foreign trade

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Argentina's Important Agricultural Exports Seriously Cut by Drought

Prospects for foreign exchange earnings, to finance essential imports, are poor—Key to economic recovery is return to more normal production of agro-pastoral products

By H. E. Lemieux, Assistant Commercial Secretary.

BUENOS AIRES.—A highlight of Argentine economic development, during the first six months of 1951, was the signature in April of the Protocol to the Anglo-Argentine Trade and Payments Agreement of 1949. This provided for the resumption of meat exports to Britain, thus ending the deadlock over meat prices which had existed since shipments were suspended in July, 1950. However, the Protocol did not fulfil prior expectations since Argentina committed herself to supply only 200,000 metric tons of meat, although Britain was prepared to absorb a much larger volume. Furthermore, the average price per metric ton of the various types of meat and meat products asked and obtained by Argentina was £126, i.e. 40 per cent more than the price of £90 originally offered by Britain. The agreed price on the principal item, beef sides, was £140. At the beginning of August, however, barely three months after the signing of the Protocol, the suspension of all meat shipments abroad was decreed to safeguard meat stocks required for local consumption, which were considerably reduced as a consequence of last year's severe drought. Although shipments on a reduced scale were reinstituted in October the general opinion is that Argentina will fall short of its 200,000-ton commitment as domestic needs, coupled with drought-struck herds will prevent complete fulfilment of the contract.

Persistent Drought Affecting Economy

The effects of the 1949-50 drought on the domestic economy are being felt more and more. It has led to a general, sharp and accelerating rise in the cost of food items. Production of all grain and seed crops, compared with prewar years, has been reduced by smaller sowings because of dry conditions, and also by the lack of incentive for the farmer who complains that the crop purchase prices paid by the state entity, I.A.P.I., even though recently increased considerably, are unattractive and unremunerative. Recently-decreed substantial forced increases in farmhands' wages have wiped out almost all the benefits which the increased prices provided.

Sowings during 1951 have again been seriously affected by the persistent drought and by frost, particularly in the provinces of Santa Fé and Córdoba which are of vital importance to Argentina as agricultural and pastoral areas. As a result, shortages of meat and dairy products are currently being reported as a general condition in the country. The effect of the controlled prices on some dairy items is to drive them out of production, notably butter and cheddar cheese. Butter now sells on the black market, at three times the controlled price, with little available. Cheddar cheese is practically non-existent at any price.

A recent issue of "The Review of the River Plate" described the agricultural position as "literally crucial" in the sense that "if plentiful rains come now, the outlook will be slighty less bleak; but if rains are spasmodic, then the 1951-52 agricultural year will begin to look like the leanest and most ill-fated on record."

Because of the Korean war, Argentina greatly benefited by marked increases in the prices of its staple exports during the first quarter, particularly with respect to wool and hides. That quarter was one of replenishment of Argentina's dollar reserves which had become depleted over the past few years. The second quarter of the year was less lucrative due principally to a comparatively sharp drop in international wool and hide prices, but also to the refusal of government authorities to permit the export of this produce at prevailing world prices.

Dollar earnings in the first five months of 1951 gave Argentina a net favourable balance of US$66,771,215. However, due to extremely poor crop prospects for 1951-52 the probability is that Argentina's foreign exchange earning capacity will gradually be reduced to a degree which might well become precarious, depending on the effects of the continuing drought on the agricultural and pastoral products which form the backbone of the export trade. Pastoral products, primary and processed, plus vegetable oils, rather than cereals, form the basis of dollar earnings and, wool excepted, the prospects for these are anything but bright. The prospects of earnings of other types of foreign exchange from the sale of agricultural products are even less bright. A brief summary of prospects for the main export products for the crop year 1951-52 follows:

Wheat: No exportable surplus.

Maize: Plantings, due to drought conditions, are unlikely to be more than in 1950-51. The maximum potential even with ideal conditions cannot exceed 4,000,000 metric tons and ideal conditions are highly unlikely.

Linseed: Crop potential will be the smallest since Argentina became an important producer, i.e. 400,000 metric tons, leaving a very small exportable surplus of both linseed and linseed oil.

Oats, Rye, Barley: Due to drought, these crops are being used largely for pasturage, and exportable surpluses, if any, must be low.

Sunflowerseed: Sowings will be increased in the measure that wheat sowings fail. An increased crop is expected but sunflower seed is largely for domestic consumption normally, providing little foreign exchange from export sales of oil.

Tung oil: Frost has reduced the potential by 30 to 40 per cent.

Quebracho extract: Normal export.

Fresh and Canned Meats: Sharp curtailment of exports in both quantity and quality due to drought.

Cattle hides: Same as meats.

Sheepskins: Normal exportable surplus.

Wool: A record clip in 1951, added to a heavy carryover, producing the one bright spot in the export picture. However, it cannot compensate for the bleak outlook in almost all other export commodities.

The foregoing estimates will apply only if the present drought be broken immediately. Should it continue all estimates must be scaled down commensurately with the time lapse between the present and the date on which it is broken.

The prospects for foreign exchange earnings for the next fifteen months to finance essential imports are therefore grim. It is reliably reported that, apart from some US$300 million and an important amount of Swiss francs, the Central Bank of Argentina has little or no reserve of any other type of foreign exchange. Insufficient reserves coupled with heavily reduced export earnings imply a period of bleak austerity until the end of 1952 at least, since much the greater part of the manufactured goods consumed in Argentina in finished form, or the raw materials to produce them locally, must be imported from abroad.

Postwar agricultural production is greatly below the ten-year prewar average. The key to Argentina's economic recovery is a return to more normal production of the agricultural and pastoral products which are in strong demand on the international market and which can be produced in this country at low cost. This is the only method by which Argentina can earn the foreign exchange needed to permit the importation of the finished manufactured goods and the raw materials and industrial machinery for existing industries which must, of necessity, come mainly from abroad, particularly from the dollar and sterling area countries.

Excessive government spending and exaggerated emphasis on premature industrial expansion have created a disequilibrium between the all-important agro-pastoral segment of Argentine industry and that of the manufacturing industry. The rôle of the latter in Argentina's economic life is accessory and complementary only. Manufacturing, under present conditions at least, cannot supplant the agro-pastoral industries as this country's chief source of national income.

Foreign Trade

Exports during the first quarter of 1951 totalled some 1,402,800 metric tons valued at 1,653 million pesos, and imports 2,581,700 tons valued at 1,682·3 million pesos yielded, on the basis of the *mean* rate of exchange applicable to imports and exports, a *real* favourable trade balance of 260·4 million pesos.

The total value of foreign trade for the first quarter of the year at 3,335·9 million pesos was higher by 31 per cent in comparison with the corresponding quarter in 1950, exports having risen by 32 per cent and imports by 30 per cent.

The aggregate export tonnage in the first three months of the past year was 1,402,800, or 34·5 per cent less than the corresponding total in 1950. The import tonnage for the first quarter, at 2,581,700, was inferior by 13 per cent to 1950's corresponding figure of 2,968,000 tons.

The tonnage and value percentages of the leading export commodity groups were the following: agricultural products (mainly cereals, linseed, vegetable oils and by-products), 84 per cent and 44·1 per cent; pastoral products (including wool which at high prices is the main contributor to the value percentage), 10·9 per cent and 48·7 per cent. These percentages are interesting when compared with their corresponding ones for the same period in 1950 which were as follows, respectively: agricultural products, 83·8 per cent and 43·1 per cent; pastoral products, 14·3 per cent and 53·3 per cent.

As regards imports, the trend in tonnage was a downward one, having decreased to 2,581,700 tons in the first quarter of 1951 as compared with

2,968,000 tons for the first three months of 1950. However, the value increased by 388·8 million pesos or about 29 per cent. This increase for one quarter of 1951 is remarkable when examined with that for twelve months of 1950 which showed an increase over 1949 of 188·4 million or only 4 per cent. The respective tonnages and values for the past five years and three months of 1951 and 1950 are given in the table below:

Argentine Imports

	Volume (thousands of metric tons)	Value (millions of pesos)
1946	8,341·1	2,331·7
1947	11,103·9	5,348·5
1948	14,332·6	6,189·7
1949	12,161·9	4,641·7
1950	10,752·3	4,821·1
1951, Jan.-March	2,581·7	1,682·3
1950, Jan.-March	2,968·0	1,293·5

Following is the most recent statistical data covering Argentine imports and exports for the first five months of the past year, itemized by main groups of commodities.

