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# foreign trade

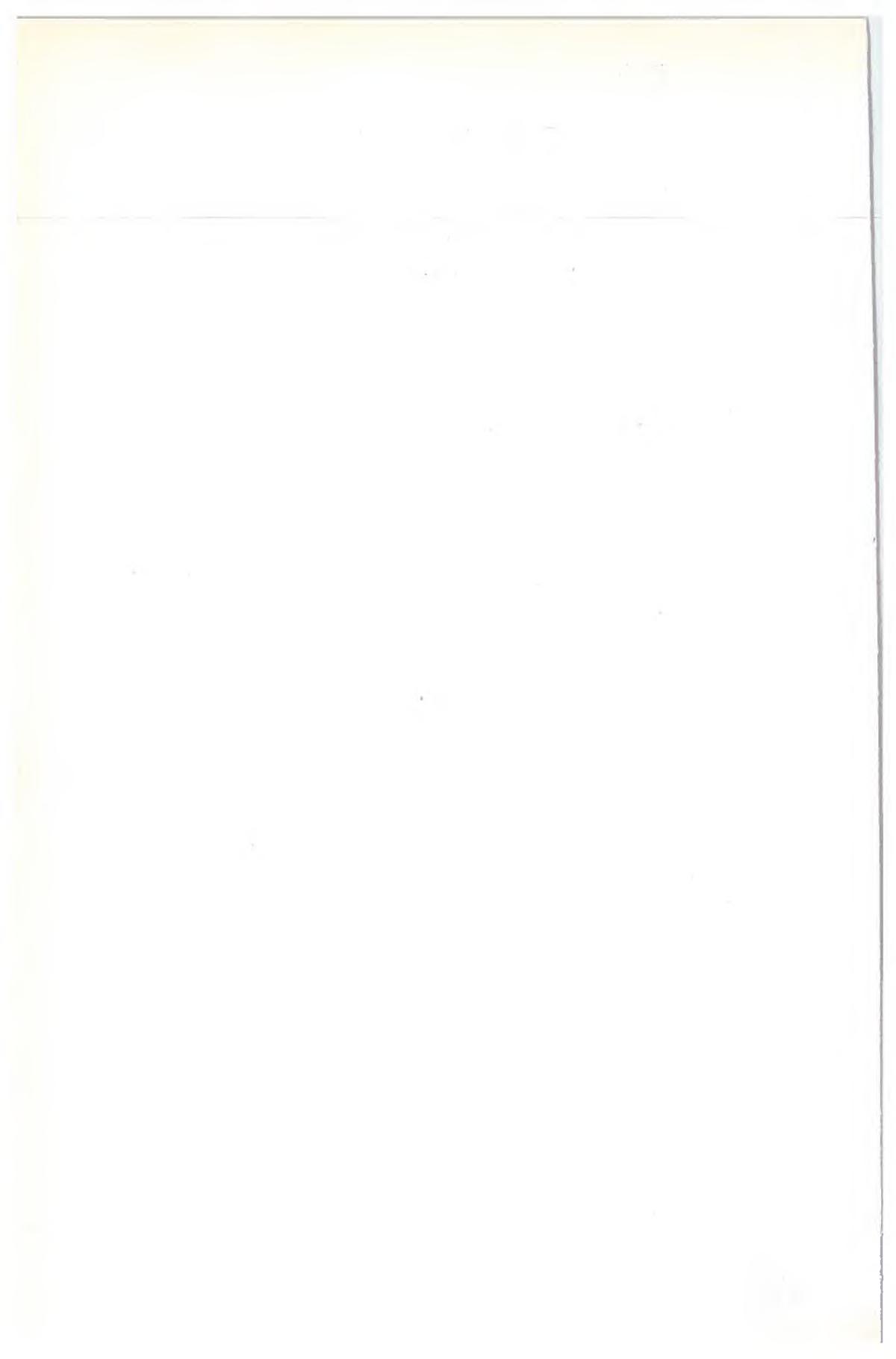
SEPTEMBER 20, 1952



OTTAWA  
CANADA



**Australia Tries Austerity** (page 4)





# foreign trade

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**COVER . . .** This furnace hand at Broken Hill Pty. Ltd., in Newcastle, Australia's steel city, looks as though he had his country's trade problems on his mind. For a report on these problems, and on the way in which Australia is attacking them, see page 4.

—Australian Official Photo

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# Farnborough--and British Exports

*The recent Farnborough air show illustrated British leadership in airplane design; gave promise of aircraft exports to bolster U.K. dollar earnings.*

**L**ONDON—For aircraft enthusiasts in the United Kingdom the first week of September is a period of great interest and excitement, because the Society of British Aircraft Constructors holds its annual exhibition and flying display then.

The 1952 show will probably be regarded as the most successful since the war. There many people saw for the first time a number of new British civil aircraft which should not only revolutionize air travel in the future, but should also play a significant part in stimulating British exports and redressing the adverse balance of trade.

## **Outstanding Aircraft**

The De Havilland *Comet*, a four-engined jet transport which is already in service on a number of British Overseas Airways Corporation routes, has received world-wide publicity. In fact, a large number of countries have already ordered *Comets*. The cost of operating these new planes in comparison with the conventional piston planes of similar capacity has not yet been accurately determined; the *Comets* have not been in commercial service long enough for accurate assessment of overhaul and maintenance charges over protracted periods. Nevertheless, indications are that these planes will show a more favourable cost per passenger mile than the conventional piston-type aircraft. The *Comet* had been seen at previous displays, but this year it appeared with more powerful engines, a higher top speed, and a greater cruising range.

## **First Appearances**

Out of nearly sixty different aircraft shown, twelve were new types making their first appearance at a Society of British Aircraft Constructors' display. An important "first" at this year's show was the Bristol *Britannia* which promises to be the most economic airliner yet produced anywhere. The British Overseas Airways Corporation has placed orders for 26 of these machines to be used on high-density, long-distance routes. The plane will seat 100 passengers, is powered with four airscrew turbine engines, weighs 130 thousand lb., has a maximum range of 5,550 miles and a cruising speed of 360 m.p.h.

Another machine of great promise is the Saunders-Roe *Princess*, a ten-engined flying boat weighing over 140 tons—the largest and heaviest aircraft made in this country. In view of the runway problem when large

land planes are used, the performance of this flying boat—which can use water for take-offs and landings—is being watched with particular interest.

A novel aircraft at Farnborough was the two-engined twin rotor helicopter, manufactured by the Bristol Aeroplane Company. This helicopter should have a wide civil and service application.

#### **For the Armed Services**

The most sensational part of the show was the military aircraft. Three of the fighter planes on display have pierced the sonic barrier and two of these are already being made for the armed services. A new delta-winged bomber was also shown. This plane, powered with four jet engines and with a speed approaching that of sound, is expected to become a standard bomber with the Royal Air Force.

#### **British Designers in Lead**

The display, which is now described on both sides of the Atlantic as, "the greatest air show on earth", confirms the current British lead in civil aircraft design. No other country in the world is producing a jet transport of the calibre of the *Comet*. British designers are making greater use of "prop jets" than those of any other country and there are a large number of aircraft on British airlines using this type of power, with all its advantages.

This undoubted lead by British manufacturers has produced a wave of inquiries from abroad which, if production can be organized in time, should yield handsome dividends in the form of increased export earnings. This applies not only to military aircraft (which are in demand by a number of European countries) but to civil aircraft as well. Major operators in Canada and the United States have shown keen interest in equipping their fleets with British machines and indications are that substantial orders will be placed if reasonable deliveries can be promised.

#### **Labour a Problem**

To some extent, labour is a bottleneck to greater production. The current labour force in the aircraft industry in the United Kingdom is about 200 thousand. Re-armament demands have had some effect on the output of civilian types, but the priority given to export business is not materially less than that for rearmament. The basic problem is thus one of stepping-up productive capacity. It now remains to be seen whether British production facilities can capitalize on the sensational achievements of British aircraft designers.

