally assumed that Coras Iompair Eireann (Irish Transport Company), the entity which operates all other rail and bus transport in the Republic, will be named.

Current interim financial assistance to enable the railway to operate in the face of its present difficulties, will be borne in the ratio of 60 per cent by the Government of Northern Ireland and the balance by the Republic of Ireland.

Portugal's Balance of Trade Improved During Past Year

Exports have increased both in value and volume—Imports have decreased in volume, although value has increased slightly—Internally, business in general has been sluggish—ECA financial assistance no longer considered necessary.

By Lester S. Glass, Canadian Government Trade Commissioner.

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

LISBON.—Steadily improving external economic conditions but continuing stagnancy internally, are features of Portugal's economic and trade conditions, during the first six months of 1951. Externally, Portugal has succeeded in increasing her exports both in value and in volume, while imports, particularly from the dollar zone, have decreased in volume although there has been a slight increase in value. The increased value of exports, however, has more than offset the increase in the value of imports and Portugal has managed to bring her international payments position more nearly in balance. Portugal's position with the EPU continues to be strongly on the credit side. It has been decided that this country has advanced so far towards recovery in her international position that ECA funds are no longer necessary.

The internal aspect is that, while there has been a steady development of new industries, of hydro electric projects, cultivation of new lands, improvement in transportation facilities and the continuation of the government's long term projects of construction, business in general has been, to say the least, sluggish.

High Prices Deter Buyers

The international situation, besides being responsible for the high price and short supply of essential raw materials for local industry, has also created a very strong disinclination to risk capital, and the ordinary buyer has refrained from purchasing at present high prices and is waiting for what must be an inevitable reduction in prices.

The death of Marshal Carmona, President of the Portuguese Republic, was not without its reaction on the commercial and industrial life of the country. Marshal Carmona had been at the head of the state for twenty-six years and his death and the prospect of a general election, the outcome of which might have far-reaching effects, injected a further depressing note into the general outlook. Even though the elections are now over and General Craveiro Lopes was elected practically without incident, there will continue a state of uncertainty until he is firmly established in his new office.

Import Volume Decreased But Exports Were Higher

For the five months ending May 31, 1951, total imports from all sources were valued at 3.4 million contos and exports to all destinations at 2.8 million contos, giving an unfavourable balance of 619,337 contos, as compared with the similar period in 1950 when imports were valued at 3.3 million contos and exports at 1.7 million contos, giving an unfavourable balance of 1.6 million contos. The volume of imports decreased

from 1.3 million tons to 1.2 million tons, reflecting a general increase in the price of imported materials, while export tonnage increased from 536,000 tons to 853,000 tons. An increase in price of exported goods has certainly occurred, but it is encouraging to note the marked increase in physical volume.

Reverting to the external trade and balance of payments, it is interesting to note that, if the imports and exports to the Portuguese overseas colonies are extracted from the totals, the unfavourable balance of trade is somewhat larger, amounting to 811,570 contos. Of this amount 408,144 contos arises from countries not participating in ECA, and 220,832 contos from participating countries.

The negative balance with the United States was 89,523 contos, the total values for the five months being, imports, 439,221 contos and exports, 349,698 contos.

In the case of Canada, the unfavourable balance amounted to 54,354 contos, imports being valued at 77,404 contos and exports at 23,050 contos. In considering the Canadian balance, however, it should be borne in mind that during the period in question Portugal imported 4,267 tons of dry cod which was paid for in sterling.

Trade Balance With Sterling Area Was Favourable

With the sterling zone in Europe, Portugal enjoyed a favourable balance of 131,163 contos, total imports being valued at 566,544 contos as against exports to the value of 697,707 contos. With the rest of Europe (participating in the Marshall Plan) the unfavourable balance amounted to 429,549 contos, out of a trade valued at 1.1 million contos for imports and 708,749 contos for exports. The greatest deficit was in the case of Belgium and Luxembourg where the unfavourable balance amounted to 238,748 contos. German trade with Portugal continues to expand, and during the period under review imports were valued at 182,310 contos and exports at 118,664 contos.

Portugal continues to hold an overall credit position with the EPU. In February the favourable balance was some \$12,000,000 and in March it had dropped to just under \$5 million. For the first nine months of EPU existence, Portugal had built up a favourable balance of over \$63 million, of which \$24.7 million was paid off in dollars and the remainder stood as a credit to Portugal. In June for the first time, Portugal succeeded in having a small debit balance.

ECA Financial Assistance No Longer Necessary

Portugal is no longer to receive financial assistance through ECA as it is considered that this assistance is no longer necessary. However, Portugal will, if necessary, continue to receive assistance through the North Atlantic Defence Pact, and Point 4 assistance in the colonies which are being rapidly developed.

During the two years in which Portugal participated in the Marshall Plan she received \$36.7 million in loans; \$8.3 million in conditional aid; \$5.5 million in grants. Industrial establishments built or improved with Marshall Aid comprise a pulpmill and a tube mill, as well as irrigation projects and thermal electric centres. Mining and agriculture and the fishing industry benefited also, while railway equipment was bought and airdrome construction in Portuguese colonies was furthered.

The assets and liabilities of the Bank of Portugal as on June 14, 1950, and June 13, 1951, are as follows:

	June, 1950	June, 1951
	(Contos)	
Gold	3,138,012	3,849,951
Holdings of foreign currencies, etc.	3,138,050	3,850,043
Total	6,276,062	7,699,994
Notes in circulation	7,690,472	8,236,736
Escudo sight responsibilities	4,302,868	6,478,557
Total	11,993,340	14,715,293

The proportion of reserves to set off liabilities on each date was 52.32 per cent. It will be noted from the figures that there has been a very marked increase in Portuguese foreign earnings, but these have not led to any change in the internal prosperity nor has there been any real effect in loosening credit. No information is available as to what percentage of the extra gold and foreign exchange has come from the dollar area. As has already been indicated, Portugal received rather important payments in gold and dollars from the EPU and has been endeavouring to balance her position with that organization. To do this, export licences were withheld on certain shipments destined to European countries and at the same time importers were encouraged to purchase. Some 30,000 tons of wheat were bought in Dutch florins and as a result the situation has improved.