Argentine Imports, by Commodities

	1951 Jan.-May	1950 Jan.-May average	1951 Jan.-May	1950 Jan.-May average
	(000's metric tons)		(millions of pesos)	
Foodstuffs	76·1	74·4	131·8	115·4
Textiles and manufactures	53·1	40·1	312·7	236·1
Chemical and pharmacy products	135·2	91·7	283·1	133·3
Paper, cardboard and manufactures	80·3	81·6	110·2	74·7
Timber and manufactures	468·5	344·5	294·3	155·3
Iron and manufactures	278·2	433·3	330·0	307·3
Machinery and vehicles	67·4	112·1	600·8	402·9
Non-ferrous metals and manufactures	90·1	58·6	289·8	116·4
Stone, glass, ceramics, etc.	253·6	333·3	101·9	55·7
Fuel and lubricants	2,167·3	2,803·4	384·3	247·3
Rubber and manufactures	10·7	8·6	94·2	26·5
Sundry imports	46·5	94·1	256·9	120·9
Totals	4,729·5	4,480·1	3,212·7	2,008·8

Argentine Exports, by Commodities

	1951 Jan.-May	1950 Jan.-May average	1951 Jan.-May	1950 Jan.-May average
	(000 metric tons)		(millions of tons)	
Livestock farming products	297·6	450·7	1,486·3	1,126·4
Animals on the hoof	36·1	31·6	47·2	38·1
Meat	72·3	144·1	266·6	246·9
Hides	57·6	99·9	240·3	287·5
Wool	47·4	59·2	710·3	363·7
Dairy produce	20·8	18·1	121·1	67·8
Sundry by-products	63·4	97·8	100·8	122·3
Arable farming products	2,119·0	2,543·9	1,368·7	967·4
Cereals and linseed	1,591·0	1,819·1	661·8	484·5
Wheat flour and by-products	113·2	106·1	33·4	21·0
Vegetable oils	157·0	138·3	297·7	223·3
Oleaginous by-products	144·6	412·1	49·2	120·3
Fresh fruit	59·5	22·2	149·7	43·8
Other farm products	53·7	46·0	177·0	74·4
Forest products	77·8	89·6	98·5	95·5
Mining	18·6	11·0	9·6	5·3
Fish and game	0·4	0·3	5·2	2·5
Sundry articles	18·1	18·5	74·4	64·2
Totals	2,531·5	3,114·0	3,042·8	2,261·3

Quantitatively the main import commodity groups during the first quarter of 1951 were respectively: fuels and lubricants, 1,726,400 tons (66·9 per cent of the total); lumber and wooden products, 259,400 tons (10 per cent); iron and manufactures thereof, 143,000 tons (5·5 per cent); stone, earth, etc., 132,200 tons (5·1 per cent). Of the total imports value of 1,682·3 million pesos for the first quarter of 1951, the main import commodity groups were as follows: machinery and vehicles, 324·9 million pesos; fuels and lubricants, 195·6 million; textiles, 188·9 million; lumber and wooden goods, 156·3 million and iron and its manufactures, 149 million pesos.

The favourable balance of trade of 260·4 million pesos during the first quarter of 1951 compares with 12·9 million for the corresponding quarter of 1950.

However, the above figures should not lead to optimism. They are partly a reflection of foreign exchange reserves which were dispensed to local importers at the end of 1950. As mentioned in the first section of this report, the outlook for Argentina's foreign exchange earning ability is not good and expectations are that imports, like exports, will have been effected on a reduced scale between July and the end of 1951.

From the geographical standpoint, the United States continued to be Argentina's best client, taking 25·2 per cent of total Argentine exports, followed by Italy, 158·6 million pesos, the United Kingdom, 150·8 million pesos, Brazil, 145·7 million pesos, France, 126·4 million pesos, Holland, 108·9 million pesos, and Western Germany, 104·3 million pesos.

Likewise, the United States was the leading supplier, exporting 327·5 million pesos worth of goods (20 per cent of total Argentine imports), 115 per cent more than the 1950 total. The United Kingdom followed, supplying 174 million pesos worth of products, Brazil, 140·7 million, France, 114·1 million, India, 73·9 million and Western Germany, 104·3 million.

An important factor in Argentine foreign trade is, of course, "I.A.P.I.", a State entity which in 1950 exported 5,600,000 tons of goods valued at 3,800 million pesos. This compares impressively with total Argentine exports at 6,000,000 tons, valued at 5,000 million pesos, for the same period. In other words, I.A.P.I. handled 75 per cent of all Argentine exports abroad.

Finance

Although government revenue for the fiscal year was estimated at 4,870 million pesos in the 1950 budget, statistics published recently show that the actual revenue for that period yielded 5,202 million pesos, i.e., about 330 million pesos more than the original estimate.

Government expenditures which were also budgeted for at 4,870 million pesos, actually totalled 5,102·3 million pesos, yielding an apparent surplus of 99·7 million pesos. However, the figure given above for actual expenditures in 1950 does not include items which do belong to yearly government expenditures such as those of the Five-Year Plan which, for the whole of 1950, reached 1,565·9 million pesos. Neither do these expenditure statistics include federal accounts to be covered by the proceeds of government bond sales, such as national defence, 611·6 million pesos, state grants and contributions, 77·1 million pesos and public works, 485·1 million pesos. When these additional federal accounts (excluding the Five-Year Plan costs) are applied against the apparent budgetary surplus, the latter becomes a deficit of 109·8 million pesos.

Numerous changes in Argentine taxation procedure were introduced in September of the past year. The most important is a new tax to replace the former inheritance tax, a measure designed to improve federal financial resources. Under the new legislation, a sum equivalent to 25 per cent of all salaries and wages paid throughout the country, will be available to the Federal Treasury against Social Welfare Bonds bearing interest at 4 per cent with no fixed maturity date.

Foreign exchange reserves of the Argentine Banco Central at June 30, 1951, stood at 3,025·1 million pesos of which 507·7 million pesos were gold backed. This compares favourably with the total reserves of 2,223·9 million pesos as at June 30, 1950. However, of the last-mentioned figure 1,400·6 million pesos were guaranteed by gold during that period, indicating that the gold backing of foreign exchange holdings during the past 12 months decreased by 892·9 million pesos (i.e. by about 63 per cent). Gold reserves at 874·4 million pesos compare favourably with 656·1 million pesos a year ago.

The total amount of money in the hands of the public at June 30, 1951, was 12,474·8 million pesos, while the corresponding figure for June 30, 1950, reached 8,953·6 million pesos, an increase of 3,521·2 million pesos which reflects the internal inflation presently taking place. The aggregate sum of money with commercial banks at the middle of 1951 was 2,092·6 million pesos, as compared with 1,638·0 in June, 1950, and with 1,410·3 at the end of that year. The monetary circulation is expected to show a relatively sharper increase for the final quarter of last year, partly due to seasonal spending at Christmas and also to payment of year-end bonuses.

Balance of Payments Improved

According to the 16th Annual Report released recently by the Argentine Central Bank, Argentina's international payments during 1950 gave it a positive balance of 693 million pesos compared with an adverse balance of 203 million during 1949. The improvement is due mainly to an increase of 1,169 million pesos in export values in 1950 over the corresponding figure for 1949. In turn, the increase in export values in 1950 was mainly due to a steep climb in international prices for commodities such as wool, hides and canned meat, but is also a result of the "modification" of the exchange rates introduced in August, 1950.

A figure of US$59,200,000 is given as Argentina's favourable United States dollar balance for the first six months of 1951. This compares very favourably with a positive balance of US$28,400,000 for the same period in 1950.

However, because of a fall in international prices and the sharply reduced amounts of goods available to Argentina for export, the improvement in Argentine dollar earnings during the first half of 1951 is not expected to be maintained during the last six months of the year.

The following figures show Argentina's dollar earnings and dollar spending history for the first half of the year:

Argentine Dollar Balances

1951	Argentine Exports (millions of	Argentine Imports U.S. dollars)
January	27·1	12·0
February	25·9	16·3
March	34·7	16·3
April	32·9	19·0
May	30·0	20·2
June	16·8	24·4
	167·4	108·2

NET Argentine Favourable Balance, First Six Months 1950, US$28·4 million.
NET Argentine Favourable Balance, First Six Months 1951, US$59·2 million.