Exports of airplanes, airships and balloons and parts have increased steadily since the end of the war. In 1946, the gross value of such exports from the United Kingdom was £14.6 million. By 1948 the figure was £25.8 million. Last year shipments were valued at £41.6 million and indications are that the figure will be even higher in 1952.

—R. P. BOWER

*Commercial Counsellor for Canada*

# Australia Tries Austerity

*Full effect of the recent import cuts will be felt in the fiscal year which began last June 30th, as Australia attempts to balance her trade.*

**S**YDNEY—Australia's trade for the year ended June 30, 1952, showed an adverse balance of £A377·6 million as compared with a *favourable* balance of £A237·9 million in 1950-51. Included in this £A377·6 million was an adverse balance of £A282·2 million with the sterling area and of £A44·6 million with the dollar area. Exports declined from a record of £A981·8 million during 1950-51 to £675·6 million; imports rose to a record of £A1,053,217,000 from £A743,871,000 the previous year. The excess of imports over exports thus was over 50 per cent of the total of Australia's exports for the year.

## **Drastic Import Cuts**

This serious imbalance in trade made necessary the drastic import restrictions on goods from all sources introduced last March, the effects of which are now being felt. During the postwar years, goods from the dollar area had been severely restricted but the present restrictions apply to goods from all sources. One gets a good idea of the results of these restrictions by glancing at the trade statistics for June. These reveal that imports from all sources were down to £A55·6 million from £A76·1 million in 1950-51. This trend will become more pronounced in later months as the full force of the restrictions is felt.

## **Wool Prices Fall**

Australia's present unhappy trade position stems largely from the substantial drop in wool prices. The lower prices meant a fall in export values of wool from £A633·3 million during 1950-51 to £A323·8 million in 1951-52. Part of this decrease came from the lower volume of wool shipped, but the greater portion resulted from the price reduction.

In addition to the decrease in wool receipts, exports of pineapple, meat, wheat and dairy products declined substantially, largely because drought cut down production greatly. A rapidly increasing population, which naturally consumes larger quantities of foodstuffs, accentuated the export problem.

A number of factors contributed to the record value of imports. Prominent among these were the following:

- A backlog of demand for overseas goods, previously in short supply, but which became available during the year.

- Increased imports for defence and development projects.
- Imports of capital equipment under the \$100 million loan from the International Bank.
- The general prosperity which prevailed during most of the year and which stepped up the demand for imported luxuries.

#### **Outlook for Coming Months**

Prospects for a more evenly balanced trade during the present year appear good, though in all probability there will still be a small adverse balance. The main factors working towards improvement are:

1. The extremely tight import restrictions imposed last March.
2. The general tightening-up in the economy, which has transformed gross over-employment into sectional unemployment, particularly among unskilled workers, with a resulting cut in consumer spending.
3. A possible increase in exports, particularly of primary produce, reflecting the Government's encouragement of primary producers and the more favourable climatic conditions.

Canada's prospects for trade with Australia remain disappointing, though during the year under review imports from Canada rose to £A23·5 million from £A16·9 million in 1950-51. This increase was, however, entirely due to expenditures on equipment for defence and development projects, and for essential industries. Dollar expenditures will continue to be made only for essential goods which cannot be obtained from soft currency sources. Australia had a favourable trade balance with Canada of £A254 thousand in the year 1950-51, but since then trade between the two countries has resumed its traditional pattern. During 1951-52, for instance, Australia's adverse balance with Canada was £A13·3 million. Under the circumstances, Canadian exporters cannot expect any general improvement in Australian markets until the sterling area's dollar difficulties are solved.

—C. M. FORSYTH-SMITH  
*Assistant Commercial Secretary  
for Canada*

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#### **TIN INDUSTRY STUDIED**

The tin industry and its problems receive close and continuous attention from a body of men who make their headquarters in The Hague, Netherlands. Known as the International Tin Study Group, it is composed of representatives of the governments of some 12 countries, including Canada, the United Kingdom, and the United States, and of various British colonies and dependencies. Its function: to survey the tin industry constantly and consider problems and difficulties that seem unlikely to find solution through the ordinary development of the world trade in tin. It publishes a *Statistical Bulletin* every month and other literature from time to time.

The Group is anxious to make the information which it gathers available to students of the tin industry. In certain cases, it may even consider paying part of the cost of a stay in The Hague for an interested student.

# Pakistan's Trade Record

*The fiscal year 1951-52 saw Pakistan achieve a total seaborne trade of \$983.6 million, with value of imports up by 24 per cent and value of exports down by 11 per cent.*

**K**ARACHI—When Pakistan was created in 1947, it faced the problem of selling its main cash crops—jute and cotton—abroad, to finance its imports of consumer and capital goods. Only recently has it been possible to obtain a clear picture of how this problem was tackled and what the results were.

For the first complete fiscal year (April 1948-March 1949) the total trade reached nearly \$623.7 million. The next year, 1949-50, it fell to \$593.7 million; in 1950-51, rose to \$930.2 million, and gave Pakistan its first favourable balance of seaborne trade. The unusual demand for cotton and jute made this achievement possible. The rise continued in 1951-52, when Pakistan's total seaborne trade touched \$983.6 million.

## Pakistan's Seaborne Trade: August 1947-March 1952

	(In millions of dollars)		Total
	Imports* (Including re-exports†)	Exports	
1947-48 (August 15-March 31) ...	4.1	14.5	18.6
1948-49 .....	322.9	300.8	623.7
1949-50 .....	328.9	264.8	593.7
1950-51 .....	354.1	576.1	930.2
1951-52 .....	467.6	516.0	983.6

† Re-exports are mostly to Afghanistan and represent a very small percentage of total exports.

\* For private account only; does not include imports for government account.

### Total Trade

The increase in Pakistan's total trade in 1951-52 was 6 per cent when compared with 1950-51, and 65 per cent compared with 1949-50. The 1949-50 trade should, however, be considered as abnormally low and accounts for the high percentage increase in the following two years. This low was caused by India's refusal to recognize the par value of the Pakistan rupee when Pakistan did not devalue in September 1949, and the consequent fall in trade between the two countries. This was followed by the unprecedented boom of 1950-51, which carried on into 1951-52 as a result of the Korean war and stockpiling policies in the West.

The following table shows Pakistan's trade with leading countries over the past two years.



*This outdoor fruit shop in Karachi, Pakistan's capital, attracts many customers. In the five years since its foundation, Pakistan has made notable progress, has increased its trade with Canada steadily and is buying a wide range of products from us.*

	1951-52		1950-51	
	Imports from (In millions of dollars)	Exports to (In millions of dollars)	Imports from (In millions of dollars)	Exports to (In millions of dollars)
India .....	82.9	182.6	79.8	110.2
United Kingdom..	100.6	89.8	93.4	88.9
Japan .....	126.6	69.5	55.6	95.8
France .....	8.4	58.9	4.3	47.7
China .....	12.7	38.8	21.7	25.6
Italy .....	30.8	38.5	21.2	46.9
Germany .....	16.0	36.6	8.5	36.8
Belgium .....	11.9	22.0	7.2	22.8
U.S. ....	31.2	21.0	33.2	44.8
Hong Kong .....	18.7	18.5	9.6	45.4
Canada .....	2.8	0.8	2.4	1.5

### Main Imports

Pakistan's principal imports include cotton piece goods, cotton twist and yarn, machinery, vehicles, and chemicals, drugs and medicines, in that order. (The order, in fact, has not varied in Pakistan's trading history.) These products she has bought largely from the United Kingdom, India, and Japan. The United Kingdom has been the largest supplier, but in 1951-52 Japan edged out the U.K. for first place. Of total sales to Pakistan of \$126.6 million, cotton piece goods accounted for \$69.1 million, cotton twist and yarn for \$19.8 million, iron and steel manufactures for \$12.4 million.

Although Japan was the largest supplier, the United Kingdom sent Pakistan a much wider range of products, to a value of \$100.7 million. Chief among them were: machinery, (\$23.7 million); cotton piece goods,

(\$12.1 million); metals and ores, (\$9.7 million); chemicals, drugs and medicines, (\$6.9 million); vehicles, (\$8.8 million), and instruments and apparatus, (\$6.8 million).

