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In This Issue

Regular Features

COVER SUBJECT—New York, metropolis of the United States, which in 1947 sold Canada for cash goods valued at $1,974,680,000. This figure is double her exports to Great Britain, more than her total shipments to Asia and nearly equal to her aggregate sales to South American countries in the same period. Canadian exports to the United States in 1947 were valued at only $1,034,226,000. (Editor's Note—Trade and tariff relationships between Canada and the United States, as discussed in Boston by M. W. Mackenzie, are outlined at page 913 of this issue.)

Fairchild Aerial Surveys Photo.

Foundations of India's Economic Development Suggested in Plan

Five-year program outlined by leading industrialist—Productive investments and improved transportation essential to increased output—Expenditures under plan estimated at nearly 12,200 million rupees—Achievement of agricultural targets essential to industrial expansion.

By Richard Grew, Commercial Secretary for Canada

(Editor's Note—This is the first in a series of five articles on a plan for the development of Indian economy, prepared for *Foreign Trade*. One rupee equals $0.3022 Canadian.)

NEW DELHI, September 9, 1948.—Foundations for the economic development of India over a period of five years are outlined by a leading industrialist in this country. While productive and unproductive investments are equally necessary for the long-term development of the nation, the latter cannot be undertaken until the wealth of the country has been considerably increased by greater production. Productive investments are most urgent, therefore, though transportation is necessary to achieve higher production, and must therefore be given the same priority.

Peace and security within the country is a fundamental condition for any plan of development, together with the establishment of confidence in the government, financial stability, a definite policy as to how far the State should intercede in industrial development, so that businessmen may co-operate with the government. Relations between capital and labour should be overhauled, so as to eliminate strikes and disputes, and to create enthusiasm for higher production. It is estimated that an expenditure of nearly 12,200 million rupees could be incurred during the next five years, as follows:

Proposed Expenditures Under Five-year Plan

	Capital needed	Foreign exchange expenditure (Million rupees)	National wealth
Agriculture	3,460	1,300	4,010
Afforestation	70	....	....
Industry and mining	4,280	2,180	3,990
Power	500	300	400
Transport and communication	2,600	1,120	600
Social (hospitals, schools, labour, housing, sanitation)	1,250	250	....
Tourist traffic	50	20	10
Tertiary occupations (services, trade, etc.)	....	....	2,000
	12,210	5,170	11,010

Out of a total investment of Rs.12,210 million, it is proposed that approximately 62 per cent should be invested by the government in agriculture, afforestation, power, transport (minus shipping), communications and social projects, leaving about 38 per cent to be invested by private enterprise, mainly in industry and mining. The suggestion is put forward that the large-scale projects which are to be undertaken by the government might well follow along the lines of large undertakings in other countries by which an "authority" is set up, such as the TVA. By following this procedure, less risk is involved in case of a change in government.

Total Investment Considered Comparatively Modest

The total investment of Rs.12,210 million over a period of five years is considered to be comparatively modest, as it is estimated to be only 4·6 per cent of the national income. It is pointed out, however, that whether government or private, the whole of the money must be supplied by the private investor, and it is therefore necessary to rely on the savings and confidence of the investors. It is possible that the amount of investment could be substantially increased during the full period, but in the initial stage, owing to lack of equipment, plants, power, raw material, transport and trained labour, it is unlikely that investments could be on a larger scale. These five years would be treated as a preparation for a considerable increase in pace during the following five-year period. An adjustment of customs duty is recommended to discourage all imports of non-essentials and encourage export trade and the abolition of all kinds of control such as licences, quotas and permits, except those which regulate external trade through tariffs, is recommended. Considerable emphasis is laid on the need for immediate satisfaction of the demand for common goods, in order to check inflation, although the necessity of producing capital goods is not ignored.

Achievement of Agricultural Targets Important

One important conclusion drawn is that the success of any industrial planning in India depends on the achievement of the agricultural targets, for, without adequate food and raw products, it is impossible to achieve the industrial targets. The development of agriculture must, therefore, be ensured by setting up special boards, staffed with experts, not neglecting the interdependence between agriculture and industry, for, in order to exploit the land fully, machinery, equipment and fertilizers are necessary, and conversely more food is essential before the worker can play his full part in production. Unless the purchasing power of the agriculturalist is progressively raised, there will be no market for the new production of consumer goods. Obviously, therefore, hydro-electric schemes, irrigation, fertilizers and more scientific methods of farming, should all be given high priority.