Retail prices for the first three months of 1951 reached their highest peak, the index in March being 215. After March decreases occurred and in May the index had fallen to 204. Wholesale prices also registered an increase but not as marked as retail prices.

Export Inspection Required for Certain Japanese Products

Tokyo, November 8, 1951.—(FTS)—The Ministry of International Trade and Industry has announced that on and after November 11, 1951, the following Japanese products will not be permitted export unless they have been inspected by private inspection offices that have registered with and have been approved by the Ministry of International Trade and Industry: binoculars, bearings, ball bearings, complete sewing machines, and sewing machine parts.

The announced purpose of the inspection is to prevent the export of inferior merchandise and to try to reduce the claims that are being received from foreign countries for inferior shipments of these goods.

TRANSPORTATION

The Transportation and Communications Division is in a position to furnish information 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.

Economic Position of Sweden Showing Steady Improvement

Balance of trade growing more favourable—National Bank's reserves of gold and currency and pounds sterling increased—Industrial production exceeded all expectations.

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

STOCKHOLM.—Sweden's balance of trade at the end of June, 1951, showed an import surplus of 580 million kronor, while at the end of September it amounted to 533 million according to a recent report prepared by the Swedish Economic Research Institute. It is expected that this figure will be reduced to only 120 million kronor for the whole of 1951. This estimate is based on the assumption that in the last quarter, October-December, there will be an export surplus of over 400 million kronor.

During the first nine months of last year the National Bank's gold and currency reserves, minus kronor debts, increased by 337 million kronor. The largest increase in 1951 is for pounds sterling which rose from 212 to 380 million kronor. Holdings of United States dollars decreased from 493 to 347 million, but this was compensated by an increase in gold reserves from 466 to 664 million. Better terms of trade constituted the principal cause of this improvement. During the first half of the year export prices rose 40 per cent, and import prices 21 per cent. Price rises for the second half of the year are estimated at 62 per cent and 34 per cent respectively. According to these estimates, Swedish terms of trade were improved by 16 per cent for the first half of the year and 21 per cent for the second, with 19 per cent for the whole year. In addition there are the net profits from shipping amounting to 300 million kronor. Sweden's real income, therefore, for 1951 is estimated to show an increase of 1 to 1½ billion kronor at 1950 prices, which is equivalent to an increase in production of about 5 per cent.

Industrial Production Exceeds All Expectation

With regard to domestic production, the inferior harvest brought the contribution by agriculture to approximately 100 million kronor less than was estimated. Industrial production, on the other hand, has exceeded all expectations, mainly as a result of an improvement in the recruiting of labour. Total production will thus probably agree with an earlier conservative estimate of 1 billion kronor.

The sharp rise in export prices has naturally favoured the export industries, particularly forestry. Total profits to export concerns are estimated at about 2 to 2½ billion kronor, of which amount 650 to 700 million have been blocked by the export fee system.

Private consumption during the first half-year shows hardly any increase in volume as compared with the same period for 1950, and the consumption industries have had difficulties in covering the rise in the prices of raw materials.

As to prospects for 1952, the Institute expects a continued rise in production, despite the shortage of such raw materials as coal, coke, scrap, metals and sulphur. Present high export prices of forestry products are not expected to continue, which means a probable decrease in export income. On the consumption side, however, an increase is expected as a result of the proposed strengthening of defence preparedness.

Trade Notes

HONG KONG

Hong Kong Trade Figures Higher in October

Hong Kong, December 6, 1951.—(FTS)—The value of Hong Kong's trade in October, 1951, is reported as, imports, \$418·8 million, exports, \$274·4 million, and total trade, \$693·2 million.

This result is 17 per cent higher than that for September, 1951, thus arresting a trade decline which has been in progress since March, 1951. Nonetheless, it is lower than that for October, 1950, when imports were \$368·5, exports, \$427·8, and total trade, \$796·3 million.

Kowloon Canton Railway Had Record Year

Hong Kong, December 6, 1951.—(FTS)—The financial results accruing to the Kowloon Canton Railway (British Section) for the fiscal year 1950-51 were a record. The mileage within the Colony is only 22½ miles, and it is impressive therefore to note a gross income of \$10·4 million, and net revenue of \$6·1 million.

Passengers carried totalled 6,055,398, providing fares amounting to \$6·9 million. Total freight moved grossed 371,788 long tons, earning revenue of \$2·5 million. Total traffic revenue was 37 per cent above results for 1949-50—a reflection of the continuing of the difficulties besetting coastal shipping services to China ports.

Hong Kong Stages First Poultry Exhibition

Hong Kong, December 6, 1951.—(FTS)—A ten-day poultry exhibition, the first of its kind to be staged in Hong Kong, was held from November 23 to December 2 under the sponsorship of the Hong Kong and Kowloon Poultry Breeders' Association. Over 10,000 birds were on display. The purpose of the exhibition was twofold—to promote poultry raising within the Colony and to arouse the interest of the general public in the results achieved to date.

Since the war, the breeding of poultry has become a specialized pursuit in Hong Kong. Much technical advice and assistance has been extended to farmers by the Animal Husbandry Officer of the Government's Agriculture Department, and the raising of birds is no longer a farmers' sideline. Amongst the breeds on display were Plymouth Rocks, Leghorns, White Silkies, Rhode Island Reds, Wai Chow chickens, Japanese Nagoyas, the Philippine Los Banos Improved Cantonese breed, and few specimen crossbreeds derived from mating one or other of the foregoing with the native Chinese chicken.

Hong Kong Places New Controls On Mining Activity

Hong Kong, December 6, 1951.—(FTS)—Control of mining in the Colony is to be regulated by new measures known as the Emergency (Control of Mining) Regulations, 1951, effective December 1, 1951. The regulations are designed to prevent illegal mining by making it an offence for unauthorized persons to move, buy, sell or have in their possession wolfram, or the ores of lead or tin, and to provide heavy penalties for offenders.