The other important suppliers in order of importance were the United States, Italy, India, and Hong Kong.

## IMPORTS

### Pakistan's Seaborne Imports\* 1947-48 to 1951-52

	(In millions of dollars)				
	(Aug. 15-Mar. 31)				
	1947-48	1948-49	1949-50	1950-51	1951-52
Chemicals, drugs and medicines	1.4	12.5	12.6	12.6	15.4
Artificial silk piece goods.....	.3	11.0	4.8	3.3	6.9
Artificial silk yarn.....	0.08	1.6	2.3	2.0	8.5
Cotton piece goods.....	2.6	79.4	76.8	91.8	103.2
Cotton twist and yarn.....	....	33.2	48.3	50.5	72.2
Machinery .....	6.5	16.7	25.4	28.5	46.0
Metals and ores.....	2.2	10.1	16.3	21.0	43.8
Mineral oils.....	8.1	8.3	9.1	18.4	26.9
Vehicles .....	4.0	13.9	18.3	19.1	24.0

\* For private account.

### Export Picture

Total value of Pakistan's exports in 1951-52 declined 11 per cent from the previous year. The United Kingdom remained Pakistan's number one customer, taking \$89.7 million (or 18 per cent) of Pakistan's total exports. Japan and France were the next most important buyers, with purchases of \$69.3 million and \$59.0 million respectively, covering about 13 per cent and 11 per cent of all exports.

Raw cotton led all other exports in seaborne trade; was valued at \$218.8 million and represented 42 per cent of seaborne exports. Japan, China and France were the principal buyers, with imports of \$26.3 million, \$37.5 million, and \$21.0 million respectively.

Raw jute was the second most important item, with total exports, including those to India, at \$356.6 million. The United Kingdom, France and Germany were the main customers for raw jute, taking \$40.7 million, \$36.9 million, and \$24.8 million worth respectively. Pakistan's other important exports were grain, pulses and flour, (\$26.3 million) principally exported to the Indian Republic; black tea, (\$15.1 million); raw wool, (\$13.3 million); hides and skins, (\$10.9 million).

### Trade with Canada

Pakistan's total trade with Canada has increased steadily during the past four years—from \$3.2 million in 1948-49 to \$3.7 million in 1951-52.

Pakistan statistics, for private account only, reveal that the country's trade with Canada has always been heavily in our favour. We import from Pakistan largely raw jute, black tea, and raw wool; Pakistan buys from us a wider range of products, including motor vehicles, metals and ores, machinery and millwork, paper and paper products, belting for machinery, chemicals, drugs and medicines.

—A. P. EISSONNET

Commercial Secretary for Canada

## The Angolan Market

**L**EOPOLDVILLE—Angola must import all the machinery, textiles and foodstuffs it needs because the manufacturing industry in this Portuguese West African colony is still very small. Of the total imports in 1951, valued at 1,950 million escudos, Portugal supplied 50 per cent. The United States was the next most important supplier with 15·4 per cent, followed by England with 12·4, Germany with 4·8, and Benelux, 3·4 per cent.

Portugal's prominence as a supplier is partly the result of heavy tariff protection. Portuguese goods come in under a preferential tariff, and a 20 per cent customs rebate applies to goods imported in Portuguese ships. Portuguese shipping lines maintain a regular service to Angola and most imports from Europe are routed via Portugal.

### **Local Representative Needed**

Much of Angola's import trade is carried on through firms established in Portugal. A local representative in Luanda (the capital of the Colony) is advisable for selling consumer goods. For heavy goods, particularly those sold to the Government under contract, the services of a Lisbon firm with a branch in Luanda are useful because tenders for such goods are developed in both cities. Good local representatives are hard to find because the number of first class firms is small and they are bombarded with requests.

### **Purchasing Power Small**

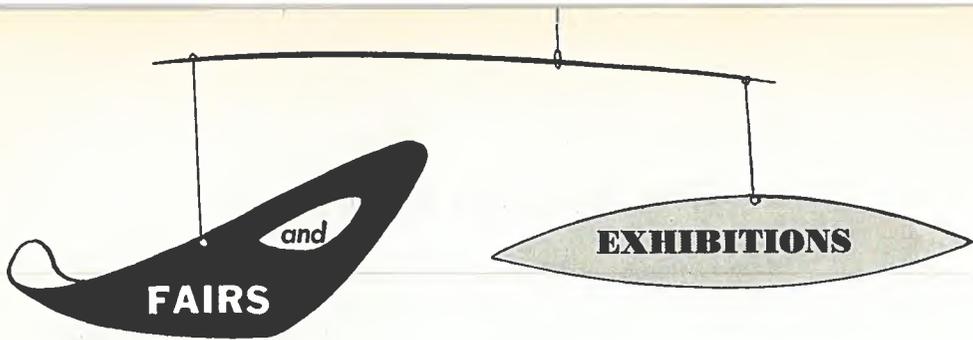
The natives' purchasing power is small and is concentrated at Luanda and Lobito, and along the railway lines Luanda-Malange, Lobito to the frontier of the Belgian Congo, and Mossamedes—Sa da Bandeira. They spend their money on cheap, strong, boldly patterned cottons, hoes, bicycles, and an occasional sewing machine or radio.

The Colony's foreign exchange policy has changed little since 1950. Foreign exchange allocations for hard currency countries must still come from Lisbon. The monthly allocation for goods purchased from the dollar area is still limited to 35 thousand contos (approximately \$1·5 million). However, some dollar imports are paid for with "free dollars" obtained on the free market. In such cases, import licences are not automatically granted by the local authorities.

Angola's exports in 1951 were valued at 1·01 million escudos. Only 18 per cent of the total exports went to Portugal; Holland took more than 15 per cent, France 15 per cent, and England 14·5 per cent.

Economic conditions in the Colony seem good today, although the demand for the export crops is less brisk. Angola's great problem is to maintain the present trade and to keep the new markets acquired in recent years.

—L. A. CAMPEAU  
*Acting Canadian Government  
Trade Commissioner*



### **A First in Footwear**

The evening of October 14 will see the doors open on Canada's first National Canadian Shoe and Leather Fair, in the Automotive Bldg. at the Exhibition Grounds, Toronto.

The displays will have both a modern and an historical note. Cheek by jowl with a far-ranging exhibit of spring footwear will be a showing of a notable collection of historic footwear, such as military boots worn by soldiers stationed here in the early days, early shoe and slipper patterns, etc. Main drawing-card will be the four fashion shows, including a special one on Saturday afternoon the 18th for the teen-agers. Eight girl and four boy cheerleaders chosen from Toronto high schools will act as models at this show.

Special exhibits will include a display of dancing and ballet shoes and a collection of hand-tooled shoes made by members of the Canadian Society of Creative Leathercraft, an organization formed a short time ago.

### **"Conquest of the Desert"**

Canadian manufacturers are invited to participate in an international exhibition and fair, to be known as "The Conquest of the Desert", to be held in Jerusalem, Israel, from April 16 to May 18, 1953.

This exhibition is being planned to illustrate graphically the advances in agriculture and industry in the Middle East and to stimulate two-way trade. The organizers hope that foreign governments will display their achievements in irrigation, soil conservation, reforestation, agricultural production and processing, and various aspects of rehabilitating waste land and deserts.

Overseas firms are invited to show machinery and equipment used in such projects. The exhibits will be classified in the following way:

- Plants, animals and chemicals
- Irrigation equipment
- Agricultural equipment
- Building materials
- Building fixtures

Building construction equipment  
Road construction equipment  
Heavy road transport  
Railway equipment  
Electric power equipment  
Finance and travel

The Israel Government may allocate a special amount of foreign exchange to purchase some of the machinery imported for display.

For further particulars of this exhibition, which will cover some 38 thousand square metres, businessmen should write the Director, U.S. Office, Conquest of the Desert, 139 East 57th Street, New York 22, N.Y. Joint sponsors are the Government of Israel, the Jewish Agency, the Jewish National Fund, and the Palestine Jewish Colonization Association.