Use of Controls Should be Avoided in Development

It is strongly urged that any regimentation, obstructive controls and over-centralization in the development of the country should be avoided. Attention is drawn to the scarcity of goods and lack of progress in production which has occurred during the past few years as the result of the exercise of controls in many fields, which has suffered owing to the lack of machinery in the civil service to carry out such control successfully, and the undisciplined and generally unco-operative attitude of the people. Moreover, since less than 40 per cent of the total investment is left to private enterprise, there is not much scope for abuse at the hands of private persons, and regimentation would merely create a feeling of frustration. The only controls recommended are those regulating foreign trade through tariffs, contraction of expansion of credits to meet inflation or deflation, and protective duties in the case of various growing industries. It also recommends the establishment of a Board of Trade with a permanent chairman, but one who has had practical experience in production problems, not necessarily a minister. While the Board would function mainly in an advisory capacity to promote industrial objectives, it could assist in the solution of many industrial problems, particularly as it would have access to all ministries of government. A Tariff Board might function under it to examine and give decisions in particular cases.

Establishment of Joint Companies Suggested

Considerable attention is given to the problem of the distribution of the new wealth that is expected to be derived from industries, mining and trade. It is pointed out that in view of the fact that public opinion generally favours the nationalization of basic and key industries, a good part of the new enterprise is likely to be owned, if not managed, by the government. Several examples are given of state-managed projects which are by no means entirely successful, due to inefficiency, dilatoriness and wastefulness. It is, therefore, suggested that a satisfactory compromise could be achieved for such projects by operating along the lines of the Reserve Bank of India, which is not directly owned by government and yet not managed solely by private enterprise.

The entire capital of such quasi-government concerns might amount to nearly 1,000 million rupees, and only about 30 per cent of the investment in industrial development is likely to be owned by private enterprise. Out of this, another 1,000 million will be invested in cottage and small miscellaneous industries, leaving only 22 per cent of the total for investment in industries owned by general shareholders. It follows, therefore, that the government must adopt a financial policy which promotes savings, encourages investment and discourages accumulation of large personal wealth, in order to avoid even wider disparities in the standard of living of the various social strata.

Additional Employment Created by Expansion

With regard to employment, it is difficult to compile a correct estimate of the extra manpower that could be absorbed under the suggested expansion, especially in the case of agriculture, since this is already the occupation of the majority of the population. However, it is believed an additional 1·2 million could easily be absorbed in agriculture, afforestation, reclamation of lands and irrigation. On the industrial side, about 700,000 persons could easily be absorbed in textiles, mining and other projects. Including the labour that would be required for the production of some of the raw materials and the handling of the new goods in non-productive but essential occupations, it is estimated that the grand total of extra manpower that could be employed would be at least three million. Since over one-third of this figure is allocated to agriculture, it is suggested that efforts should be made to increase mechanization in agriculture so that the extra labour could be re-employed in the social and industrial spheres.

The above figures represent a recurring charge on the population, and another charge which will be recurring to a lesser extent is the provision of labour for building up the new capital projects, additional employment under this head amounting to about 600,000 persons. Naturally as the new production comes into being, there will be an increasingly greater demand for new labour. Although 3·6 million persons (approximately one per cent of the population) to be newly employed does not seem a very ambitious target, it is pointed out that until the health and expectation of life of the workers are improved, a will to work and more modern methods introduced, there may even be a scarcity of suitable labour.

With regard to the problem of equipping the various industries to be constructed, it is estimated that out of nearly 12,200 million rupees of new investment, 5,170 million rupees will have to be spent in foreign countries, preferably North America, since the delivery position of the United Kingdom appears to be unsatisfactory. It is, therefore, recommended that the Government should send a purchase mission abroad to buy essential equipment.

Tariff Structure of United States Held Barrier to Canadian Trade

M. W. Mackenzie, Deputy Minister of Trade and Commerce, tells Boston audience that Americans sell to Canada twice as much as they buy, and that Canada is their best customer —Healthier trade depends on conditions providing for increase in Canadian exports to United States.