The government has been much concerned about the illegal and indiscriminate activities of unlicensed miners, particularly in the New Territories. Not only has the government been deprived of substantial revenues from mining royalties, but the miners' activities have created a grave threat to public order and the health of the Colony. The miners and their families have squatted in primitive settlements within the water-works catchment area affording grave danger of pollution of the Colony's water supplies, and their haphazard digging is causing serious damage to the surface of the land which is likely to result in soil erosion and the silting of water supplies.

ISRAEL

Israeli Exports Increased By Over One Third

(Editor's Note.—I£1 equals US\$2.8, official).

Athens, December 8, 1951.—(FTS)—Israel's exports during the period January 1-August 31, 1951, reached a value of I£12.3 million as compared with I£8.97 million for the same period of 1950—an increase of 37.4 per cent, according to the Statistical Service of the Israel Ministry of Finance. During this eight-month period, exports of manufactured articles increased by I£2.4 million or 77.7 per cent, and food, drinks and tobacco by I£961,416 or 16.6 per cent. Exports of raw materials decreased by I£10,442 or 14.6 per cent.

Exports of citrus fruits, Israel's most important export item, increased from I£4.99 million to I£5.1 million; diamonds from I£1.8 million to I£2.5 million; fruit juices from I£505,443 to I£1.1 million; woollen manufactures from I£401,655 to I£896,961; apparel from I£165,738 to I£514,946; cotton manufactures from I£56,928 to I£223,305; preserved fruits from I£42,330 to I£238,830; liquors and wines from I£32,959 to I£74,190; drugs and medicines from I£24,897 to I£178,596; essential oils from I£50,363 to I£118,502; and printed or manuscript books from I£33,527 to I£44,831. Sales of Israel's newest export item, motorcars, produced by the Kaiser-Frazer factory inaugurated this year, reached I£229,325. Slight decreases were shown for chocolates and sweets, from I£144,156 to I£123,142, and for artificial teeth from I£198,314 to I£181,146.

Israeli Cost of Living Rising

(Editor's Note.—I£1 equals US\$2.8, official).

Athens, November 9, 1951.—(FTS)—The inflationary trend continues unabated in Israel, with recent increases in the price of basic commodities such as foodstuffs, clothing and electricity rates; pay awards and cost of living allowances for industrial and agricultural workers and civil servants; an increase of nearly I£1 million in the currency in circulation; and a drop in the value of the Israel pound on the Geneva exchange during the first week in November to an all-time low of 62 cents. Between July and September the cost of living index registered an increase of 18 points. In an effort to control inflation, plans are being drawn up by the Ministry of Finance for a "semi-compulsory" popular loan, which may take the form of periodic wage deductions toward payment of the bonds.

Israeli Rolling Stock Increased

Athens, November 1, 1951.—(FTS)—Under the terms of an agreement being negotiated with a Belgian firm, Israel is to receive 215 railway wagons, mainly freight cars, within the next twelve months.

Three diesel locomotives, ordered over a year ago from the United States, have already been shipped to Europe, where they are being tested on long-distance runs, prior to delivery early in 1952.

NEW ZEALAND

New Zealand Car Imports Set Record

Wellington, December 3, 1951.—(FTS)—In the first nine months of this year, New Zealand imported nearly 20,000 cars from Britain. This is some 3,000 more than were imported from all sources, including America, for the whole of last year. The Minister of Industries and Commerce said there was no slackening-off in the import of cars from Britain, and that more American and Canadian cars too, were arriving. The total for this year should be more than 30,000.

New Zealand Will Increase Dairy Exports to United Kingdom

Wellington, December 3, 1951.—(FTS)—In consideration of the food position of the United Kingdom, the Chairman of the New Zealand Dairy Products Marketing Commission has announced that New Zealand will restrict her drive for other markets this year and will send an extra 4,000 tons of cheese and 4,000 tons of butter to Britain. Of the total New Zealand export volume, the United Kingdom will now get 4½ per cent more cheese, leaving 10 per cent for other markets, and 3 per cent more butter, leaving 5 per cent for other markets.

According to figures issued by the Department of Agriculture, butter gradings for export in the first three months of the new season are 453 tons higher than in the comparable period last season (in which total butterfat production was a record), but cheese gradings were down by 2,499 tons. In terms of butterfat, the decrease for butter and cheese compared with the first three months of last season is just over one per cent.

New Zealand Dairy Exports Greater in Volume and Value

Wellington, December 3, 1951.—(FTS)—According to estimates by the New Zealand Dairy Board, dairy produce exports in 1950-51 were greater in volume by 7 per cent and in value by 13 per cent than in the previous year. The total revenue from export sources of £62.3 million represented a three-fold increase on prewar revenue, the annual average from 1934-38 being about £20 million. Local market sales increased in value by 16 per cent from 1949-50, due mainly to the larger consumption of creamery butter.

Total income for the dairy industry should include revenue from cow beef, pig meats, calf skins, hides, etc., and the aggregate revenue from all sources should be between £90 million and £100 million.

Wool Prices Higher At Auckland Sale

Wellington, December 3, 1951.—(FTS)—At the first sale of the current season, held at Auckland, about 95 per cent of the offering of 26,416 bales of greasy wool, was sold at prices higher than those ruling at the closing

sale of the old season in Wellington, but $7\frac{1}{2}$ to 10 per cent lower than those at the previous Auckland sale. The estimated average price for all wools sold at the sale was 52·5d. Competition was keen within limits, particularly for fine wools, with the Continent dominating the market. Because wet weather had interrupted shearing, only 19,000 bales were offered at Wanganui instead of the allocation of 30,000 bales. There was a full bench of buyers, most of the wool being taken by Continental buyers. Prices compared favourably with those at Auckland, although a few lines were slightly easier.