The position respecting Argentine sterling balances presents a contrasting picture. This is reflected in the following extract from the Argentine Central Bank's annual report for 1950:

Argentine Sterling Balances
(Millions of Argentine pesos)

Balance as at December 31, 1949		288·6
Earnings during 1950:		
Exports	1,261·9	
Others	83·8	
		1,345·7
Payments during 1950:		
Imports	1,269·8	
Others	83·5	
		1,353·3
Balance as at December 31, 1950		+ 281·0

The decrease during 1950 in sterling balances, equivalent to 7,600,000 Argentine pesos, is due principally to relatively heavy imports and reduced exports, mainly as a result of the stoppage of meat shipments to Britain in July, 1950. Figures regarding the position for the first half of last year are not available but it is certain that they would be indicative of a downward trend in Argentine sterling holdings, also mainly because of reduced exports of meat to the United Kingdom.

All in all, it may be said that Argentina's dollar balance improved remarkably during 1950 and the first half of 1951, but this amelioration was achieved at the cost of a depletion of her sterling reserves. The over-all picture of Argentina's foreign exchange position, particularly regarding dollar balances, is much brighter than it was a year ago, but this is due mainly to seasonal factors; and a sharp fall in Argentine exports abroad, and therefore in foreign income, was expected during the remainder of the year. The prospects for 1952, because of the recent drought, are anything but promising.

The turnover in September in stocks and bonds on the Buenos Aires Stock Exchange reached the highest point in the last three years. This was mostly due to speculation provoked by the abortive revolution of September 28. From March till August trading was generally dull, although slight and gradual increases were recorded.

The labour position has been much the same during last year as in 1950. Wages and salaries are increasing every day, but perhaps the contrary could be said in so far as the per man hour yield is concerned. If anything there has been less labour unrest in the recent months, although railway workers a few months ago again demonstrated their dissatisfaction by blowing up a few railway lines. Also general wage increases, averaging 50 per cent, recently were granted to farm workers by government authorities. However, these increases are generally considered fair, not only in view of the relatively low wages paid before, but mainly because they should provide a deterrent to the drift of the rural population to the city with consequent ill-effects on agricultural and pastoral production, the back-bone of Argentine economy. Sugar workers were also granted a 40 per cent wage increase, while 10,000 stevedores in the ports of Buenos Aires and La Plata were awarded a 30 per cent increase.

Provision Made for Credit to Grain Producers

The Prairie Grain Producers' Interim Financing Act, 1951, will come into force on January 15, 1952, according to an announcement by the Right Hon. C. D. Howe, Minister of Trade and Commerce. This act was passed at the last session of Parliament to provide short-term credit to grain producers in the Prairie Provinces who, because of congested delivery points or inability to complete harvesting of their grain, are in need of credit until their grain can be delivered.

The loans are to be arranged through the commercial banks, and individual advances can be made up to a maximum of $1,000. Lower maximums will apply if the grain the borrower expects to deliver in the current crop year is valued at less than $1,000, or if the borrower has been able to deliver grain since the end of August, 1951. The regulations pursuant to the Act provide that the rate of interest on the loans shall not exceed 5½ per cent per annum, simple interest.

The application forms have been mailed to the banks in the expectation that they will reach branch offices by January 15. Producers living any appreciable distance from a bank should allow a few extra days beyond that date, however, to ensure that the forms will be on hand when they make their application.

"Private and Public Investment in Canada, 1926-51" Available

Copies of the report on "Private and Public Investment in Canada, 1926-51", tabled recently in the House of Commons by the Right Hon. C. D. Howe, Minister of Trade and Commerce, may be obtained from the King's Printer, Government Printing Bureau, Ottawa. Cost per copy is $2.00.

U.K. Token Import Scheme Being Continued

The United Kingdom Token Import Scheme will be continued in 1952, but at a reduced level. Since negotiations are still proceeding between the United Kingdom Government and the Governments of Canada and the United States, a detailed announcement will be made at a later date. The scheme will be limited in 1952 to Canada and the United States, according to an announcement made yesterday in London.

Since its inception in 1946, the Token Import Scheme has provided for the admission to the United Kingdom of limited quantities of foodstuffs and manufactured products, which would otherwise have been eliminated from the United Kingdom market by reason of import and exchange restrictions.

There are some 266 Canadian firms participating at present in the scheme and some 70 commodities are involved. The value of Canadian quotas has increased over the years from approximately $2 million in 1946 to $7·5 million in 1951.

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Labour and Material Shortages Restrict Swedish Shipbuilding

Extension of Domnarvet works expected to increase steel deliveries to shipyards this year, but principal part of supplies must still be covered by imports.

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

STOCKHOLM.—A recent study of the shipbuilding industry in Sweden reported in one of the leading economic journals, reveals that, since the first quarter of 1947 ships under construction in this country have shown an increase from 244,000 gross tons to 335,000 in the third quarter of 1951. There has been very little change in the last few quarters, as Swedish shipyards have been working at the fullest capacity permitted by labour and raw material supplies. The order stock is considerable and recent orders are not due for delivery until 1956. Apart from the fact that labour has been insufficient for several years, supplies of shipbuilding material, particularly plate and frame angle bar, have been scarce and future prospects in this field are not considered to be encouraging. During 1951 the United Kingdom and Germany have supplied Sweden with most of this type of shipbuilding material, but as both these countries are themselves suffering from a shortage of these materials in their own shipbuilding industries, it is expected that the impending trade negotiations on the subject of the deliveries of such materials will be rather complicated. Fortunately for the Swedes, their iron ore, which is in great demand abroad, can be used as a bargaining commodity.

Large Imports of Steel Still Necessary

The extensions at Domnarvet steel works are expected to result in an increase of deliveries to Swedish shipyards next year, but the principal part of the supplies must still be covered by imports, the prices for which have been gradually increasing. Recently Japan has also delivered material to Swedish shipyards. The first large contract for 15,000 tons was made by the Uddevalla yard and several other Swedish shipyards are at present negotiating purchases. The prices for Japanese material, however, are very high and in addition, the ship plate manufactured by Japan is narrower than the European plate generally used in Swedish yards. This may cause some complications and necessitate certain replanning in the vessels to be built.

For some time, new construction contracts in Swedish yards have been signed only on the so-called sliding scale, which means that most of the increases in costs must be paid by the purchaser. Prices of ships, which are already extremely high, are expected to increase even more on account of the rise in wages and in the cost of raw material. With such high prices, surprise has been expressed that such large orders are now being placed by most countries' shipping firms, but tonnage is much needed and constant renewals must be made. The majority of orders cover new freighters and tankers, as well as ore-carrying vessels, these mostly for the United States.

Swedish yards, for some time past, have been engaged principally on the construction of foreign vessels, but recently there has been a change and the latest Lloyds statistics show that of the 335,000 gross tons under construction at present in Sweden, 140,000 tons are for Swedish account. It is also of interest to note that orders abroad for Swedish account are now considerable and have been placed in various countries. At the same time as Sweden at the end of the last quarter had 195,000 gross tons under construction for foreign account, a gross tonnage of 83,000 was under construction abroad for Swedish account, i.e., one vessel in Holland, five in Germany and three in England.

Both Swedish yards and shipping companies have of late become increasingly engaged with the construction of tankers. While Sweden, at the end of the last quarter was building in her yards about 6 per cent of the world tonnage under construction, her part of tanker construction comprised almost 12 per cent. Swedish yards, at present, are building nine tankers with a total gross tonnage of 99,000 for Swedish account. At the same time, three tankers of a total tonnage of 33,000 are under construction in the United Kingdom and Germany for Swedish account.

Canadian Wheat Shipped to India for Famine Relief

Canadian wheat, requested by the Government of India under provisions of the Colombo Plan, is being loaded aboard the *S.S. Houston City,* in Vancouver, and will be used to relieve some of the pressing famine problems now facing the people of India. This consignment is the first of a large quantity being made available by Canada at a cost of approximately $10,000,000, and it is the first grant of any size to India under the economic development phase of the Colombo Plan.

It was not originally intended that the Colombo Plan should cover the provision of food grains and other expendable commodities; but should be a plan looking to the betterment of the living standards of the people in South and Southeast Asia. However, under provisions of an agreement between the Governments of India and Canada, signed at New Delhi on September 10, 1951, goods made available to India for relief or other purposes may be financed by grants from the Canadian Government. When such goods are sold or otherwise distributed to the Indian public, the rupee equivalent of Canadian expenditures on such goods will be credited to a special fund. These monies, to be known as "counterpart funds", will be used to finance economic development projects, such as the construction of dams and other earth works, buildings to house equipment and the actual erection of hydro-electric plants.

The food grains now being loaded by the *S.S. Houston City* consist of No. 4 Northern wheat, purchased by the Canadian Government from the Canadian Wheat Board.