ALTHOUGH Canada was in no position to criticize the tariff structure of the United States, having over the years established tariffs that provided some measure of protection, the basic difficulty in Canada's trade with the United States was a tariff more protectionist than her own. In expressing this opinion during the course of an address in Boston on October 25, 1948, at the Conference of Distribution, M. W. Mackenzie, Deputy Minister of Trade and Commerce, pointed out that many fields in the United States were closed against potential Canadian competition. On the other hand, even in fields where Canadian tariffs were in some degree protective, the effect of American competition was generally evident.

Under such circumstances, the method of bargaining tariff concession against tariff concession with the United States had definite limitations, the Deputy Minister declared, in solving the Canadian problem. In fact, if applied rigidly on a quid pro quo basis, it would tend to perpetuate rather than to eliminate the unbalance. The reaction in the United States to what is implied in that statement will depend very much on whether it was believed by people of that country that they had at least as much to gain as Canada from the solution of the problem.

The problem, stated simply by Mr. Mackenzie "is that you sell us twice as much as you buy from us; and that, apart from the emergency measures now in force, which enable trade to continue, there are no markets to which we can look in the foreseeable future that can provide us with cash with which to settle an adverse merchandise balance with you, amounting last year to over one billion dollars. The foundation for a healthier commerce between Canada and the United States must rest upon conditions that will enable Canada's exports to the United States to rise much more closely to the level of your exports to Canada."

Canadians Best Customers of United States

"Canadians are your best customers", the Deputy Minister pointed out. "The total of the goods you buy from us and the goods you sell us is greater than your trade with any other country. The $2,000 millions of exports you sold to Canada in 1947 was far in excess of what you sold to any other country. What is more, it was cash business. It was almost exactly double the billion dollars' worth of goods shipped to the United Kingdom, the next largest buyer of your goods. It was more than you sold on the entire continent of Asia. It was almost as much as the $2,300 millions worth of goods you sold to all the countries of South America put together.

"Proceed on from trade to examine the field of international investments and you will find the same picture", Mr. Mackenzie continued. American capital invested in Canada is in excess of five billions of dollars, which represents about 70 per cent of the total of foreign investment in Canada. In recent years over 25 per cent of all the income received on United States direct foreign investments has been earned in Canada. On the other hand, there is a substantial, though naturally smaller, Canadian capital invested in the United States. As a matter of fact, on a per capita basis, our capital investment in the United States is in excess of your capital investment in Canada. There can be little doubt of our mutual interest in each other's welfare.

Both Countries Aid War-torn Lands

"There are problems that we and you have in common. It is a happy fact that our two countries have been able to make substantial contributions to multilateral and expanding world trade, which presupposes a re-established Europe taking its rightful place in that trade. Like you, we have been able to extend financial support to the war-torn countries. Your wartime program of lend-lease was the counterpart of our mutual aid program of rendering assistance to our allies. Our postwar loans matched those you extended, and your great contribution through E.R.P. Canada, like the United States, has in the past and continues to participate actively in all international plans for the alleviation of misery in Europe and for the restoration of international trade and finance on an orderly and stable basis. Comparisons are apt to be invidious, but in proportionate contribution we take second place to no country, and the absolute amount of our contributions has been substantial.

"Looking around the world, we are led to the conclusion that both Canada and the United States, as partners in the North American continent, have increased their economic importance and face larger responsibilities as a result of the war. Industrial production and industrial potential have thrust forward to unprecedented high levels of development in both our countries. It is up to us to make such arrangements between our two countries that the North American continent as a whole may make the maximum contribution to the restoration of world trade and, at the same time, contribute to our mutual benefit. May I add the thought that a day may come when our exports to each other will be of much greater importance as a source of domestic income and employment than they are today.

"Trade relations between Canada and the United States are based on two main postulates. The first is that we have a joint interest in contributing to the reconstruction of world trade and world commerce. The second is that our trade with one another is of prime importance to each of us. World trade is the prerequisite of world prosperity, and interchange of commodities across the Canadian-American border should be a model to the rest of the world of what can be attained.