At the first Napier auction prices were between $2\frac{1}{2}$ and $7\frac{1}{2}$ per cent lower than those realized at Wanganui. A total of 21,000 bales of new season's wool was offered and competition was well spread but somewhat erratic. The Continent was the principal buyer with good support from some Bradford buyers. America, Japan and Canada competed keenly on specialty lines, particularly coarse, good length, fleece wool. On the second day, 21,000 bales were offered to a full and representative bench of buyers. Prices for average to good quality wool fell up to 3d. per lb. compared with the first day, but prices for the best fleece wools held firm.

Overseas Private Investment in New Zealand Increased

Wellington, December 3, 1951.—(F.T.S.)—A survey of companies with overseas affiliations undertaken by the Census and Statistics Department shows that for the year ended March 31, 1950, overseas investment in New Zealand subsidiaries and branches of overseas companies increased by £2·99 million. Of this sum only £0·8 million was contributed by direct capital remittances from overseas, the balance being financed from other sources, the most important of which was imports, £1·28 million, for which no direct cash payments were made.

The survey also yielded information on the amounts, by countries, of "direct" overseas investment in New Zealand. The amounts are composites of nominal paid-up capital, debenture capital, value of branch assets and intercompany liabilities. Of the total "direct" investment in New Zealand, £48·45 million, as at March 31, 1950, the United Kingdom had contributed 61·6 per cent; Australia, 28·2 per cent; United States and Canada, 9·4 per cent; and countries in the European Payments Union, 0·8 per cent.

New Zealand Cost of Living Index Higher

Wellington, December 3, 1951.—(F.T.S.)—The all-groups consumers' price index for the third quarter of 1951 was 1207 on the base first quarter, 1949=1,000. This is an increase of 38 points ($3\frac{1}{4}$ per cent) above the figure for the second quarter. The groups showing the greatest percentage increases in the quarter were the food and clothing and footwear, each rising by 4·3 per cent. The miscellaneous group increased by 2·4 per cent, the fuel and lighting group by 2·0 per cent, and the housing group by 1·0 per cent. Among the sub-groups, the largest percentage increase, 10·4 per cent, was recorded by the fruits, vegetables and egg sub-group. The meat and fish sub-group rose by 8 per cent and the clothing sub-group by 4·5 per cent. Of the 38 points rise in the all-groups index, approximately 19 points were contributed by food, 10 by clothing and footwear, 6 by miscellaneous items, 2 by housing, and 1 by fuel and

lighting. Reductions in the prices of bread, flour, butter, tea and gas, which were operative from September 3, have not yet produced their full effect on the quarterly index.

New Zealand Wool Retention Funds to be Repaid

Wellington, December 3, 1951.—(FTS)—Under the terms of the Wool Proceeds Retention Amendment Bill, which was introduced in the House of Representatives on November 2, sheepfarmers' money frozen in wool retention accounts is to be repaid in instalments over five years, beginning in 1952. The bill provides that the frozen funds will be taxable in the year in which the taxpayer receives them, and also allows trustees of deceased estates to apply for withdrawal of money from the retention account to pay death duties. If any money remains in a retention account after 1956, it is to be paid out free from any restrictions.

Because some wool sales were delayed, the total amount frozen in wool retention accounts was £32·6 million (including £2 million of voluntary freezings), instead of £40 million as estimated earlier. Up to the end of October, 1951, there had been 888 applications for release of frozen money because of hardship or death, involving £515,131. All of these had been granted.

SCOTLAND

Clyde Coal Shipments Were Larger

London, November 7, 1951.—(FTS)—During the year ended September 30, 1951, 400,129 tons of cargo and bunker coal were shipped from the port of Glasgow, as compared with 362,003 tons for the previous year. In the year ended June 30, 1939, the shipments totalled 1,708,761 tons, and in the same period of 1913 they were 4,016,070 tons.

Scottish Shipyards Maintain Tonnage Rate

London, November 6, 1951.—(FTS)—In spite of sectional labour troubles and steadily developing supply difficulties, Scottish shipbuilding firms, in the ten months to the end of October, 1951, had a launching total nearly 6,000 tons greater than that of the same period of 1950, the 1951 figures being 329,654 tons.

Scotland Has New Welding Fittings Industry

London, November 23, 1951.—(FTS)—During the past three years a new dollar earning and conserving industry has arisen on Clydeside, the manufacture of welding fittings, which previously could be obtained only from the United States. The new industry resulted from many years of intensive research by Shaw Petrie Ltd., whose subsidiary, Clyde Tube Forgings, Ltd., was formed to carry on development and distribution at Hillington, Glasgow.

New Scottish Reservoir to Provide Hydro-Electric Power

London, November 8, 1951.—(FTS)—A £20,000 scheme for using the water of the new reservoir under construction at Upper Glendevon, Perthshire, for generating electricity has been approved, and it is estimated

that it should produce not less than 1,500,000 units a year. The present proposal is to pass the water from the reservoir through large dispenser valves, which by breaking up the jet of water into a fine spray, dissipates the energy and allows the water to fall harmlessly into the stream bed. It would be possible to discharge this water through one or more turbines to develop power to drive electric generators. The size of the turbines would be about 800 h.p., and the generators 600 k.w.

SOUTH AFRICA

South African Coal Production Costs Continue to Rise

Cape Town, November 29, 1951.—(FTS)—Annual reports by gold mines emphasize the concern being felt over the continuing advance in production costs. The bonus of forty-four per cent resulting from devaluation in 1947 is rapidly being eliminated. Six of the forty-two producing mines in the Transvaal have already had advances in costs in excess of forty-four per cent while seven more are now at about this critical point.

According to the Transvaal Chamber of Mines the working revenue of the forty-two Transvaal mines during October was £11,686,454, as against £11,352,715 for the previous month. Working costs absorbed £8,127,120, leaving a gross working profit of £3,565,334. On an output of 9,591,984 ounces of fine gold, cost of production per fine ounce rose from 170/9d. to 183/9d. based on a recovery of 3.756 dwt. per milled ton.