### **Dairy Show**

Chicago will play host, from September 22-27, to the Dairy Industries Exposition, organized by the Dairy Industries Supply Association, Inc. The latest equipment for processing, refrigerating, selling and delivering dairy products will be on display, and a number of national and international dairy groups will be meeting while the exhibition is on. Interested exhibitors or prospective visitors should write to Robert Everett, Executive Vice-President, Dairy Industries Supply Assoc., Inc., 1108 Sixteenth St., N.W., Washington, D.C.

### **Fair Calendar**

The following fairs of special interest to business are taking place in Montreal and Toronto in the next two months:

Graphic Arts Exhibition, Show-Mart Bldg., Montreal, October 6-12.

National Canadian Shoe and Leather Fair, Automotive Bldg., C.N.E., Toronto, October 14-18.

Business Show, National Office Management Association, Windsor Hotel, Montreal, October 14-16.

Canadian National Packaging Exposition, Coliseum, C.N.E., Toronto, October 21-23.

Farm and Farm-Home Equipment and Supplies Exhibition, Winnipeg, Man., November 4-5.

Automotive Transport Association Show, Automotive Bldg., C.N.E., Toronto, Nov. 7, 8, 10.

Tool and Equipment Show, Show-Mart Bldg., Montreal, November 11-14.

Royal Agricultural Winter Fair, C.N.E., Toronto, November 14-22.

# Swedish Agriculture and Its Problems

**Mechanizing agriculture to meet a growing labour shortage, increasing meat production, are current objectives in Sweden's agricultural policy.**

**S**TOCKHOLM—Swedish agriculture has, since the war, made considerable progress, spurred on by the increased demand for foodstuffs. War experience showed the importance of agriculture as a part of preparedness and agricultural policy since the war, therefore, has aimed at self-sufficiency in an emergency.

Sweden is already nearly self-sufficient in food but depends on imported chemicals and machinery to produce it. Labour shortage is a serious problem which must be met by higher yield per acre, mechanization and better pay for the workers. During recent years Sweden has been able to export agricultural products—to a value of 374.2 million kronor in 1951. The import value of chemicals and machinery for agriculture in 1951 amounted to approximately 329 million kronor, of which 122 million was for fodder and 142 million for fertilizers and phosphorite. Fuel also figures largely in imports necessary for agriculture, with present requirements at approximately 225 million cubic metres.

## **The Labour Problem**

Government authorities and agricultural representatives have been working together to control production by regulating prices. They have also made efforts to improve agricultural wages. Although the wages of agricultural workers have increased by 56 per cent in the period 1946-1951, wages in industry have gone up further and the gap between the two has widened. The demand for more industrial workers has been filled partly from agriculture. Often the deciding factor has been the improved living conditions in industrial areas. In 1935, 36 per cent of the total population worked in agriculture and allied branches; by 1945 this had decreased to about 28 per cent. In 1952, it was about 23 per cent.

The decrease in the labour supply has led to greater use of machines in agriculture, and on the whole this has made for greater efficiency. In a number of cases the use of machines has had to be carried further than the economy justifies. Sometimes too it has been necessary to introduce methods which are really not suited to Swedish conditions. One example is harvesting by combines, which is now done on a larger scale than the available drying facilities warrant.

Investigations show that the cost of purchasing machines and equipment has increased greatly during the last few years. A machine worth \$100 in 1938 cost \$144 by 1945 and \$261 in 1950. Almost three-quarters of this heavy increase took place after 1946. In 1950 agriculture's expenditure on machines and equipment was over a quarter of a billion kronor.

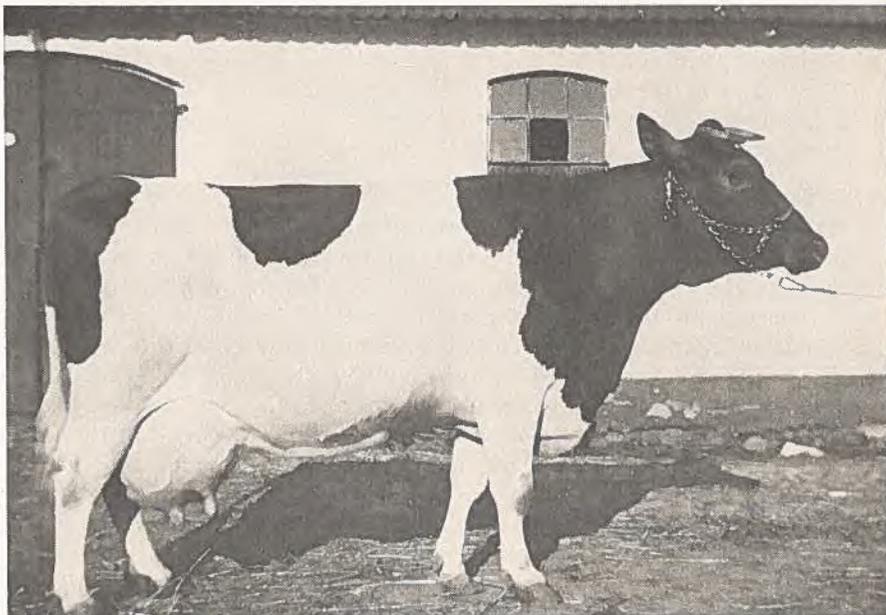
Characteristic of the development during recent years was the purchase in 1950 of more than three times as many tractors as during 1946. In 1951, the number of combines in use was between eight and nine thousand. And mechanization has not only affected the large farms but has also reached the medium-sized and smaller farms, as better servicing facilities have become available.

### **Production**

Despite the labour problem, and thanks to mechanization, agricultural production has been maintained and in some cases increased. In addition, the machines have helped to retain some labour in agriculture as, with tractors and other equipment, the work has become lighter and more attractive.

Cultivation of bread grain is decreasing and in certain years imports have become necessary. Rye has dropped by 20 thousand hectares since 1946. The cultivation of autumn wheat also shows signs of declining but so far this has been balanced by increased cultivation of spring wheat—in 1951, 42 per cent of the total bread grain area. Spring wheat cultivation has almost doubled compared with prewar. In certain years, farmers have sown spring wheat instead of autumn wheat when conditions have prevented autumn sowing. This, however, is not the only reason for the extended cultivation of spring wheat; more fertile and suitable sorts have become available and prices have often been particularly favourable.

The total acreage planted to fodder grain has changed little, although the various types have shifted. The area sown to oats is less because there are fewer horses; on the other hand, cultivation of barley and mixed grain has increased. The cultivation of leguminous plants has decreased



*Although the number of dairy cattle has been decreasing, Sweden's milk production has gone up 20 per cent per cow. This is a Swedish-Friesian the breed which gives the highest milk yield.*

since the war. Since 1944, the hay crop has decreased by about 4 per cent; pasture land has increased. Potatoes and root crops are less widely grown; sugar beet cultivation during 1950 and 1951 was about the same as in 1946.

The most interesting postwar agricultural development is probably the progress made with oleaginous plants. From an area of about 40 thousand hectares during the war, this crop has grown to 190 thousand hectares in 1951, which made it possible to produce 136 thousand tons of cattle food from oil. With the development of hardier plant types, cultivation is gradually spreading northwards.

Somewhat similar is the development of textile plant cultivation. This trend began during the war and in recent years an area of 5,000-6,000 hectares has been cultivated. The development of oleaginous and textile plant cultivation affords an example of how price regulation and other measures can turn cultivation into completely new channels. During 1951 exports of oleaginous plant products were valued at approximately 44 million kronor. Modern methods of plant protection, DDT preparations etc., have played a big part in stepping up oleaginous plant cultivation. Losses from disease and insects are still considerable, however, and much remains to be done.

#### **Yield**

During the period 1946-50, all plant types yielded a larger average harvest per hectare than during the war. A comparison between the postwar years and the thirties, however, shows that during the period 1946-50 no plant type, with the exception of barley, yielded such a large average harvest as during the thirties. This, however, is largely the result of labour shortage. Better and more fertilizers and weed killers, and the improvement of plant strains, are all playing their part in the yield increase. Since 1947 the consumption of nitrogen has increased by 62 per cent, phosphoric acid by 66 per cent and potash by 23 per cent.