TRANSPORTATION

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

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

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

Trade Notes

CHILE

Port of Tocopilla to be Mechanized

Santiago, December 4, 1951.—(FTS)—It is reported that the Nitrate Corporation will advance funds for the mechanization of the port of Tocopilla at an approximate cost of US$3,000,000. The work is to commence shortly and the installations should be ready within two years.

Echo-Sounding Equipment Ordered for Chilean Fisheries

Santiago, December 7, 1951.—(FTS)—A fishing vessel equipped with echo-sounding apparatus for detecting shoals of fish, is to be purchased in Norway for the fishing industry. The Fisheries Board has already requested from the Ministry of Economy and Commerce the necessary authorization for this purchase.

Tourist Hotels to be Constructed in Chile

Santiago, December 5, 1951.—(FTS)—Tourist hotels are to be constructed at Puerto Montt, Curicó and Coquimbo, at a cost of Ch$25 million, Ch$12 million and Ch$10 million, respectively. Of the total cost, Ch$21 million will be invested by the Development Corporation ("Corfo"), the balance being provided by the State Railways and the municipalities of the three towns in question.

Chile Increasing Trade with Germany

Santiago, December 6, 1951.—(FTS)—The first six months of 1951, as compared with the same period of 1950, show an appreciable increase in Chilean trade with Germany. In the 1951 period, Chile exported to a value of Ch$26 million and imported to a value of Ch$36 million, as compared with Ch$9·5 million and Ch$40·3 million, respectively, in 1950.

EGYPT

Army Surplus Stores Export Banned by Egypt

Cairo, November 20, 1951.—(FTS)—A government ban has been placed on the export of all items under this heading of army surplus stores, including second-hand motor vehicles, tires, etc.

Egypt Makes Trade Agreement with Lebanon

Cairo, November 20, 1951.—(FTS)—The text of a new trade agreement providing for export from the Lebanon to Egypt of silk and wood fabrics and clothing, brushes, matches, paints, vegetable oils, biscuits and jam, cement, fresh fruit, etc., has been published. Egypt will export to the Lebanon cotton, salt, books, films and gramophone records, insecticides, shoes, starch, onions, etc., etc.

Ireland Plans Increased Sugar Beet Production

Dublin, December 13, 1951.—(FTS)—Ireland hopes to raise beet sugar production from about 80,000 long tons per year to 140,000 tons, so as to replace all sugar imports. This would assist the country's adverse balance of payments position to the extent of £3 million per year now spent on imported sugar, as well as giving a much needed increase in agricultural production. The present crop of sugar-beet is about 600,000 tons. The plan is to raise the acreage so as to obtain 1,000,000 tons of beet. The price payable by the sugar factories for beet was 100/– per ton, with 15½ per cent sugar content. For 1952 an increase to 107/– has been announced, with the usual differential for increased sugar content. Factory capacity is to be increased proportionately to handle the increased production.

Fertilizers and lime will be supplied to contract farmers on credit, as will seeding and harvesting machinery of latest type for which loans at low interest rate are made available. To meet recent increases in transport charges, especially for farmers remote from sugar factories, the Sugar Company will in future pay the full cost of rail freight on clean and properly topped beet. Freight charges on tare and waste will continue to be paid in full by the farmers. Besides taking care of domestic sugar needs, increased sugar production would assist the expansion of exports of goods containing sugar, such as chocolate crumb, sweetened condensed milk, sugar confectionery and jams, all of which provide additional industrial employment and markets for agricultural produce.

Irish Cement Industry Expanding

Dublin, December 13, 1951.—(FTS)—Cement production and import in the Republic of Ireland are controlled by special legislation. The two factories in the Republic of the sole licensed cement manufacturer, Cement Limited, with a normal capacity of 375,000 tons, have been producing as much as 445,000 long tons a year, but this falls short by 100-200,000 tons of domestic needs. The deficiency has been made up by imports at higher than domestic costs, chiefly from Great Britain, Belgium, Denmark and Sweden. Indeed, domestic sales are loaded with a charge to enable imports to be sold below the landed cost, at parity with local cement.

Expansion has been authorized of the factories at Drogheda to 450,000 tons and at Limerick to 175,000 tons, which will bring normal combined capacity to 625,000 tons and will eliminate the need for imports. The extensions will require new capital expenditure estimated at £2,080,000. New capital is being raised by the issuance at a premium of 400,000 second cumulative preference 5½ per cent £1 shares at 21/6d., and 800,000 ordinary £1 shares at 30/6d. each. The company has a successful history since its formation in 1936. Limestone, clay and shale required for cement manufacture are being obtained from the company's own deposits adjacent to their factories. Fuel is all imported, as there are no domestic supplies. The quality of Irish cement compares favourably with cements made elsewhere. The needs for greater supplies of cement to sustain present building and construction programs throughout the country have become acute.

ISRAEL

Israel Obtains French Buses on Barter Basis

Athens, November 4, 1951.—(FTS)—The Israel bus company "Eshed" is to receive 150 Chausson buses from France within the next six months. The first consignment of twenty is scheduled for delivery before the end of this month. According to the arrangements, the Chausson buses will be bartered for Kaiser-Frazer cars assembled in the Haifa plant.

Israel Receives Credit for Purchase of Buses and Lorries

Athens, November 1, 1951.—(FTS)—A million dollar credit for the purchase of bus chassis and lorries, repayable in two years, has been granted to Israel by a United States company. Interest will be payable at the rate of three and seven eighths per cent. The same firm extended $1·5 millions credit 18 months ago. The arrangement provides that the local bus co-operatives receive 65 bus chassis by the end of this year. Each chassis will be accompanied by the spare parts to keep it in working condition.

Re-Insurance Firm to be Founded in Israel

(Editor's Note.—I£1 equals US$2·8, official).

Athens, November 1, 1951.—(FTS)—The establishment, next January, of the Israel Re-Insurance Company Limited, with a share capital of I£200,000, has been approved by the Israel Treasury and Insurance Control Board and will, it is believed, make local insurance companies more independent of foreign firms, as well as easing the foreign currency difficulties of insurance work.

The new company will have as founding members, five local insurance companies who will contribute together I£20,000 for founding expenses, in addition to I£120,000 of the initial share capital. About 24 per cent of the share capital is being reserved for the participation of re-insurance firms abroad, a number of which have already indicated their willingness to co-operate and share in the capital.

NORWAY

Norway's Economic Position Is Good

Oslo, November 29, 1951.—(FTS)—Economic activity during the first ten months of 1951 has been very brisk, and as 1950, particularly the last quarter, was also a period of expansion, economic conditions in Norway today are probably better than they have been at any time since the end of the war. Industry, agriculture, fisheries, shipping and whaling have been favoured by good market conditions. Industrial production in practically all fields and particularly in export industries, has been considerably higher this year. The agricultural crop was a bit below average. This year was a record one for Norwegian fisheries. The large catch of herring was an all-time record, while the Lofoten cod fishery was well above average. Last year's catch was also good.

Foreign trade has developed favourably, exports being over 50 per cent higher than in 1950 and imports increased by about 25 per cent.

Price increases were relatively higher on commodities exported than on commodities imported. The merchant fleet has been fully and profitably employed and has contributed greatly to the favourable foreign exchange position. Whaling, which will soon be under way, is expected to be up slightly from the good return in 1950.

During the third quarter of 1951, Norway's balance of payments, recorded by preliminary figures, showed a surplus of 140 million kroner, making a net surplus (current earnings over current payments) of 50 million kroner for the first nine months, compared with a deficit of 745 millions for the same period in 1950.

SOUTHERN CARIBBEAN

Grenada Co-operative Nutmeg Association Shares Profits

Port of Spain, December 17, 1951.—(FTS)—Six thousand nutmeg producers in Grenada will share $1,337,425 in profits on the past year's operations. The profit was made in spite of heavy losses to crops during the general strike earlier this year.

Barbados Gulf Oil Co. Makes Drilling Survey

Port of Spain, December 17, 1951.—(FTS)—The Barbados Gulf Oil Co. has been engaged in a seismic survey in an endeavour to locate a suitable site for drilling its first deep test well. Drilling is scheduled to commence early in 1952.

Internal Airline Planned for Surinam

Port of Spain, December 17, 1951.—(FTS)—A Surinam businessman proposes to establish a small internal airline in that country, using three Auster aircraft. It is planned to develop a main airport near Paramaribo and expectations are that the government will assist in the establishment of air strips at various interior points. Several business concerns have already indicated their willingness to build air strips near their properties.