South Africa Plans New Railway Link

Cape Town, November 29, 1951.—(FTS)—Reports are currently in circulation of plans for the direct linking of South West Africa and the Union via Namaqualand, with terminus at Cape Town. The proposed rail link will involve the construction of a three hundred mile link between Karasburg and Bitterfontein but will replace a present journey of eight hundred miles.

South Africa to Produce a National Car

Cape Town, November 29, 1951.—(FTS)—A South African Volkswagen, named the "Gutdrod," will be in production by the middle of 1952 in the Pretoria plant of the Swiss South African Engineering Corporation. Target production for the plant is five hundred vehicles per month. It is expected that the popular-price car will sell at about £400 and have a petrol mileage of fifty miles per gallon.

South African Base Metal Exports Increase

Cape Town, November 29, 1951.—(FTS)—Exports of base metals by South Africa during the first half of 1951 amounted to £11.7 million, as against £8.5 million during the corresponding period of 1950. Antimony ores and concentrates were significantly more important, being seventy per cent greater by weight at 10,376 tons with an on board value of £110.10.0 per ton. The largest buyers of base metals during the first six months of 1951 were Britain (asbestos), United States (chrome, manganese and vermiculite), and Pakistan (coal).

New South African Industries Must Be Self-Sufficient

Cape Town, November 29, 1951.—(F.T.S.)—"We welcome new industries but they must be economic industries which can maintain themselves without protection of import control" said the Minister of Economic Affairs in addressing the Northern Transvaal Chamber of Industries on November 20.

"New industries that have come into being as a result of import control may be responsible for the indirect pressure exerted on the government for the continuance of import control or for an alternative substitution of tariff protection. I want to say clearly that the new industries that have grown up behind the wall of import control, must be prepared to stand on their own legs when import control is removed—as it surely will be removed as soon as it is possible."

South African Imports Expected to Decline in 1952

Cape Town, November 29, 1951.—(F.T.S.)—The Director of Imports and Exports, in discussing trends of trade at the Annual Conference of the Association of the Chambers of Commerce of South Africa, stated that imports during the first eight months of 1951 had been at the highest level in the history of the Union at a rate of £470 million per annum. Provisional figures for the first ten months of the year now available indicate that this rate has further increased to almost £480 million.

Much of the expenditure had been in procurement of essential raw materials for industry which were being stockpiled domestically in anticipation of increasing shortages abroad, lengthening delivery times and higher international price levels. The decline of £44 million in the country's foreign exchange balances in the six months to September 30 was not causing concern since South Africa had received value for the expenditure. Import values inflated by these stockpiling purchases must be expected to decline in 1952, but the full effect of the curtailment would not become apparent until after the close of the first quarter of 1952 which provided ninety days of grace in connection with 1951 purchases. Restrictions on the imports of consumer goods would be continued and of necessity intensified, with the sixty per cent value quota in 1951 already replaced by a provisional quota of thirty per cent for 1952.

Plans for Water Conservation Considered in South Africa

Cape Town, November 29, 1951.—(F.T.S.)—"Although the Orange River, South Africa's major waterway, is not being substantially exploited in the interests of water conservancy, there has been a long term consciousness of the potentialities of this system," said the Minister of Lands and Irrigation, in opening the Orange River Conservation Conference. Adequate development of the Orange River prospects will involve expenditure of some £70 million but would provide year-round irrigation for approximately 600,000 acres.

In the period from 1910 to 1946 conservancy expenditures in the Orange River system have averaged £1 million per annum, but in the four years to 1950 the spending has totalled £12 million. Proposals considered at the conference included the creation of an Orange River Hydro Electric Board and the building at Zastron of a sixty-four million acre-foot dam.

Uruguayan Foreign Trade Established New Record

Favourable trade balance of US\$52,586,506 recorded, as compared with US\$6,948,207 in 1949—Prior import permit re-imposed on purchases from sterling area as reserves depleted—More permits and exchange granted for imports from dollar area as dollar reserves built up from wool sales.

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

BUENOS AIRES.—Uruguayan foreign trade established a record in 1950, resulting in a new high favourable trade balance of US\$52,586,506, as compared with a favourable balance of US\$6,948,207 in 1949. These figures include the value of gold brought into the country by banking institutions valued at US\$737,700 in 1950 and US\$67,270 in the previous year.

*Foreign Trade of Uruguay

	Imports	Exports	Balance
1949—Including gold	US\$184,711,320	US\$191,659,527	+US\$ 6,948,207
1949—Excluding gold	184,644,050	191,659,527	+ 7,015,477
1950—Including gold	201,694,860	254,281,366	+ 52,586,506
1950—Excluding gold	200,957,160	254,281,366	+ 53,324,206

*These statistics are based on import clearances authorized and customs houses clearances.

Exports during 1949 were valued at US\$191,591,000 and imports at US\$181,235,000 on a c.i.f. basis, yielding a favourable trade balance of US\$10,356,000. The export value increased by about US\$13,467,000 over the previous year while the value of imports decreased by some US\$19,195,000 over the corresponding figure for 1948, when the country's foreign trade deficit was equivalent to US\$22,306,000.