Between 1946 and 1950 the harvest of bread grain was about 15 per cent less than in the thirties, and the present average harvest of bread grain barely covers Sweden's requirements. Fodder grain production has dropped by about 21 per cent since the thirties.

#### **Cattle Farming**

During the years 1939 to 1950 the number of dairy cattle decreased by about 150 thousand but despite this, milk production has gone up. The increase in yield per cow is estimated at 500 kg., or about 20 per cent, thanks largely to better condition of the cattle. The increase has meant quite a large surplus of dairy products, which now constitute one-third of all agricultural exports. In the year 1950-51, about 25 million kilograms of butter were exported and 3,000 tons of this went to Canada.

The raising of beef cattle, on the other hand, has dropped in the postwar period. Pork production has shown a gradual increase and is now about 10 per cent above the prewar period. This increase, however, does not completely balance the smaller supply of other meat and one objective of Swedish agricultural policy is increasing meat production.

Sweden made its first large-scale attack on hoof and mouth disease during the years 1914-16. A more serious outbreak came in 1924-27 when the cost of slaughtering amounted to 25 million kronor. The epizootic in 1938-40 resulted in the slaughtering of cattle, pigs and sheep at a total

cost of 12 million kronor. The present epizootic, which originated in Germany and came to Sweden in October 1951, has so far cost the state about 17·8 million kronor for slaughtering. The use of vaccine was begun in 1939 but not until this year could it be used on a large scale. Sweden does not yet produce vaccine but receives supplies from Denmark under a special agreement whereby she contributes to the cost of Danish research in this field. An investigation is going forward on production of vaccine in Sweden.

Swedish agricultural policy has, at the moment, several minor objectives, in addition to the major ones outlined. One is decreasing imports of concentrated cattle food and in this, the greater harvest of oil-producing plants will help. Another is adapting fodder and milk production so that exports of dairy products, often made at unfavourable prices, can be decreased. It is hoped, too, to rationalize production of cattle food, mainly by an improvement in the quality of pasture fodder. Sweden's requirements of concentrated cattle food would thus decrease and milk production become more profitable. This in turn would lead to a better balance between fodder production and milk production.

—KENNETH G. RAMSAY

*Acting Commercial Secretary for Canada*

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## Report on Northern Ireland

**BELFAST**—The falling world demand for textile products emerged as a major economic problem in Northern Ireland during the first six months of 1952. The textile trades collectively form the largest manufacturing group and the famous linen industry has been particularly hard hit. In other lines, shortages of raw materials have hampered production.

For some years the Government has been working towards the diversification of industry. A census of production in Northern Ireland covering the year 1949, published early in 1952, reveals some progress towards this objective. The textile industries declined in relative importance and the metal and engineering group made headway. Increases were shown by the building and contracting, clothing, chemicals, and miscellaneous industries—in that order.

The number of unemployed persons registered during the past three months shows the economic trend. In May they numbered 51,165, or 11 per cent of the total insured population; in June, 49,569 (10·6 per cent); and in July, 60,353 (13 per cent).

In an effort to create employment, the Government has started projects and made special efforts to obtain orders for idle industries. Earlier in the year the Northern Ireland Government began discussions with the United Kingdom Minister on better utilization of the labour force and manufacturing resources of the territory. Some results of these talks have already been announced. They include arrangements for the Admiralty to provide three new shipbuilding slips on the north side of the river at Belfast, where 1,000 men will be employed on naval construction, and a scheme for the extension of the runway at Sydenham Aerodrome, Belfast.

Government orders have also been placed with the depressed linen industry, but full recovery there must await increased demand from overseas markets.

### **External Trade**

The 1951 trade figures, just published, show that the total trade of Northern Ireland in that year reached the record figure of £478·5 million, an increase of £75 million compared with 1950 and almost five times greater than the total recorded fifteen years ago.

Imports totalled £261·4 million and exports £217·1 million, for an adverse balance of £44·4 million. Statistics on goods handled at the principal ports show the volume of imports as 5·6 million tons, an increase of 207 thousand tons over 1950. Exports, however, fell from 1,036,000 tons in 1950 to 1,007,000 in 1951.

In recent years approximately four-fifths by value of Northern Ireland's imports have come from or through Great Britain, and over nine-tenths of exports have been shipped to or through Great Britain. However, the figures as they stand are misleading, because a large part of the goods consigned to or from Great Britain are in fact going to or coming in from other countries. To a great extent the products of local factories, though shipped in the first instance to Great Britain, are known to be destined to overseas markets.

### **Linen and Rayon Lead**

Linen and rayon goods (other than yarns and threads) led all other exports, with a value of £47 million, compared with £35 million in 1950. Next came the composite item of tobacco, ropes, ships and aircraft—£34·6 million, compared with £31·2 million in 1950. Shipments of food and drink were valued at £32·5 million, only a little more than in 1950. Livestock exports reached £15·4 million (£12·2 million in 1950).

In imports, food, drink and tobacco headed the list, with a value of £62·8 million, an increase of £11·2 million over 1950. Next came raw materials and articles mainly unmanufactured—£40·0 million, compared with £30·1 million in 1950. Imports of wholly or mainly manufactured articles reached £150·4 million (£132·2 million in 1950). Direct imports from Canada amounted to about £5 million in 1951, compared with £4·9 million in 1950 and £4·2 million in 1949.

—H. L. E. PRIESTMAN  
*Canadian Government Trade Commissioner*

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### **BRITAIN RAISES TELEGRAM RATES**

The British Post Office has increased its rates for telegrams to Canada and the United States from 9 cents a word to 14 cents, effective September 1. This is the first rise in telegram rates in a quarter of a century, the Post Office states, and is the result of higher wages and mounting equipment costs.

# Transportation Notes

THE FRENCH NATIONAL RAILWAYS last year carried the largest volume of traffic in its history, exceeding the peak year 1929 by 5 per cent. The railworkers' production was greater too, although not large enough to offset the higher operating costs. The wage index for transport workers rose over 30 per cent during the year ending October 31, 1951, and higher fuel and material costs prevented the railroad from paying its way.

The average freight car loading increased to 13·1 from 12·3 tons in 1950, and the heavier traffic was handled by a 4·5 per cent smaller working force. The number of locomotives in use dropped from 8,521 in 1950 to 8,326 in 1951. This reduction in workers and rolling stock was the most striking development in the railway picture, and it is expected to continue.

## Highways and Airlines

France has an excellent network of highways, and each year since the war has seen an increasing (10 to 15 per cent) use of road transport for both passengers and goods.

The record production of motor vehicles in 1951 put 2·6 million private cars, heavy and light trucks, and buses on the highways. Prewar, the national motor fleet totalled 2·2 million. Public passenger transport revenues were up 30 per cent over 1950 and, allowing for increased fares, it is estimated that between 5 and 10 per cent more passengers were carried. Goods moved by road increased by 10 per cent.

The steady annual increase in the volume of freight and in the number of passengers carried by air continued during 1951. Air France, the national line, accounts for 70 per cent of the passenger-kilometres flown, and 60 per cent of the ton-kilometres. In addition, it has the airmail monopoly.

This airline flies the longest regular flights of any company in the world; its regular lines cover 210 thousand kilometres.

Each year since the war the volume of French river and canal traffic has grown, but 1951 was the first year it exceeded (by 7 per cent) the 1938 figure. The volume of goods transported within France, import traffic, and transit carriage all increased substantially over 1950. Export traffic showed little gain. Ores, construction materials and fuels were the principal goods carried by water.

A large proportion of the 10,354-ship river and canal fleet—tonnage 3,695,000—is over age; 39 per cent was built before 1920. Only 12·3 per cent of the fleet has been built since the war. The reconstruction program begun after the war called for 1,650 ships; 1,400 had been delivered by the end of 1951. The building program is being held up because the shipyards cannot get enough of the right type of steel sheet.