Georgetown Has Second Disastrous Fire

Port of Spain, December 17, 1951.—(FTS)—Flames swept through the heart of Georgetown's commercial district on the night of November 30, destroying many business houses which had been spared in the 1945 fire, and causing property damage estimated at $8 million. A number of fine, modern buildings have just been completed on the site of the devastating fire of 1945, making what is undoubtedly the most up-to-date business centre in the British Caribbean area.

Canada Was British Guiana's Best Customer in 1951

Port of Spain, December 17, 1951.—(FTS)—Total value of British Guiana's export trade up to the end of August, 1951, amounted to $33·5 million. This was over $3 million above the figure for the same period of 1950. Imports for the period amounted to $41·8 million leaving a trade deficit of \$8·4 million. Canada retained her position as the Colony's best customer with purchases of \$15·8 million for the January to August period, or just over 47 per cent of all produce which British Guiana sold abroad. The two major items shipped to Canada were 1,164,034 tons of bauxite valued at \$8·4 million, and 46,380 tons of sugar valued at \$6·9 million. Imports from Canada amounted to only 14 per cent of total imports and were valued at \$6·03 million. Imports from the United Kingdom amounted to \$19·1 million, while exports to that country were \$11·5 million. Imports from the United States were \$5·2 million, while exports to that country amounted to \$2·4 million, including mainly bauxite and green heart timber.

TRINIDAD

Value of Trinidad Exports Was High

Port of Spain, December 17, 1951.—(FTS)—Trinidad's total exports for the first ten months of 1951 amounted to \$180·7 million. Domestic produce exported amounted to \$173·7 million while re-exports accounted for \$6·9 million. Total imports for the same period amounted to \$177·6 million. Of this, \$61 million came from the United Kingdom. Imports from North America amounted to \$30 million, while \$49 million came from Venezuela, the bulk of it crude oil for refining. The United Kingdom took nearly \$50 million worth of Trinidad's exports, North America \$27 million, and Venezuela \$22 million.

Large Power Station Being Erected in Trinidad

Port of Spain, December 17, 1951.—(FTS)—The Trinidad and Tobago Electricity Commission is erecting what will be the largest power station in the Colony. The new station, situated in south Trinidad, will be completed within the next eighteen months and is designed for a capacity of 25,000 kilowatts. Cost of this installation, together with a 66,000-volt transmission line connecting the Port of Spain power station with the south of the island, will be approximately \$9 million. Adjacent to the new station, an artificial lake covering six acres and having a capacity of 10 million gallons is being created. The water from this lake will be used in the station for cooling purposes.

Trinidad Textile Mill to Import Raw Cotton From United States

Port of Spain, December 17, 1951.—(FTS)—The textile mills of Safie Brothers, which were established in Trinidad under the Aid to Pioneer Industries legislation of 1950, are to be permitted to import supplies of raw cotton from the United States. The mills reached the production stage about a month ago, but they were kept idle by local legislation which prohibited the importation of raw cotton from the United States as a measure of protection against the introduction of the boll weevil. This legislation, which had been on the books for many years, was apparently overlooked during preliminary negotiations regarding establishment of the industry in Trinidad. The raw cotton will now be permitted entry into Trinidad providing it is fumigated against the boll weevil prior to shipment.

Trinidad Shirt Manufacturers Obtain Export Concession

Port of Spain, December 17, 1951.—(FTS)—Shirt manufacturers in Trinidad will now be permitted to export forty per cent of their production to the other British West Indies colonies and to Commonwealth countries following the removal of a government ban on the export to sterling countries of shirts made from American cotton. The concession was obtained by manufacturers following their complaints to the government that local demands had been met and stocks were piling up to such an extent that production would have to be seriously curtailed.

TCA Alters Flight Schedule to Trinidad

Port of Spain, December 17, 1951.—(FTS)—Trans-Canada Air Lines, which have been serving Trinidad and Barbados with weekly flights on Saturdays, have inaugurated a mid-week service on Wednesdays. Passengers for Barbados and Trinidad leave Canada on Tuesday evening and arrive in these Colonies early the following morning. At the beginning of the New Year it is expected that an additional flight will be provided on Fridays.

Trinidad Doubles Expenditure On Deep Drilling for Oil

Port of Spain, December 17, 1951.—(FTS)—Almost $8 million was spent on deep drilling by the Trinidad petroleum industry during 1950. This sum was more than double the average annual expenditure for the preceding five years. Total crude oil production for 1950 was 20·6 million barrels.

UNITED KINGDOM

United Kingdom Trade Deficit Reduced in November

London, December 13, 1951.—(FTS)—The excess of United Kingdom imports over total exports in November amounted to £74·9 million. This was £42 million less than in October. The main reason for the fall was the drop in imports by £33·8 million to £328·8 million. At the same time, exports (£243·8 million) rose by £8·6 million over the record total in the previous month. The figures for exports to North America are disappointing. Shipments to the United States in November were valued at £10·1 million, a decrease of £1·7 million as compared with October. Exports to Canada, £11·3 million, were £1 million more than in the previous month.

United Kingdom Dollar Export Drive to be Intensified

London, December 13, 1951.—(FTS)—When the original Dollar Export Board was wound up in June, 1950, it was succeeded by the Dollar Exports Advisory Council, with advisory powers only. Since then the worsening of the dollar situation has made it imperative, according to an announcement made by the Council, that an organization of much wider scope should be established which could go out to industry and take positive steps to assist and encourage individual firms and industries in their dollar sales problems. The new body, which will be known as the Dollar Exports Council, has been formed and is sponsored by the national industrial, commercial and financial organizations. It has the full support of the government.

UNITED STATES

Shoppers' World Opens Near Boston

Boston, December 10, 1951.—(FTS)—A modern $5 million suburban retail shopping centre, said to contain the largest salesroom in the world, was opened recently on a major highway between Boston and Worcester, Mass. A large department store occupies space beneath a steel and concrete dome 227 feet in diameter and 54 feet high. This is the largest unsupported dome in the United States, and is of arched beam construction. Comprising 44 retail shops in all, the centre has 360,000 square feet of plate glass for display windows and includes a 1,500-seat theatre, a bank, restaurants, and a 6,000-car parking lot.

New England Paper Industry Producing New Specialties

Boston, December 10, 1951.—(FTS)—Depending on Eastern Canada for about a quarter of their pulpwood requirements, paper mills in New England are producing many new pulp and paper specialties. Among these are export and protective wrappings, containers for frozen foods and heat sealable wraps, as well as moisture, rust, and corrosion resisting wrappings. High labour costs in the mills and in the woods operations have brought about this specialization. Other unique products are teletype and other high speed communication tapes, sensitized cheque paper, Christmas foil, asphalt-impregnated paper soil pipe, shoe innersoles, and specialized pulps for the rayon, cellophane and plastics industries.

New Hampshire Paper Mill to Produce Sulphur

Boston, December 10, 1951.—(FTS)—Iron sulphide concentrates will be roasted to produce much-needed sulphur in a new plant being built in Berlin, N.H., by a large paper concern. The process will utilize tailings which are a by-product of the refinement of copper ore by the flotation process. This material will be supplied by a copper refinery in Vermont. It is believed the cost of production will compare favourably with the cost of imported elemental sulphur from Louisiana and Texas.

Transatlantic Airlines Offer Tourist Rates Effective in May

The International Air Transport Association has announced that a tourist air service, representing a one-third decrease in rates, will be put into operation on May 1, 1952. Estimated airline traffic for next year, with the new low-cost service, is expected to be 500,000 passengers. Airlines participating in the agreement on tourist fares are: Air France, British Overseas Airways Corp., Royal Dutch Airlines, Israel Airlines, Italian Airlines, Pan American World Airways, Sabena Belgian Airlines, Scandinavian Airlines, Swissair, Trans Canada Airlines and Trans World Airlines.