Resources Are Complementary

"The complementary nature of the distribution of North American resources is of great importance to the long-run development of our trade. Up to a certain point, our countries are endowed by nature with similar resources, but there is an impressive list of major commodities produced in abundance in one country, and either in short supply or lacking entirely in the other. It is out of this in large part that our trade with one another has reached its present-day dimensions. In addition to all that has been done, overwhelming potentialities of trade on this basis still remain to be developed. You have iron, and steel; we have the non-ferrous metals, copper, nickel, aluminum, lead and zinc. You have oil and coal; we have hydro-electric power, cheap and abundant. You have hardwood; we have softwood. You have cotton; we have newsprint. You have the citrus and seasonal fruits and vegetables for our tables; we have beef cattle, coarse grains and a list of farm products to meet the food deficits which have frequently been predicted for the United States.

"The commodities I have mentioned thus far are well established in our trade in the main, but other and newer developments on our side may well go beyond anything we have yet experienced. It is well known by now that the iron ore resources in Newfoundland and Labrador are of major importance and may be comparable in magnitude to your great Mesabi Range. The present rate of development of our petroleum industry in Alberta and elsewhere promises great things for the future. Canadian coal has not yet reached its desirable rate of development on our West Coast. Canada is still in possession of great frontiers of natural resource development. But simply to expand our trade in raw materials and primary manufactured goods will not solve the problem.

Markets for Manufactures Needed

"Even before the war, manufacturing in Canada had become a most important part of our productive activities, exceeding the value of agricultural production. This trend was accelerated during the war as industrial production was stepped up to high levels. This was no ephemeral growth, quite the contrary. Wartime industrial expansion was successfully consolidated in the first postwar year by reconversion of plants to peacetime lines. Since then, we have gone through two more complete years of the biggest investment boom in Canada's history, when plant and equipment have been bought and paid for by private capital to provide output on a sound commercial basis. Canadian industry is efficient and its costs are low. When our plants undertook mass production of highly manufactured articles during the war, sometimes at very short notice, our unit costs compared very favourably with yours. To achieve the economies of large-scale production in peacetime, however, we must find export markets, because the Canadian population, although prosperous, is small. Canada emerges into the postwar world as one of the important industrial countries. We cannot retrace these steps, particularly in a world that needs our goods. It would be retrogressive to do so. Our economy was first built up, like yours, by the production of raw materials for export to the world. Our industrialization came later than yours, but come it surely has.

"We find, however, that our growing manufacturing industries are too frequently excluded from your markets. The main reason why Canada is your best customer is because of our industrial development. There is no greater fallacy than to believe that industrialization eliminates the possibilities of trade on the grounds that industrial countries produce everything for themselves and become independent of one another's goods. In the case of Canadian-American trade, exactly the opposite is true. As Canadian industry expands, we buy an abundance of new machinery, equipment and service parts from you. As our labour force becomes industrialized, our wages and our incomes rise, and we have become a high-standard-of-living country, producing a huge market for the sale of your consumption goods. Furthermore, the pattern of our manufacturing industries is more likely to be complementary than to be competitive with yours," Mr. Mackenzie said.

India Develops Hydro-electric Power

Calcutta, September 1, 1948.—(FTS)—Construction work on at least four of eight dams forming part of the Damodar Valley project, in West Bengal, is expected to start next month. Preliminary proposals have been received from foreign firms regarding construction of eight dams and hydro-electric plants. The eight reservoirs will cover nearly two hundred square miles. Flood control, irrigation, and the generation of 300,000 kilowatts of power are the aims of the project, which is expected to cost Rs.550,000,000.

Peru Instituted Exchange Quotas To Control Volume of Imports

New system, effective April 1, 1948, replaced priority lists—At June 30, exchange available totalled 36,029,588 Soles, while outstanding obligations amounted to 540,702,214 Soles—Payment of foreign collections continues to be slow—New preferential exchange authorization used for specific transactions.

By C. J. Van Tighem, Commercial Secretary for Canada

(Editor's Note—This is the last in a series of three articles on economic conditions in Peru during the first six months of 1948, prepared for publication in *Foreign Trade*. The others appeared in the October 23rd and October 30th issues. One sol equals $0.1538 Canadian.)