—JAMES H. STONE  
*Assistant Commercial Secretary, Paris*

# The U.S. Lumber Market

*Lumber output in the U.S. during the early months of 1952 declined slightly; imports also decreased. Lumber dealers are pressing for greater observance of grading rules and the use of grade marks.*

**N**EW YORK—Uncertainty characterized the U.S. lumber market during the first quarter of 1952. The Lumber Survey Committee, in a recent report, suggested that international affairs, the domestic political situation, and the confused state of the economy contributed to the “wait and see” attitude evident in all phases of the industry.

Lumber production in the first quarter totalled an estimated 8,698 million board feet—some 3.5 per cent below the corresponding period of 1951, but well in line with earlier years. Average wholesale lumber prices showed a nominal quarterly increase of only 0.2 per cent and retail yard lumber stocks increased seasonally during the first quarter.

Since the beginning of April, output of lumber has tended to fall below last year's second quarter, and to exceed the first quarter this year. Reports indicate a scarcity of adequate stumpage at reasonable prices in some regions. Many mills that were formerly operating overtime have returned to the 40-hour week and the strike in some of the Western mills in early May has affected production in that area.

## **Stocks and Shipments**

Estimated lumber shipments during the first quarter of 1952 totalled 8,818 million board feet, 6.4 per cent below the first quarter of last year and 2.1 per cent below the fourth quarter of 1951.

Gross mill stocks of lumber on March 31, 1952, stood at an estimated 8,211 million board feet, an increase of 28.4 per cent over stocks on March 31, 1951. Although mill stocks decreased 1.8 per cent during the first quarter of 1952, they were an estimated 1,815 million board feet above the level of March 31, 1951. Retail yard lumber stocks were estimated at 5,363 million board feet at the end of March 1952 and had gained 6.2 per cent during the first quarter.

New orders during the first quarter of 1952 were estimated at 9,117 million board feet, 4.8 per cent greater than quarterly production and 3.4 per cent above shipments. Unfilled orders on March 31, 1952—an estimated 2,423 million board feet—were 20.2 per cent below a year ago. At the end of March 1952, unfilled orders equalled 30 per cent of gross stocks, compared with 47 per cent on March 31, 1951.

Demand for hardwoods during the first quarter of 1952 continued dull, although slightly more lively than in 1951's fourth quarter. Production of hardwood flooring in the first quarter reached an estimated 240.4 million board feet, 1.6 per cent less than in the previous quarter and

14.4 per cent below the first quarter of 1951. Hardwood flooring shipments virtually balanced first-quarter production and new orders were 7.6 per cent above production.

Output of furniture, by dollar volume, during the first quarter this year was estimated at 18 per cent less than 1951's high January-March production. This year's dollar volumes of first-quarter shipments and of orders received were also below the corresponding period of 1951 by 18 and 20 per cent respectively.

Exports of lumber during the first quarter of 1952 came to an estimated 212.9 million board feet, of which 169.0 million feet were softwoods and 23.1 million feet hardwoods. First-quarter lumber exports were 22.3 per cent below the fourth quarter of 1951, but 6.0 per cent above the first quarter of 1951.

### Lumber Imports Decrease

Imports of lumber during the first quarter of 1952 totalled approximately 514.6 million board feet, a decrease of 15.2 per cent from the fourth quarter of 1951 and of 16.3 per cent from the first quarter of last year. They were made up as follows:

	First Quarter 1952	First Quarter 1951
	(In million feet)	
<b>Softwoods</b>		
Douglas fir .....	85.2	116.7
Hemlock .....	28.3	42.7
Fir and hemlock .....	29.8	67.0
Spruce .....	208.9	197.3
Pine .....	59.1	83.1
Cedar .....	46.7	37.7
Other softwoods .....	9.3	5.2
<b>Total softwoods .....</b>	<b>467.3</b>	<b>549.7</b>
<b>Total hardwoods .....</b>	<b>47.1</b>	<b>63.5</b>
<b>Total box shooks .....</b>	<b>0.2</b>	<b>0.8</b>
<b>Total railroad ties (sawed) .....</b>	<b>0.0</b>	<b>0.6</b>
<b>Total Lumber Imports .....</b>	<b>514.6</b>	<b>614.6</b>

### Dealers Protest Quality

Canadian shippers will be interested to hear that lumber dealers and suppliers to the building trade have been complaining about the quality of lumber they have lately received from wholesalers.

Dealers have protested the growing practice of quoting prices on mixed grades of softwood and of making shipments that do not bear recognizable grade marks. Dealers particularly object to receiving quantities of green unseasoned lumber mixed in with their orders. They point out that the builder and consumer would be served more effectively and at lower cost by the use of dry lumber (19 per cent or less moisture content).

The cost of transporting dry lumber by rail would partially offset the cost of drying it at the mill. Dry lumber, particularly dimension, can be handled both in the retail yard and on the job site more cheaply than unseasoned green lumber from the saw.

In calling upon lumber manufacturers to identify their lumber grades with a recognized association grade mark, the retail dealers deplore the practice of limiting offerings to combination grades of softwood lumber

and urge the manufacturers and wholesalers to return to the former custom of offering only straight grades specifically described and in conformity with standard recognized grading rules.

Percentages of lower grades included in shipments of orders for mixed grades has increased substantially in recent months, in some instances up to 50 per cent of the total quantity of lumber delivered. This is despite the fact that grading rules of most of the manufacturers' associations provide for straight grades of lumber only and do not recognize combination grades.

—A. E. BRYAN

*Deputy Consul General of Canada  
and Trade Commissioner*

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## Mexico Produces Sulphur

**MEXICO CITY**—Mexico, once an importer of sulphur, is rapidly becoming an important producer and a potential exporter of this mineral.

Until the national oil administration, Petroleos Mexicanos (Pemex), started to operate a gas washing plant at the Poza Rica oil field in April 1951, a mine in the central state of San Luis Potosi was the only domestic sulphur source. Before the end of last year, however, Pemex placed 19,756 metric tons of refined sulphur on the market and the 11,079 tons at the mine brought domestic production up to 30,835 tons.

Mexico imported 10,093 tons of sulphur last year and exported 6,945 tons under licence of the Secretariat of National Economy. The Canadian newsprint industry took 55,115 cwt. at a cost of \$263,444. The Government arranged for the Mexican textile industry to receive artificial fibres from Cuba in exchange for about 5,000 tons of sulphur. Brazil, Finland and Sweden obtained smaller quantities through similar arrangements.

Mexican sulphur production amounted to only 9,800 metric tons in 1949, when 7,158 tons were imported and apparent consumption was 16,628 tons. Production remained the same in 1950, but the increasing demands of domestic industry called for imports of 11,407 tons. Apparent consumption in that year reached 20,566 tons.

The Banco Nacional de Mexico has estimated that production this year will be in the neighbourhood of 46 thousand metric tons. Mexico has agreed to supply a quota of 12,000 tons a year to the Sulphur Committee of the International Materials Conference, and although local industrial concerns have been granted quotas for this year of 44,600 tons, leaving, apparently, only 1,400 tons available for export, the majority of these firms will by no means use up their allotted supplies.

Pemex confidently expects to increase daily production at Poza Rica to 150 metric tons during this year, and thereafter to 200 tons. Meanwhile, a number of U.S. companies (chiefly in southern Mexico and with the help of credits which were granted a year ago by the Export-Import Bank) are preparing to go into production for export before the end of the year.

—CLIVE B. SMITH

*Office of the Commercial Secretary  
for Canada*

# Commodity Notes

## FINLAND

**Road-Building Machinery**—One million dollars of the \$20 million loan received by Finland from the International Bank has been set aside to buy road-building machinery in the dollar area. Most of this amount has already been covered by contracts with United States manufacturers. However, \$75 thousand is still under negotiation and Canadian companies have been asked to submit catalogues and price lists—Stockholm, August 26.

## GREECE

**Olive Oil**—The ban on the export of olive oil has been lifted by the Greek Ministry of Trade. Henceforth exports of any quantity of olive oil from the free market are permitted against free foreign exchange or through clearing. In the past only tinned olive oil was permitted export in small quantities or as gift shipments. Olive oil production during 1951 was 140 thousand metric tons, a very good crop. Estimates for the 1952 crop are 74 thousand metric tons. Stocks of olive oil on March 1, 1952, were 166 thousand tons—Athens, August 18.