Canadian Exports by Areas

Country	November 1938	November 1950	November 1951	January—November 1938	January—November 1950	January—November 1951
COMMONWEALTH COUNTRIES	(Millions of Dollars)					
United Kingdom and Europe	36·3	38·7	58·7	318·4	435·3	570·9
America	2·4	3·0	3·4	20·3	28·7	37·2
Africa	1·2	3·1	5·2	16·9	43·5	54·9
Asia	0·7	4·5	5·7	7·6	49·7	60·6
Oceania	3·8	4·6	8·9	45·1	41·3	63·3
TOTAL COMMONWEALTH COUNTRIES	44·8	53·9	81·9	408·3	598·5	787·0
FOREIGN COUNTRIES						
United States and Possessions	28·6	193·1	211·2	247·5	1,844·0	2,122·8
Latin America	1·7	13·8	26·6	16·3	130·5	179·6
Europe	7·4	25·3	39·5	67·9	180·5	312·9
Other Foreign Countries	3·9	6·7	20·3	28·7	75·0	132·8
TOTAL FOREIGN COUNTRIES	41·7	238·8	297·6	360·4	2,230·0	2,748·1
TOTAL DOMESTIC EXPORTS	86·0	292·7	379·5	768·7	2,828·5	3,535·1

Canadian Exports, by Countries

Country	November 1938	November 1950	November 1951	January—November 1938	January—November 1950	January—November 1951
COMMONWEALTH COUNTRIES	(Thousands of Dollars)					
Europe:						
United Kingdom	35,750	38,580	57,991	314,154	430,355	568,320
Gibraltar	...	59	45	6	280	572
Malta	20	55	700	366	4,630	2,045
TOTAL EUROPE[1]	36,299	38,694	58,736	318,388	435,265	570,937
America:						
Newfoundland[2]	1,075	...	...	7,611	...	...
Bermuda	131	280	386	1,255	2,756	3,378
Barbados	87	321	259	959	2,858	4,170
Jamaica	395	838	759	4,039	7,102	9,195
Trinidad and Tobago	379	657	1,026	3,280	7,120	9,289
Bahamas	145	221	178	1,626	1,802	1,941
Leeward and Windward Islands		325	319		2,993	3,885
British Guiana	133	276	466	1,264	3,642	4,879
British Honduras	21	59	27	257	445	516
Falkland Islands	...	...	...	...	1	2
TOTAL AMERICA	2,366	2,977	3,420	20,291	28,719	37,255
Africa:						
Northern Rhodesia	1,060	84	27	14,715	390	206
Union of South Africa		2,837	4,013		40,164	48,985
Other British South Africa		2	1		5	26
Southern Rhodesia	65	26	709	978	1,140	2,506
Gambia	2	...	4	19	12	25
Gold Coast	25	62	103	173	524	916
Nigeria	9	13	106	70	171	713
Sierra Leone	9	13	26	174	213	192
Other British West Africa	...	...	...	...	...	1
Anglo-Egyptian Sudan	3	8	...	209	72	32
British East Africa	50	36	161	600	786	1,337
TOTAL AFRICA	1,223	3,081	5,150	16,938	43,477	54,939

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

(1) Includes Ireland in 1938, see page 49.

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

Canadian Exports, by Countries—*Continued*

Country	November 1938	November 1950	November 1951	January—November 1938	January—November 1950	January—November 1951
COMMONWEALTH COUNTRIES—Conc.	(Thousands of Dollars)					
Asia:						
India	343	2,671	2,799	2,671	25,867	32,776
Pakistan		520	546		8,314	4,242
Ceylon	12	34	293	185	4,209	3,167
Aden	3	....	1	83	18	21
Federation of Malaya	146	241	766	2,227	3,732	9,518
Other British East Indies	....	....	....	5	28	....
Hong Kong	153	1,081	1,275	2,151	7,511	10,881
TOTAL ASIA	669	4,547	5,680	7,579	49,679	60,605
Oceania:						
Australia	2,329	3,239	5,400	30,040	31,345	43,510
New Zealand	1,396	1,338	3,534	14,693	9,755	18,959
Fiji	38	17	9	337	234	716
Other British Oceania	....	....	....	44	15	82
TOTAL OCEANIA	3,763	4,594	8,943	45,114	41,349	63,267
TOTAL COMMONWEALTH COUNTRIES[1]	44,322	53,891	81,926	408,314	598,489	787,002
FOREIGN COUNTRIES						
United States and Possessions:						
United States	28,287	191,960	209,262	245,725	1,829,478	2,107,735
Alaska	2	96	301	116	899	1,338
American Virgin Islands	5	5	7	32	141	164
Hawaii	165	572	478	1,342	6,041	6,124
Puerto Rico	32	395	1,132	312	7,219	7,242
United States Oceania	....	26	1	3	196	178
TOTAL UNITED STATES AND POSSESSIONS	28,591	193,054	211,181	247,530	1,843,974	2,122,781
Latin America:						
Argentina	621	734	642	4,503	13,069	7,542
Bolivia	9	880	950	102	2,187	3,318
Brazil	310	1,746	9,638	3,307	14,077	43,031
Chile	65	992	3,686	551	5,690	11,054
Colombia	99	1,700	1,386	1,079	13,462	11,187
Costa Rica	9	121	168	89	2,060	2,042
Cuba	85	1,412	1,665	1,115	16,541	17,905
Dominican Republic	14	168	268	287	2,670	3,634
Ecuador	....	286	135	49	1,276	2,357
El Salvador	6	149	110	44	1,273	1,739
Guatemala	8	223	263	107	2,106	2,150
Haiti	4	276	110	110	2,264	2,123
Honduras	25	61	26	159	524	3,519
Mexico	166	1,828	3,012	2,187	15,702	26,581
Nicaragua	2	79	105	71	714	974
Panama	28	383	112	286	8,645	5,692
Paraguay	....	21	20	9	108	95
Peru	105	340	232	842	3,275	3,991
Uruguay	22	141	539	205	1,570	5,639
Venezuela	130	2,235	3,566	1,168	23,249	25,070
TOTAL LATIN AMERICA	1,708	13,775	26,633	16,270	130,462	179,643
Europe:						
Albania	....	....	....	8	....	1
Austria	....	109	352	8	2,256	2,019
Belgium and Luxembourg	966	7,187	10,255	8,837	57,043	81,936
Bulgaria	....	....	....	9	214	8
Czechoslovakia	52	42	124	3,144	2,153	451
Denmark	194	24	1,128	1,367	726	3,158
Estonia	....	....	....	2	....	....
Finland	27	53	224	477	581	2,862
France	715	2,435	4,885	8,229	17,216	40,625

(1) Includes Ireland, Burma and Israel in 1938, see page 800.

Canadian Exports, by Countries—*Concluded*

Country	November			January—November		
	1938	1950	1951	1938	1950	1951
	(Thousands of Dollars)					
FOREIGN COUNTRIES—Con.						
Europe—Conc.						
Germany	2,404	1,371	6,302	16,747	7,536	27,891
Greece	1	62	138	1,565	1,599	2,410
Hungary	....	8	....	2	72	30
Iceland	....	52	80	17	655	644
Ireland*	529	1,454	3,420	3,862	12,325	18,988
Italy	146	3,319	2,960	1,573	13,179	44,657
Latvia	3	....	....	234	....	....
Lithuania	46	....	....	894	1	....
Netherlands	969	794	2,580	9,785	8,013	23,093
Norway	1,046	1,049	3,161	7,475	15,840	28,156
Poland	94	4	2	992	1,422	92
Portugal	7	1,174	260	127	5,429	3,744
Azores and Madeira	....	71	5	3	202	222
Roumania	1	16	2	39	104	8
Spain	1	1,348	17	100	5,598	696
Sweden	607	312	486	4,709	3,449	7,458
Switzerland	60	4,303	3,057	691	23,943	22,254
U.S.S.R. (Russia)	87	25	....	881	181	7
Yugoslavia	2	46	49	10	802	1,452
TOTAL EUROPE	7,428	25,258	39,487	67,925	180,539	312,862
Other Foreign Countries:						
Afghanistan	....	....	....	....	52	97
Arabia	....	92	104	....	786	1,245
Belgian Congo	26	216	243	93	2,089	3,754
Burma*	6	1	35	119	27	208
China	207	82	57	2,434	1,964	200
Greenland	....	41	45	....	98	182
Egypt	50	43	94	340	3,710	2,282
Ethiopia	....	....	31	....	49	164
French Africa	6	147	4,032	533	1,900	6,073
French East Indies	7	3	14	27	61	219
French Guiana	....	....	....	6	5	2
French Oceania	3	72	94	74	710	588
French West Indies	8	13	3	154	24	28
Madagascar	1	10	8	8	117	77
St. Pierre and Miquelon	30	133	99	247	986	1,057
Iran	12	93	11	80	889	926
Iraq	2	3	138	39	69	764
Israel*	6	548	1,299	138	11,565	10,327
Jordan	....	....	719	....	46	797
Tripoli	....	....	3	....	374	1,961
Other Italian Africa	....	....	....	....	184	3
Japan	3,284	2,756	7,409	18,910	19,264	64,179
Korea	....	....	41	....	1,137	207
Liberia	2	8	16	19	95	1,336
Morocco	2	96	830	93	1,612	2,931
Indonesia	80	320	507	752	2,778	4,445
Surinam	5	84	80	34	821	897
Netherlands Antilles	17	148	141	192	4,360	1,631
Philippines	123	867	1,358	1,308	10,108	13,671
Portuguese Africa	57	311	349	1,319	2,575	2,705
Portuguese Asia	....	3	26	1	102	100
Siam (Thailand)	2	58	227	18	1,141	2,049
Canary Islands	....	7	35	3	236	103
Spanish Africa	....	....	4	....	61	73
Syria	5	383	1,988	59	1,375	4,983
Turkey	....	181	273	1,916	3,639	2,579
TOTAL OTHER FOREIGN	3,929	6,719	20,313	28,659	75,009	132,843
TOTAL FOREIGN COUNTRIES	41,658	238,809	297,610	360,382	2,229,986	2,748,125
TOTAL DOMESTIC EXPORTS	85,979	292,700	379,536	768,696	2,828,475	3,535,127