Trade of Uruguay by Main Commodities

Commodity	Imports	
	1950	1949
Raw materials	US\$57,383,900	US\$47,903,147
Machinery, etc.	32,428,940	27,366,160
Motor vehicles	22,481,870	14,668,987
Building materials, etc.	18,176,735	16,452,790
Groceries, beverages, etc.	17,193,091	20,337,402
Fuels and lubricants	13,306,008	18,862,550
Drapery and haberdashery	11,908,523	13,957,873
Electrical appurtenances	5,830,885	4,507,989
Hardware in general	4,514,479	5,062,512
Chemical and pharmaceutical products	3,994,489	2,459,271
Toys, household requisites, etc.	3,035,947	2,840,757
Jewellery, watches, etc.	2,394,557	2,435,537
Books, paper and office appliances	2,302,177	1,564,578
Optical, surgical and hygienic requisites	1,769,269	1,701,743
Seeds, plants, trees and fodder	1,157,483	1,366,936
Livestock	353,436	375,650

Commodity	Exports	
	1950	1949
Wool	US\$152,684,282	US\$67,044,916
Meats and by-products	43,243,023	39,793,418
Skins, hides and hair	29,318,941	27,990,146
Processed agricultural and farm products	14,215,626	29,067,910
Spinning and weaving products	9,663,149	3,834,737
Sundry industries	2,134,045	5,170,837
Livestock	1,845,013	759,092
Unprocessed agricultural and farm products	734,372	16,271,563
Mining products	368,412	1,671,536

Canada took only 0.44 per cent, or US\$846,017 of the total Uruguayan exports in 1949; on the other hand, Canada supplied 1.38 per cent, or US\$2,495,903 of total Uruguayan purchases abroad in the same period. This gave Uruguay's trade with Canada an adverse balance of US\$1,649,886.

Sterling Reserves Depleted

Uruguay purchased heavily from the United Kingdom in 1950 and also used available sterling to pay for imports from other countries within the sterling area. This, coupled with the stoppage of meat shipments to Great Britain in July, 1950, resulted in a depletion of Uruguay's sterling reserves in spite of the release early in 1951 of the blocked sterling balance of £2,600,000. It is this situation which provoked the re-imposition by Uruguayan authorities of the "prior" import permit requirement on imports from the sterling area, as from January 15, 1951.

The result has been that, since then, more permits and exchange were granted for imports from dollar countries and fewer for those from sterling countries.

Trade of Uruguay, by Main Countries

Country of Origin	Imports		% of Total Imports	
	1950	1949	1950	1949
United Kingdom	US\$ 45,715,162	US\$42,605,318	22.67	23.07
United States	39,251,736	39,517,277	19.44	21.39
Brazil	17,269,075	19,685,667	8.56	10.66
France	14,539,412	7,373,647	7.21	3.99
Belgium	8,596,043	13,550,079	4.26	7.34
Italy	7,366,225	5,064,592	3.65	2.74
Sweden	6,729,878	5,632,243	3.34	3.05
Peru	5,794,861	5,235,082	2.87	2.83
Venezuela	5,299,838	8,777,850	2.63	4.75
Paraguay	5,114,189	3,320,899	2.54	1.80
Switzerland	3,220,278	3,195,755	1.60	1.73
Argentina	3,116,270	2,164,132	1.55	1.17
Holland	2,929,873	4,500,239	1.45	2.44
CANADA	1,796,003	2,495,903	0.89	1.35
Spain	1,735,937	759,313	0.86	0.41
India and Pakistan	1,716,572	4,046,737	0.85	2.19
Union of South Africa ..	1,482,278	677,612	0.73	0.37
Czechoslovakia	1,349,976	1,528,180	0.67	0.83
Cuba	1,210,407	820,000	0.60	0.44
Dutch West Indies	1,077,362	895,131	0.53	0.49
Ecuador	609,321	2,968,823	0.30	1.61
Chile	487,225	740,864	0.24	0.40

Country of Destination	Exports		% of Total Exports	
	1950	1949	1950	1949
United States	US\$129,150,243	US\$50,305,221	50.79	26.25
United Kingdom	32,688,434	42,356,655	12.86	22.10
Belgium	14,657,077	8,507,325	5.77	4.44
France	14,157,018	6,006,134	5.57	3.13
Germany	13,080,813	20,543,830	5.14	10.72
Sweden	8,122,289	2,813,154	3.19	1.47
Holland	6,313,650	4,624,081	2.48	2.41
Italy	5,442,638	7,234,689	2.14	3.78
Switzerland	5,277,249	4,822,357	2.08	2.52
Japan	4,927,199	2,153,651	1.94	1.13
Brazil	2,449,650	13,741,245	0.96	7.17
CANADA	1,897,582	846,017	0.75	0.44
Australia	1,702,370	0.67
Argentina	1,305,242	7,622,507	0.51	3.98
Czechoslovakia	1,021,524	640,501	0.40	0.34
Union of South Africa ..	997,349	69,305	0.39	0.04
Ireland	794,920	775,811	0.31	0.41
Poland	588,939	676,198	0.23	0.35
Venezuela	381,786	782,156	0.15	0.41
Yugoslavia	588,041	0.31

In the first half of 1950, the United Kingdom was Uruguay's principal supplier, contributing 26 per cent of the total Uruguayan imports. In the last half of the year, that country provided only 17 per cent of Uruguay's imports of essential and semi-essential goods. However, the position of the United Kingdom as a supplier has gradually improved since the end of April, 1951, when meat shipments recommenced.

The greater part of the wool exported from Uruguay went to dollar area countries, principally to the United States. Owing to the unprecedentedly high international wool prices, the value of United States wool purchases in 1950 accounted for more than 50 per cent of total Uruguayan exports.

Uruguayan exports to dollar countries, principally wool but also other goods such as hides and canned meats, built up Uruguay's dollar reserves to over US\$100,000,000 by March, 1951. The value of these exports exceeded that for the corresponding period in 1950 by US\$72,348,414, mainly because of larger shipments of wool. Uruguay's total dollar income from sales of the 1950-51 wool clip is reported to be approximately US\$110,000,000.

On the other hand, Uruguayan imports during the first four months of 1951 totalled US\$104,625,647 compared with US\$58,618,081 for the corresponding period in 1950.

During the first four months of 1951, the Export-Import Control Office authorized imports of essential goods under the "sworn declaration system" for a total value of US\$71,158,529. This system was introduced on July 20, 1950, and from then until December 31, 1950, exchange allocated totalled some US\$106,000,000 or approximately US\$21,000,000 per month. Comparative figures available for 1951 are as follows

1951	Imports under "Sworn Declaration"	Total Imports
January	US\$20,000,000	US\$28,882,857
February	13,000,000	22,852,743
March	18,000,000	20,680,454
April	17,000,000	32,209,573

or a monthly average of US\$17,000,000.