## INDIA

**Peanut and Linseed Oil**—The Government of India has fixed a quota of 20 thousand tons of peanut oil for export during July-December 1952, in addition to the shipments which will take place during this period against January-June quotas. Peanut oil quotas for the first half of the year were 42 thousand tons. The export quota for linseed oil during July-December has been fixed at 20 thousand tons; for the first half of the year, the quota was 25 per cent of the best year's exports for each individual trader—New Delhi, August 13.

## INDONESIA

**Desiccated Coconut**—The first desiccated coconut factory to be built in Indonesia began operations in June. The plant, located in the Celebes, was constructed and will be operated for one year by a Philippine company until enough Indonesian personnel are trained. The Indonesian Government plans eventually to sell the \$400 thousand enterprise to private companies. The yearly crop of coconuts in the areas surrounding the factory is about 90 thousand tons and brings in Can.\$7 million a year. It is hoped that the plant, which will employ 400 workers, will give the coconut industry a greater return, and compensate for the drop in world prices—Singapore, August 18, 1952.

## IRELAND

**Milk Products**—A new milk products factory has been opened by a well-known London firm at Oldtown, Letterkenny, Co. Donegal. Other factories under the same organization are operating in Northern Ireland. The total

intake of milk on the opening day was 1,200 gallons. Main product of the new factory will be condensed milk, all of which will be exported—Dublin, August 18.

### JAMAICA

**Dolomite**—The Jamaica Geological Survey Department has announced that extensive deposits of dolomite (carbonate of lime and magnesium) have been discovered in this Colony. Dolomite is used in the iron and steel industries. However, because there is no coal in Jamaica, it is unlikely to be used here for those purposes but rather as an agent for correcting soil acidity, as a fertilizer, and perhaps as the base for certain specialized polishes—Kingston, August 29.

### MEXICO

**Cattle**—A profitable market for beef on the hoof which was lost early in 1947 following Mexico's first outbreak of foot and mouth disease was regained September 1, when the United States ban on imports of live cattle was lifted. Up to 1946, Mexico exported an average of 500 thousand head of cattle annually for fattening and slaughter in the U.S., and this figure may be surpassed during the next few years. No less than 300 thousand head are expected to be driven over the frontier before the end of this year. The Secretariat of Agriculture reported in mid-June of this year 17·7 million cattle in the 14 Central Mexican states quarantined since the end of 1946.

The meat packing and freezing industry which has grown up since 1947 may have some difficulty in finding sufficient supplies in Northern Mexico, where it is concentrated. Government credits will be issued to replenish herds through import of breeding stock, and in order to obtain a more equitable geographical distribution of herds. Canada's reputation as a supplier of breeding animals has been greatly enhanced by the quality of stock sold to Mexican breeders during the past three or four years, although the numbers were comparatively small—Mexico City, August 25.

### UNITED STATES

**Timber**—Timber cut from national forests totalled 4·4 billion bd. ft. during the fiscal year ending June 30, 1952, the U.S. Department of Agriculture announced. This represents a decrease of 269·8 million bd. ft. from the 1951 cut.

The amount of timber taken from the 151 national forests dropped primarily because of the severe winter and late spring, the Forest Service says. Deep snows stopped logging operations for several months in the Pacific Northwest and California, two of the heavy timber-producing regions of the country. The 1952 (fiscal year) timber cut of the East, South and Midwest, on the other hand, showed an increase over the 1951 record. About 40 per cent of the national forest timber cut came from Washington and Oregon. Second highest producing region was California, with 665·8 million bd. ft.—Washington, August 28.

# French Mines and Their Output

*Output of iron ore, coal, bauxite and other minerals reached new records in 1951; potash production declined slightly.*

**P**ARIS—By far the most important mineral resource of France and its greatest natural export asset is iron ore. Total production in 1951 amounted to 35.2 million metric tons, against 30 million in 1950, 31.4 million in 1949, and 33.1 million in 1938.

Deliveries to French mills were the greatest ever recorded—some 22.7 million tons; deliveries to the Saar totalled 5.5 million tons. Exports to other countries—principally Belgium-Luxembourg—totalled 9.3 million tons. Though these deliveries drew on stocks to a considerable extent, the situation cannot be considered dangerous. Monthly production at the end of 1951 and during the first two months of 1952 far exceeded the year's average. In fact, it reached a high in January which, if projected over a full year, would bring production up to 42 million tons.

## **Bauxite**

Bauxite ranks as the second most important mineral in France and production in 1951 outstripped that of any previous year. This was in line with the very great increase in the production of aluminum. Bauxite output totalled 1.1 million tons in 1951, against 804 thousand in 1950, 768 thousand in 1949, and 648 thousand in 1938. Of this 1951 production, 366 thousand tons were exported, against only 190 thousand tons in 1950, and provided a valuable source of foreign exchange. Deliveries to domestic reduction plants, including withdrawals from stock, came to 790 thousand tons, which in turn produced 91,104 tons of primary aluminum.

## **Coal**

Production of coal both in France and in the Saar Basin increased notably in 1951. French production came to 52.9 million metric tons and that of the Saar to 16.1 million, for a total of 69.1 million tons. This compared with 66 million tons in 1950 and 60.9 million in 1938. The number of mine workers remained substantially the same—169,707 in France and 38,379 in the Saar—but was considerably below the immediate postwar average. However, the increased output per man-day was gratifying and further re-equipment and modernization could accentuate it.

Imports of coal came to 9.9 million tons, compared with 8.8 million in 1950, 17.3 million in 1949, and 20.5 million in 1938. Thus France covered 88 per cent of her consumption of 79 million tons (including the Saar). In 1938, consumption amounted to 81.4 million tons and 25 per cent of this had to be imported. Probably France could have used more if it had been available, though other sources of energy have greatly

increased. It should be noted, however, that of total imports, 4.5 million tons still came from the United States and this seriously strained French dollar resources.

### **Phosphates**

Coal drained off dollars; by contrast, phosphate rock brought in foreign revenue, though mostly from soft currency countries. This rich phosphate rock mined in North Africa is used to produce superphosphates and other fertilizers. North African production increased in 1951 to a record 7.2 million tons, against 6.1 million tons in 1950, 5.8 million in 1949, and only 4.1 million tons in 1938. The latter was about the prewar average. The Moroccan mines have been developing far more rapidly than those of Algeria and Tunisia and now account for about 75 per cent of production. Of total production, nearly six million tons went to foreign countries in 1951, against slightly over five million tons in 1950. Total revenue from this source may well have amounted to the equivalent of \$50 million in the soft currencies of the recipient countries. Canada has on occasion tried to obtain some of this production, so far without success.

### **Pyrites**

Because of the world-wide shortage of sulphur, most countries made a special effort in 1951 to increase their own production. France was no exception. French production of pyrites with a 42 per cent sulphur content came to 280 thousand tons in 1951, against 245 thousand in 1950, 205 thousand in 1949 and 145 thousand tons in 1938. In addition, France imported 704 thousand tons of pyrites of 45 per cent grade, against 570 thousand tons in 1950.

The amount made available to French industry from all sources, in terms of pure sulphur, is estimated at about 450 thousand tons. Main sources of foreign pyrites are Cyprus, Portugal and Spain.

### **Potash and Salt**

The output of Alsatian potash diminished somewhat in 1951 amounting, in terms of K<sub>2</sub>O content, to 988 thousand tons, against about a million tons in 1950, 896 thousand in 1949, and 578 thousand in 1938. Exports came to 413,600 tons against 450 thousand in the previous year and 408 thousand in 1949.

Salt production in '51 remained fairly constant at 430 thousand tons against 360 thousand in 1950, 445 thousand in 1949 and 450 thousand tons in 1938. Some 120 thousand tons were exported.