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

Industry in Portugal is Affected by Material Shortages and High Prices

Canned fish industry had barely enough tinplate to pack 1950-51 output—Until recent arrival of cotton from Brazil, textile mills were working only three days a week—Because of consumer resistance to high price of finished goods, woollen mills have closed down to 50 per cent of production.

By Lester S. Glass, Canadian Government Trade Commissioner.

(Editor's Note.—One conto equals $36·1 Canadian.)

LISBON.—Established Portuguese industry has been struggling against a shortage of raw materials on the one hand and increasing prices on the other. The canned fish industry had barely enough tinplate to pack their output of the 1950-51 season, despite the fact that catches were far below average, and the industry is again faced with the problem of obtaining tinplate for even their barest needs. Small quantities have been obtained from the United States and a few odd lots from Canada but stocks on hand at present are estimated to be sufficient only for one month.

Some time ago operations were commenced on the construction of a tinplate mill in Portugal by the Companhia Portuguesa de Siderurgia, S.A.R.L., but for lack of funds, the project seemed to have died a natural death. However, the local press recently reported that the construction of this plant would be completed within a few months, and it is anticipated that by the beginning of 1952 the company will be in a position to import black plate for tinning. It is expected that this company will eventually be able to roll their own plate from Portuguese steel.

Cotton Shortage Affected Textile Industry

The textile industry has been suffering from a grave shortage of cotton and up until the present the mills have only been working three days a week. In fact, so short were the supplies of fibre that the various components of the industry had to be rationed on the basis of their 1950 production. It is now reported, however, that a very satisfactory tonnage of cotton has arrived from Brazil and from the Portuguese colonies and mills are now working to full capacity.

In the case of the woollen mills, the question is more that of price than of supply. Consumer resistance to the high prices of the finished goods has been most tenacious with the result that stocks have moved so slowly that the mills have had to close down to nearly 50 per cent of normal production.

A long-standing law, designed to protect existing industries from uneconomic exploitation in their fields, has recently been modified and the result will probably be greater competition in fields which were hitherto almost semi-monopolized.

Many new industries have been established in Portugal, some with the aid of the ECA funds and others by private initiative. The Shell Company of Portugal, on July 6, started production in a new asphalt plant which is said to be the second largest in Europe with hot storage tanks, and with a capacity of nearly 6,000 cubic metres.

Production of Superphosphate Fertilizer Begun Recently

The Companhia União Fabril recently commenced production of triple concentrated granulated superphosphate fertilizer in their plant which has a productive capacity of 2,000 tons a month. This factory will produce sufficient fertilizer for Portugal's requirements with a certain exportable surplus.

With the help of Marshall Aid funds, a tube mill with a capacity of 8,000 tons of pipe a year is being constructed and will probably be in production about the middle of 1952. It is expected its production will be sufficient to supply all of Portugal and the colonies.

Recently, with considerable ceremony, a new plant for the manufacture of certain types of electrical equipment was inaugurated. This plant should go a long way to supplying Portugal with her entire needs of all but the larger types of motors, switchgear and transformers. This firm has the technical assistance of the well-known Belgian Company "Ateliers de Construction Electrique de Charleroi," and is largely financed by that firm and the Companhia União Fabril of Portugal.

The long distance project of hydro-electrical development continues unabated and plants are going regularly into operation. As a result of those which have come into production the rates for electricity in the Lisbon district have been considerably lowered.

A cold, wet, windy Spring was responsible for late plantings and late development of olive trees and vines, and as a result the outlook at the beginning of the year was pessimistic. However, with improved weather and an abundance of subsoil moisture, the outlook improved rapidly and the prospects are now excellent.

Higher Yield from Winter Wheat Crop Expected

The winter wheat crop is estimated to yield over 550,000 tons, which is nearly 10 per cent above that of 1950. The potato crop was not as favourable owing to considerable loss of planted seed which did not germinate because of excessive moisture and also because of attacks of mildew and potato beetle. Rye and barley crops will exceed considerably those during 1950 which were considered to be excellent. The olive oil output will be an excellent one and it is estimated that it may be the second largest for ten years.

The vineyards appear to be in excellent shape and a good crop is expected even though there has been considerable loss by mould with which it has been most difficult to contend, owing to a shortage of copper sulphate for spraying purposes.

The renewed activity in the port wine trade has been a boom to the producers in the Douro Valley. The United Kingdom bought nearly twice the amount which was purchased during 1950 and the total exports were up by over 60 per cent. In some quarters a fear has been expressed that revival in the trade is of a purely temporary nature and recession may be expected.

Increased Demand for Portuguese Mining Products

International tension and rearmament has caused a quickening in the demand for certain minerals found in abundance in Portugal. Tin mined during the first four months of 1950 totalled 365 tons as against 465 tons for the same period of 1951, while pyrites increased from 202,000 to 238,000 tons. Wolfram increased from 639 tons to 1,203 tons, while sulphur production increased from 4,236 tons to 4,811 tons.

Portuguese Mineral Exports

	Volume 1950 (tons)	Volume 1951 (tons)	Value 1950 (contos)	Value 1951 (contos)
Pyrites	184,553	229,000	37,752	49,504
Tin	568	342	18,116	21,322
Calcium pyrites	694	413	5,830	3,470
Manganese	....	4,723	....	4,822
Wolfram	991	1,437	20,905	163,806

Stocks on hand of dried codfish are now practically exhausted and are insufficient to last more than a month. Reports from the Portuguese cod fleet are discouraging. It was planned that the trawlers should make two voyages to the fishing grounds in 1951 but they encountered such poor fishing that there was little or no hope for two voyages. This will probably mean that Portugal will be in the market for a considerable tonnage within a short time.

The high seas trawlers which supply the home market with fresh fish and the canneries with mackerel and tuna are having average success, but with the shortage of tinplate their products are not in such great demand by the packers and prices have tended to fall for this class of fish. The same is equally true as regards the sardine fleet, but the fact that the sardine fishing has not reverted to its old abundance has tended to support the price of the fish landed.

Portugal is one of the most heavily forested countries in Europe and reforestation has been long and diligently practised. As a result, for ordinary woods Portugal is self-supporting and her overseas colonies are able to supply such exotic woods as may be desired.

Upswing in Export Market for Cork

Wood in the form of timber and pit-props was exported in 1951 to the value of 13,470 contos, as against 16,589 contos in 1950. Manufactures of wood in 1951 were valued at 80,767 contos, as against 60,855 contos in 1950. The most important items of export are shooks and staves and wine containers. The export market for cork during 1951 showed a sudden and marked upswing and exports of unmanufactured cork increased from 59,242 tons, valued at 162,836 contos in 1950, to 94,111 tons valued at 319,439 contos. Manufactures of cork increased from 11,936 tons valued at 152,284 contos in 1950, to 16,134 tons valued at 222,144 contos during the five-month period January to May. It is reported that some insect damage has been suffered in certain of the cork forests.

There has been some slowing up in the construction of the long expected kraft pulp mill in Portugal for which Marshall Aid had been ear-marked. It would appear that a question has now arisen as to the suitability of Portuguese wood for pulp purposes.

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, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Israel, 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.

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.

B.W.I. to Appoint Trade Commissioner in United Kingdom

Port of Spain, December 17, 1951.—(FTS)—The Regional Economic Committee, which comprises representatives from the various British West Indies colonies, has advertised, inviting applications for the posts of B.W.I. Trade Commissioner and Assistant Trade Commissioner in the United Kingdom, and will meet in Barbados during December to make these appointments.