Uruguayan Balances of Trade, by Countries

Country	Balance, 1950	Balance, 1949
United States	+US\$89,898,507	+US\$10,787,944
Belgium	+ 6,061,034	— 5,042,754
Japan	+ 4,564,803	+ 1,689,168
Holland	+ 3,383,777	+ 123,842
Germany	+ 2,378,569	+ 19,343,732
Switzerland	+ 2,056,971	+ 1,626,602
Australia	+ 1,693,015	— 13,542
Sweden	+ 1,392,411	— 2,819,089
Ireland	+ 780,747	+ 774,608
Greece	+ 685,837	+ 2,297,822
Colombia	+ 132,017	+ 152,283
CANADA	+ 101,579	— 1,649,886
Mexico	+ 15,626	— 184,996
Norway	— 251,810	+ 417,993
Chile	— 307,594	— 722,470
Czechoslovakia	— 328,452	— 887,679
France	— 382,394	— 1,367,513
Union of South Africa	— 484,929	— 608,307
Ecuador	— 598,394	— 2,940,156
Dutch West Indies	— 968,929	— 807,015
Yugoslavia	— 1,117,579	+ 524,499
Cuba	— 1,199,086	— 526,343
India and Pakistan	— 1,711,300	— 3,950,086
Spain	— 1,730,463	— 757,735
Argentina	— 1,811,028	+ 5,458,375
Italy	— 1,923,587	+ 2,170,097
Paraguay	— 4,433,734	— 3,069,328
Venezuela	— 4,918,052	— 7,995,694
Peru	— 5,426,051	— 5,088,000
United Kingdom	— 13,026,728	— 248,663
Brazil	— 14,819,425	— 5,944,422

Netherlands Fishing Industry Affected By Loss of Important Export Markets

Restrictions imposed on Netherlands herring by importing countries hamper improvement of export position—Considerable part of fishing fleet should be renewed if productive efficiency is to be maintained—Over 400,000 barrels of salted herring not yet disposed of at end of 1950.

By the Office of the Commercial Counsellor for Canada.

THE HAGUE.—The Netherlands fishing industry during 1950 continued to encounter difficulties in regaining its prewar position. The virtual loss of the important East German and Polish markets has not been made up in other areas despite increasing efforts to find alternative outlets. Restrictions imposed by importing countries on Netherlands herring hamper improvement of the export position and are reflected in the depressed state of the fishing industry.

A considerable part of the Netherlands fishing fleet has reached an age which will necessitate renewal if productive efficiency is to be maintained. In view of market difficulties it is not likely that it will be possible to make replacements. The president of one of Holland's leading herring fishing companies has stated that in view of prevailing market conditions and the very high costs of replacement it would be virtually impossible for his company to maintain its existing fleet at top efficiency levels. Any thought of expansion at the present time is considered to be completely out of the question.

Granting of Coal Subsidy Rejected by Government

The granting of a coal subsidy to trawl-fishers, which has been put forward as a means of immediate assistance to this phase of the industry, has been rejected by government fishery officials. In the opinion of the Minister of Fisheries, such a subsidy would only bring back into service non-profitable ships and hence forestall efforts to replace these craft with more economical equipment. He stated that in the past it has been demonstrated that a languishing branch of the industry can only be maintained by continuous assistance if the problem is attacked in piece-meal fashion.

Owing to the continually increasing competition of canned fish offered by other countries, the export sales of products of the Netherlands fish canning industry have become more difficult. In addition, a ban which has been placed on the use of tin for tin plating of other than products destined for export seriously hampers Holland's canning industry. Netherlands fish cannery are attempting to reduce production costs by improved working methods but are greatly affected by the increasing prices of raw and auxiliary materials.

Prices of fish are to a large degree regulated voluntarily by the fishing companies. Since the results of the fresh herring and mackerel branch of the fishing industry were much more satisfactory than other types of sea-fish the companies turned to the more profitable varieties. The resultant increase in the price of sea-fish, while an important factor, was not the main danger to exports. At the end of 1950 over 400,000 barrels of salted herring had not yet been disposed of. As a result, on November 17, the government issued a ban on herring fishing for salting purposes. Thus, the principal problem facing the Netherlands fishing industry is to find export markets for its products.

Trade Commissioners on Tour

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

Ottawa—Foreign Trade Service, Department of Trade and Commerce

Brantford—Board of Trade
Brampton—Chamber of Commerce
Brockville—Chamber of Commerce
Calgary—Chamber of Commerce.
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 Mission to Japan since January, 1949, will complete his tour of Canada by visiting Edmonton on January 25 and Vancouver from January 28 to February 7.

Cuban Consumption of Fertilizer Increased

Havana, November 19, 1951.—(FTS)—Consumption of fertilizers has increased considerably in Cuba in the last six years. Whereas in the crop year 1944-45 only 74,860.75 short tons were used, the amount utilized in the 1950-51 crop year has been 236,112.84 tons, an increase of 215 per cent. This represents an increase in the number of farms using fertilizers of from 12 per cent of the total in 1945 to 37 per cent in the 1950-51 crop year, and of from 144,983 hectares to 456,697 hectares of land using fertilizer.

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

Benelux Continues to Suspend Duty on Canned Salmon

Brussels, December 27, 1951.—(FTS)—The Benelux countries (Belgium, the Netherlands and Luxembourg) will continue to suspend the Customs duty on canned salmon until December 31, 1952, according to the official *Moniteur Belge* of December 22, 1951. (See *Foreign Trade* of January 27, 1951 regarding the suspensions in effect during 1951. Information has not yet been received regarding the other commodities on which Benelux duties have been suspended or reduced in 1951).