—JAMES P. MANION

*Commercial Counsellor for Canada*

## **TRANSPORTATION**

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

# General Notes

## FRANCE

**Minimum Wages**—The minimum guaranteed hourly wage of French workers will henceforth rise with the monthly cost-of-living index established for Paris. By the terms of a law passed on July 18, each time the "index of family expenditures" rises by 5 per cent, the minimum legal wage (now 100 francs per hour) will be increased proportionately. Only one increase will be allowed in any period of four months. This measure, which has been under discussion for many months, is not expected to result in any immediate rise in the wage structure. The cost-of-living index has fallen slightly each month since February—Paris, August 15.

**Price Maintenance Controlled**—Minimum prices of goods and services may no longer be fixed by trade associations or manufacturers, according to regulations published in the *Journal Officiel* of July 19. Branded products are excepted from the rule for the present and will be dealt with by a special regulation. These are temporary measures, pending the passing of a comprehensive anti-trust law, now before Parliament—Paris, August 15.

## IRELAND

**Drug Company Formed**—A company to produce pharmaceutical and therapeutic drugs is being formed in Dublin. The new firm will have two well-known French biological manufacturing firms connected with it. The company has a registered capital of £100 thousand and will work in close association with Frigerifico (Ireland) Ltd., which will start production of chilled and frozen meat for export about next September. The glands of cattle and sheep will be secured from this firm.

The new company will eventually manufacture heperaine, chiefly used in blood transfusions and for heart disease; ACTH, the stimulating factor of cortisone; STH for tuberculosis, and lipocaic, an important new drug. When the demands of the Republic are met the company hopes to export the drugs, particularly to dollar countries—Dublin, August 20.

## ISRAEL

**Exports Increase**—During the period January-March of this year imports totalled I£31.5 million, and exports I£6.5 million. This compares with imports of I£25.7 million and exports of I£6 million during the first three months of 1951.

Exports during the first two months of 1952 showed a slight increase over the same period of last year because of higher exports of fresh citrus fruit. Prices for oranges, which accounted for more than half of the total, were satisfactory. Textiles showed a decline, in line with the general slump of textile goods on world markets. The export of chocolate suffered from import restrictions in Great Britain—Athens, August 9.

## PHILIPPINES

**Steel Mill**—The National Shipyards and Steel Corporation has sent a group of technicians and engineers to Iligan, Lanao, on the Island of Mindanao, to undertake initial work in the construction of a \$3.75 million steel mill. The mill is to be built near the Maria Cristina hydro-electric project and will obtain its power from this plant—Manila, August 15.

## SOUTH AFRICA

**Reserves Low**—The Union's reserves of gold and foreign exchange are the lowest in 2½ years. Reserves held by the South African Reserve Bank tumbled £7,664,760 during the past month, forcing the ratio of gold reserves to liabilities below 60 per cent for the first time since the beginning of 1950. Cause of this drain on gold and foreign exchange is believed to be payments made to overseas suppliers for goods ordered last year, but not delivered until the first six months of this year—Johannesburg, August 18.

## SWEDEN

**Import Arrangement**—A tripartite transaction between Sweden, Israel and the United States was recently arranged. Swedish exports to Israel of about \$6 million are involved, and imports to Sweden from the United States to a value of approximately \$4 million. According to guarantees given by the authorities, over half of the income from exports to Israel may be used in payment for imports from the U.S. The remaining dollars are to be deposited at the Riksbank.

The exports concerned consist of wood products, engineering products and foodstuffs. Imports cover U.S. agricultural products such as cotton and dried fruit—Stockholm, August 24.

## UNITED STATES

**Commodity Futures Market**—Activity in the commodity futures markets continued comparatively high in the United States during the fiscal year ended June 30, 1952, it is announced.

Grain futures trading on all markets amounted to 12.8 billion bushels, an increase of 5.7 per cent over the preceding year. Cotton futures trading was 94.9 million bales, an increase of 20 per cent. Other commodities with larger trading volumes were wool tops, butter, potatoes, and cottonseed oil. Futures trading in eggs, lard, soybean oil, and millfeeds showed decreases.

In all but four commodities the level of open contracts (speculative and hedging combined) was higher on June 30, 1952, than one year earlier. The exceptions were butter, bran, cottonseed meal, and soybean meal.

Twelve per cent more people were in the markets than in the preceding year. Total customers' funds in brokers' hands amounted to \$159.7 million compared with \$145.6 million. The enforcement of special regulations to curb large-scale speculation in soybeans and eggs was begun during the year—Washington, August 28.

# Trade and Tariff Regulations

## NEW UNITED STATES-VENEZUELA TRADE AGREEMENT

The United States and Venezuela signed a Supplementary Trade Agreement on August 28 which amplified and amended their former trade agreement of 1939. This new agreement will become effective on October 11, 1952.

The Venezuelan concessions listed in the new agreement cover 179 tariff items in comparison with 88 in the former agreement. It is estimated that the percentage of United States exports benefiting under these concessions is double that covered by the 1939 agreement. Canadian exports of the products listed under the new agreement will be granted the reduced rates on the same basis as the United States.

Canadian exports to Venezuela amounted to approximately \$27 million in 1951 and are running at the rate of \$40 million this year. Canadian imports from Venezuela amounted to \$137 million in 1951. Some of the principal Canadian exports to Venezuela are included in the concessions made to the United States, among them wheat flour, evaporated and condensed milk, canned hams, trucks and passenger cars.

### Important to Canada

Items of importance to Canadian exporters which will receive new or improved tariff concessions include the following: fresh and refrigerated apples and pears; cheddar cheese; rolled oats; wheat flour, barley malt; baby and dietetic foods; rye or bourbon whisky; spectacles; copper wire and cable; galvanized sheets; table flatware; unassembled trucks and passenger cars; radio and television receivers and parts; refrigerators; instruments; wick and pressure type lamps and lanterns; cash registers; generators and transformers; bathing suits.

### Duty-Free Items

Among the products which are bound duty-free by Venezuela, are road-building and printing machinery; printing inks and supplies; electric irons; stoves (except coal-burning); water heaters and ovens; parts for agricultural machinery; tractors and ploughs; Douglas fir and white pine squared timber more than 25 cms. thick at both ends. Douglas fir sawn timber, and rough lumber of 25 cms. or less in thickness at both ends remain bound at the reduced conventional rate of 0.15 bolivar per kilogram gross.

Some items formerly included in the Venezuelan concessions to the United States have been omitted. As a result higher rates of duty now apply on these items. Among the most important products affected are canned salmon and sardines, crackers, and tires and tubes for passenger cars.

A complete list of the products included in the new agreement is available from the International Trade Relations Branch.

### **Irish Customs Duty on Tanks**

Dublin, September 4—FTS—The Government of the Republic of Ireland has made an order entitled Emergency Imposition of Duties (No. 287) (Tanks, Cisterns, etc.) Order, 1952. The effect of this order is that the flat rate of import duty of 33½ per cent ad valorem, mentioned at Tariff Ref. No. 127 (a), which heretofore applied only to specified tanks and cisterns of iron or steel, with a capacity of from 3 to 50 gallons, is now extended to cover all such tanks, etc., irrespective of shape. This order became effective September 2, 1952. A duty free licensing provision is attached to the order.

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### **Bermuda Amends Foot and Mouth Regulations**

The Colonial Secretary, Bermuda, has advised importers that the notice of March 3 prohibiting imports of any live animals from Canada because of foot and mouth disease has been revoked.

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## **Trade Commissioners on Tour**

**T**O familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

**F. H. Palmer**, Consul General of Canada and Trade Commissioner in Manila, Philippines, began a tour of Canada on June 15; will visit the following cities in the next two weeks:

Ottawa—Sept. 20-23

Toronto—Sept. 24-Oct. 1

**F. W. Fraser**, formerly Commercial Counsellor for Canada in Melbourne, is continuing his Canadian tour and will visit the following cities during September and October:

Toronto—Sept. 22-29  
Hamilton—Sept. 30

Ottawa—Oct. 2-4  
Montreal and vicinity—Oct. 6-16

Mr. Fraser will become Commercial Counsellor in Stockholm at the end of the year.

Businessmen may get in touch with these officers at Boards of Trade in Halifax and Montreal; Canadian Manufacturers Association in Toronto, and the Chamber of Commerce in Hamilton.



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