LIMA, September 7, 1948.—Commencing April 1, 1948, a system of exchange quotas was instituted in Peru, replacing the former system of priority lists. Under the old system, three lists, A, B and C, included products which were considered respectively to be essential, necessary, and useful but not indispensable. As from September 26, 1947, the importation of products in list C was suspended. However, the supplies of exchange were still not sufficient to cover the licences granted. To ascertain what amount of import licences was pending, the Superintendency of Foreign Trade required importers to submit a list of their current licences as of March 31, 1948. All licences not listed were automatically cancelled. The Superintendency discovered that, as of March 31, import licences pending totalled 467,814,036 Soles, or U.S.$71,971,390.

Exchange quotas have been established for a number of the most important classes of goods such as foodstuffs, drugs, pharmaceutical products, agricultural machinery, industrial machinery, mining machinery and equipment, trucks and lubricants. These quotas were prepared by the Superintendency of Foreign Trade, which acted upon the advice of the various associations concerned, such as the National Industrial Society, National Agrarian Society, Lima Chamber of Commerce, etc. In preparing these quotas, past imports were used as the yardstick. In addition to these, quotas for other products are being drawn up by special committees, comprised of members of the trade concerned. However, at June 30, these quotas had not been approved and licences were not being issued for goods other than those covered by quota.

Not Sufficient Exchange to Cover Approved Licences

During the months of April, May and June, since the quota system has been in effect, applications for licences totalling 327,413,908 Soles have been received. Of this amount, 213,305,421 Soles or 65 per cent have been approved and 114,108,487 Soles or 35 per cent have been denied. In addition to the 213,305,421 Soles authorized for imports, 41,069,885 Soles have been approved for remittances of various kinds such as for dividends, insurance, students, salaries of foreign technicians, etc. At June 30, exchange amounting to 70,255,530 Soles had not been made available for the import licences approved and 2,632,647 Soles remained pending for the other authorizations. Total pending exchange obligations at June 30 amounted to 72,888,178 Soles on account of authorizations granted since April 1, and 467,814,036 Soles on account of licences pending as of March 31. This latter amount was not considered definite, since it was subject to review.

At June 30, foreign exchange on hand in the Central Bank amounted to U.S.$4,794,742. In addition, an amount of U.S.$95,122 was to be received by the Central Bank and U.S.$653,149 was in the hands of the commercial banks, so that total amount of foreign exchange available totalled U.S.$5,543,013.

In effect, at June 30, against pending obligations to deliver exchange amounting to 540,702,214 Soles, exchange available in the Central Bank and in the commercial banks totalled U.S.$5,543,013 or 36,029,588 Soles. Exchange to be received from exporters totalled 95,191,488 Soles.

Payment of Foreign Collections Slow

Payment of foreign collections has been and continues to be slow. There has been little headway made in reducing the very considerable backlog of foreign exchange authorizations and collections. Unofficial reports placed the backlog of foreign collections in the hands of local commercial banks in the neighbourhood of U.S.$20,000,000 at June 30. Since the quota system has been placed in effect, the distribution of foreign exchange has come directly under the supervision of the Superintendency of Foreign Trade, and the Central Bank no longer has control over distribution. A new category of authorizations, bearing preference to exchange, has appeared and the Central Bank on making exchange available to the commercial banks, and in accordance with the express instructions of the Superintendency of Foreign Trade, directs that the exchange shall be applied against specific transactions. As a very high percentage of the exchange received by the commercial banks is thus earmarked for specific transactions, in many cases new business, they are able to apply only a limited amount of exchange against old collections, with the result that the backlog has not been reduced.

King and Queen Visited Canadian Display at Dairy Show

London, October 28, 1948.—(FTS)—Their Majesties the King and Queen today visited the Dairy Show, being held this week at Olympia, and displayed much interest in the Canadian display of bacon, cheese, eggs and poultry. They were fascinated by the milkfed chickens in the refrigerated show cases, and asked W. B. Gornall, Commercial Secretary for Canada (Agricultural Specialist), whether they were for sale, and inquired concerning the disposal of this poultry after the show closes.