Republic of Ireland Expands Dressed Meat Exports

Dublin, November 22, 1951.—(FTS)—Meat exports from Ireland are growing rapidly and existing cold-storage and abattoir facilities are becoming inadequate. Vigorous steps are therefore being taken by private interests to build new plants or expand existing ones. A new company, *Frigorifico (Ireland) Ltd.*, in which directors of existing Irish meat and cold-storage firms are associated with Scottish and English directors, has acquired premises in Dublin, which are now undergoing reconstruction as a modern abattoir, with the latest type of plant for freezing, chilling and canning meats, and processing by-products. The plant for the factory is on order from Great Britain and the Continent, and delivery is expected to begin in the next few weeks.

The company, capitalized at £600,000, expects to have a capacity for handling 2,000 head of cattle and 2,000 sheep a week. The premises are centrally located on railway trackage and close to the Dublin docks and shipping facilities. Refrigerated shipping will be chartered as necessary.

In addition to this large project, a number of smaller meat freezing and/or canning plants are being developed by private interests, some in the Dublin area, others at country points. In most instances, the object is to share in the presently remunerative meat trade with dollar areas, which has been developed primarily with the United States, and to a lesser degree with Canada. A further development is the export of Irish meat to the United States Armed Forces in Germany, and in Great Britain, which would also contribute to Ireland's dollar earnings. Some further market possibilities are believed to exist in Italy and Spain. These would also assist in correcting Ireland's adverse balance of payments position with those countries.

Apart from the present profitable financial features of the dressed meat trade, considerable stress is laid on the possibility of a further development of Irish industries dependent on cattle hides and offal.

Because of the slow increase in availability of suitable animals, it is thought that this dressed meat trade may cause reduction in the historic livestock trade with Great Britain, to which upwards of 500,000 head a year of Irish fat and store cattle are normally shipped on the hoof.

Doubts are expressed in some quarters that limitations may be imposed on the volume of this dressed meat trade to countries other than Great Britain, arising out of implications in the Irish-United Kingdom Trade Agreement of 1948. Official pronouncements on this subject are awaited with interest. Until such doubts are resolved, and until it is reasonably clear that there will be continuity and growth in the dressed meat trade, there may be some fears that killing and freezing facilities in Ireland could become over-expanded in relation to the number of cattle available for processing.

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. Both importers and exporters are advised to communicate with their bankers before completing financial arrangements for the sale or purchase of commodities.

Country	Monetary Unit		Nominal Quotations Sept. 17*	Nominal Quotations Dec. 21	Nominal Quotations Dec. 28
Argentina	Peso	Off. Free Export	.2977 .2085	.2046 .0712	.2037 .0714
Austria	Schilling			.0479	.0477
Australia	Pound		3.2240	2.2810	2.2720
Belgium and Belgian Congo	Franc		.0228	.0203	.0202
Bolivia	Boliviano		.0238	.0170	.0170
British West Indies (Except Jamaica)	Dollar		.8396	.5966	.5943
Brazil	Cruzeiro		.0544	.0553	.0550
Burma	Rupee		.3022		
Ceylon	Rupee		.3022	.2148	.2139
Chile	Peso		.0233	.0014	.0114
Colombia	Peso		.5128	.4091	.4075
Costa Rica	Colon		.1800	.1826	.1818
Cuba	Peso		1.0000	1.0228	1.0187
Czechoslovakia	Koruna		0.2000	.0204	.0203
Denmark	Krone		.2084	.1481	.1475
Dominican Republic	Peso		1.0000	1.0228	1.0187
Ecuador	Sucre		.0740	.0675	.0672
Egypt	Pound		4.1330	2.9371	2.9254
El Salvador	Colon		.4000	.4091	.4075
Fiji	Pound		3.6306	2.5801	2.5698
Finland	Markka		.0062	.0044	.0044
France, Monaco and French North Africa	Franc		.0037	.0020	.0029
French Empire—African	Franc		.0073	.0058	.0058
French Pacific Possessions	Franc		.0201	.0161	.0160
Germany	Deutsche Mark		.3000	.2435	.2426
Guatemala	Quetzal		1.0000	1.0228	1.0187
Haiti	Gourde		.2000	.2046	.2037
Honduras	Lempira		.5000	.5114	.5094
Hong Kong	Dollar		.2519	.1790	.1783
Iceland	Krona		.1541	.0628	.0625
India	Rupee		.3022	.2148	.2139
Iran	Rial		.0212		
Iraq	Dinar		4.0300	2.8512	2.8400
Ireland	Pound		4.0300	2.8512	2.8400
Israel	Pound		3.0000	2.8512	2.8400
Italy	Lira		.0017	.0016	.0016
Jamaica	Pound		4.0300	2.8512	2.8500
Japan	Yen		.0028		
Lebanon	Piastre		.4561		
Mexico	Peso		.1157	.1182	.1178
Netherlands	Florin		.3769	.2692	.2681
Netherlands Antilles	Florin		.5308	.5423	.5402
New Zealand	Pound		4.0150	2.8512	2.8400
Nicaragua	Cordoba		.2000	.2046	.2037
Norway	Krona		.2015	.1432	.1426
Pakistan	Rupee		.3022	.3091	.3079
Panama	Balboa		1.0000	1.0228	1.0187
Paraguay	Guarani		.3200		
Peru	Sol		.1538	.0641	.0638
Philippines	Peso		.4975	.5114	.5094
Portugal and Colonies	Escudo		.0400	.0355	.0355
Singapore	Straits Dollar		.4702	.3341	.3328
Spain and Colonies	Peseta		.0916	.0939	.0935
Sweden	Krona		.2783	.1977	.1969
Switzerland	Franc		.2336	.2343	.2332
Thailand	Baht		.1000		
Turkey	Lira		.3571	.3653	.3638
Union of South Africa	Pound		4.0300	2.8512	2.8400
United Kingdom	Pound		4.0300	2.8512	2.8400
United States	Dollar		1.0000	1.0228	1.0187
Uruguay	Peso		.6583	.6733	.6707
Venezuela	Bolivar		.2985	.3053	.3041
Yugoslavia	Dinar		.0200		

* September 17, 1949.

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