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 March, June, September and December.

Trade and Tariff Regulations

Belgian Congo Import Restrictions Eased As Port Congestion Improves

Leopoldville, January 3, 1952.—(FTS)—The transport bottleneck at Matadi has improved to such an extent that congestion was officially declared ended. As a result, the authorities are again freely admitting goods classified as being in sufficient supply in the colony, luxury articles and goods of a kind produced locally, the importation of which had been temporarily suspended.

It is expected that in the near future only the importation of heavy equipment will be restricted, unless congestion should again become bad.

Benelux Announces Suspended Customs Duties for 1952

Brussels, December 28, 1951.—(FTS)—The Benelux countries (Belgium, the Netherlands and Luxembourg) have announced that during 1952 they will continue to suspend or reduce Customs duties on certain goods, by virtue of a Belgian decree dated December 18, 1951.

Articles of interest to Canada among the items on which duties are suspended include canned salmon, acetone, coniferous wood simply sawn lengthwise, certain synthetic textile threads, waste, and fibres, and tinplate up to 35 millimetres (about 1·4 inches) thick. Temporary reductions apply to, among other items, caustic soda (from 8 per cent ad valorem to 4 per cent), and to certain new bags or sacks for packing of jute (from 18 per cent to 10 per cent). In addition, the duty on newsprint will be reduced from 10 per cent to 6 per cent for the period from February 1 to December 31, 1952.

The duties on hardwood planks and boards (3 per cent) and on certain textile waste and fibres not entirely synthetic (6 per cent), which were suspended until the end of 1951, are now reimposed.

Among the items on which duties continue to be suspended or reduced, the only items subject to Belgo-Luxembourg import restrictions are sawn coniferous wood, new jute bags and some types of synthetic textile threads. However, all imports into the Netherlands from Canada are subject to import licences. (An advance notice regarding the continued free entry of canned salmon was published in *Foreign Trade* of January 5, 1952).

Cuban Duty on Condensed Milk Suspended

Havana, December 20, 1951.—(FTS)—Import duties, consular fees and other charges collected on imports of condensed milk into Cuba have been suspended by a decree of December 13, 1951, effective until June 30, 1952. In order to obtain free entry the importer must obtain a permit from the Ministry of Commerce. Imports are made under the control of that Department, having regard to domestic production and the necessity of keeping the market supplied by imports.

The foregoing decree re-establishes duty free entry which has been accorded to condensed milk from time to time for a number of years. The last period during which this privilege operated was between March 19 and June 30, 1951.

Ireland Imposes Duty on Toilet Seats

Dublin, December 27, 1951.—(FTS)—By Emergency Imposition of Duties No. 268 Order, effective December 14, 1951, toilet seats of casein, cellulose ester or synthetic resin, previously admissible into the Republic of Ireland free of duty, become subject to duty at 50 per cent ad valorem, Full Rate. A Preferential rate of 33⅓ per cent is provided for products of the Commonwealth.

The new duty is imposed to protect local manufacturers who claim that they can now meet the domestic demand.

Further Import Quotas Announced by Republic of Ireland

Dublin, December 10, 1951.—(FTS)—By eleven Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts 1934 and 1937, further quotas and quota periods have been announced as follows:—

Certain boots and shoes, other than rubber: 40,000 articles (20,000 pairs), as against a similar amount for previous quota period.

Rubber-proofed clothing: 1,000 articles, compared with 12,000 articles for previous 12 months' quota.

Certain completely or substantially assembled motor car chassis with bodies or body shells attached: 120 articles, quota unchanged from previous period.

Completely or substantially assembled motor car chassis without a body or body shell attached: 60 articles, amount unchanged from previous quota.

Certain completely or substantially assembled motor car body shells imported otherwise than attached to chassis: 60 articles, quota unchanged from previous period.

Certain motor car body parts: 10 articles, quantity unaltered from previous period.

The period fixed in all of the above cases extends from January 1, 1952 to December 31, 1952.

Brushes, brooms and mops, domestic or household: 24,000 articles, quota unchanged from previous period.

Brushes, for human use: 24,000 articles, as against 36,000 articles for previous similar period.

Brushes, brooms and mops: 24,000 articles, compared with 36,000 articles for previous six months' quota.

Ladies' hats, caps, hoods and shapes, under 21/– each: 25,000 articles, amount unaltered from previous quota.

Metal screws: 50,000 gross. Of this amount 48,000 gross must be of Canadian or United Kingdom manufacture. Quota unaltered from previous six months' period.

The period fixed in all of the above cases extends from January 1, 1952, to June 30, 1952.

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. 28	Nominal Quotations Jan. 7
Argentina	Peso	Off.	·2977	·2037	·2016
		Free	·2085	·0714	·0697
Austria	Schilling	Export	....	·0477	·0472
Australia	Pound	....	3·2240	2·2720	2·2440
Belgium and Belgian Congo	Franc	....	·0228	·0202	·0200
Bolivia	Boliviano	....	·0238	·0170	·0168
British West Indies (Except Jamaica)	Dollar	....	·8396	·5943	·5879
Brazil	Cruzeiro	....	·0544	·0550	·0544
Burma	Rupee	....	·3022	....	....
Ceylon	Rupee	....	·3022	·2139	·2116
Chile	Peso	....	·0233	·0114	·0113
Colombia	Peso	....	·5128	·4075	·4031
Costa Rica	Colon	....	·1800	·1818	·1799
Cuba	Peso	....	1·0000	1·0187	1·0078
Czechoslovakia	Koruna	....	0·200	·0203	·0201
Denmark	Krone	....	·2084	·1475	·1459
Dominican Republic	Peso	....	1·0000	1·0187	1·0078
Ecuador	Sucre	....	·0740	·0672	·0665
Egypt	Pound	....	4·1330	2·9254	2·8940
El Salvador	Colon	....	·4000	·4075	·4031
Fiji	Pound	....	3·6306	2·5698	2·5422
Finland	Markka	....	·0062	·0044	·0044
France, Monaco and French North Africa	Franc	....	·0037	·0029	·0028
French Empire—African	Franc	....	·0073	·0058	·0058
French Pacific Possessions	Franc	....	·0201	·0160	·0160
Germany	Deutsche Mark	....	·3000	·2426	·2400
Guatemala	Quetzal	....	1·0000	1·0187	1·0078
Haiti	Gourde	....	·2000	·2037	·2016
Honduras	Lempira	....	·5000	·5094	·5039
Hong Kong	Dollar	....	·2519	·1783	·1764
Iceland	Krona	....	·1541	·0625	·0619
India	Rupee	....	·3022	·2139	·2116
Iran	Rial	....	·0212	....	....
Iraq	Dinar	....	4·0300	2·8400	2·8050
Ireland	Pound	....	4·0300	2·8400	2·8050
Israel	Pound	....	3·0000	2·8400	2·8050
Italy	Lira	....	·0017	·0016	·0016
Jamaica	Pound	....	4·0300	2·8500	2·8050
Japan	Yen	....	·0028	....	....
Lebanon	Piastre	....	·4561	....	....
Mexico	Peso	....	·1157	·1178	·1165
Netherlands	Florin	....	·3769	·2681	·2652
Netherlands Antilles	Florin	....	·5308	·5402	·5344
New Zealand	Pound	....	4·0150	2·8400	2·8050
Nicaragua	Cordoba	....	·2000	·2037	·2016
Norway	Krone	....	·2015	·1426	·1411
Pakistan	Rupee	....	·3022	·3079	·3046
Panama	Balboa	....	1·0000	1·0187	1·0078
Paraguay	Guarani	....	·3200	....	....
Peru	Sol	....	·1538	·0638	·0632
Philippines	Peso	....	·4975	·5094	·5039
Portugal and Colonies	Escudo	....	·0400	·0355	·0351
Singapore	Straits Dollar	....	·4702	·3328	·3292
Spain and Colonies	Peseta	....	·0916	·0935	·0925
Sweden	Krona	....	·2783	·1969	·1948
Switzerland	Franc	....	·2336	·2332	·2308
Thailand	Baht	....	·1000	....	....
Turkey	Lira	....	·3571	·3638	·3599
Union of South Africa	Pound	....	4,0300	2·8400	2·8050
United Kingdom	Pound	....	4·0300	2·8400	2·8050
United States	Dollar	....	1·0000	1·0187	1·0078
Uruguay	Peso	....	·6583	·6707	·6635
Venezuela	Bolivar	....	·2985	·3041	·3008
Yugoslavia	Dinar	....	·0200	....	....

* September 17, 1949.

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