Attendance at the Dairy Show established a new record of 94,904 in four days, compared with the previous peak in 1947 of 87,887.

J. B. Lawrie Joins Canadian Wheat Board

James Biggar Lawrie, M.B.E., Assistant Director of the Wheat and Grain Division, Department of Trade and Commerce, has been appointed Executive Assistant of the Canadian Wheat Board, with headquarters in Winnipeg, for which he departed this week. Mr. Lawrie was born in Bo'ness, Scotland, in 1902, and came to Canada in 1908. He received his early education in Alberta and graduated from the University of Alberta with a B.Sc. (Agric.) degree, after which he became associated with the Alberta Pool Elevators. Mr. Lawrie served with the Royal Canadian Air Force during the Second World War, and joined the Department of Trade and Commerce in 1946, on receiving his discharge with the rank of Wing Commander.

20179—2

New Priority List for Imported Goods Established by Peru

Effective September 23, this supplements new import control regulations announced on September 6—A, B and C categories considerably revised—Canadian exporters advised to proceed with caution.

By C. J. Van Tighem, Commercial Secretary for Canada

LIMA, October 1, 1948.—Peru has established a new priority list for imported goods, effective September 23, 1948. This supplements the new Peruvian import control regulations announced on September 6, the general terms of which were outlined in the October 9, 1948, issue of *Foreign Trade.*

Prior to passage of the decree on September 23, the exchange available for imports under category A, and for government requirements, was inadequate. Consequently, as the government would now have 25 per cent less foreign exchange, it was expected that many items would be transferred from category A to the other categories that are not entitled to official exchange, so as to reduce demands on the National Foreign Exchange Fund. A transfer of this nature has been made and the number of tariff items included in category A has been reduced from 1,227 to 488. These items have been placed in categories B and C, showing a slight increase from 2,118 to 2,362. Similarly, transfers have been made from categories B and C to the list of exclusions, which now contains 665 items, as compared with 183 previously.

Category A has been subdivided into fourteen principal groups, the largest of which are those covering essential foodstuffs and pharmaceuticals. Also included in category A are raw materials for the agricultural and livestock industry, mining industry, fishing industry, tanning and shoe industry, textile industry, paper and printing industries, construction industry, tire industry, lubricants and public services. Details as to the items included in this category and in the other categories may be obtained from the Foreign Tariffs Section of the Department of Trade and Commerce, Ottawa.

Licences will not be granted for Group A items destined for new installations or the enlargement of existing plants. Only raw materials required by local industries to manufacture products of general use may be imported. Imports in any quarter are limited to one-fourth of the imports effected by the interested party during the previous year.

Under the new priority system, only 14 per cent of the total number of tariff items is contained in category A, as compared with 35 per cent previously. Categories B and C cover 67 per cent of the total items and the list of exclusions, 19 per cent.

Licence Applications Pending at September 7 Are Annulled

A communique of the Superintendency of Foreign Trade, issued on September 29, establishes the following regulations for licences already issued or for which application had been made, up to September 7:

Licences with official exchange.—Applications pending at September 7 are annulled and new applications must be presented. Licences in the hands of importers up to and including September 7 and covering products in the new category A must be revalidated prior to October 9. Similarly, licences issued for goods which were previously in category A and are now in categories B and C must be revalidated before October 9. Provided in the latter case that the merchandise was shipped up to and including September 23, no exchange surcharge will be levied. With reference to this particular case, even though shipment was not made before September 23, no exchange surcharge will be levied if the goods were paid for up to and including September 7. However, if payment by this date was not made, then the surcharge of Soles 3·50 per dollar will be applied. In this particular case, the deadline of October 9 for revalidation is waived, and the licences may be presented for revalidation at any time during their period of validity.

Licences with free market or importer's own exchange.—In so far as applications for import licences which were pending at the Superintendency of Foreign Trade up to and including September 7 are concerned, the important point is whether payment was made by that date. If payment was made prior to and including September 7, the import licences will be approved and no exchange surcharge will be levied regardless of whether the merchandise is already in the Customs House, en route or awaiting shipment. If payment was not made by that date, the applications will be denied regardless of whether the merchandise is already in the Customs House or awaiting shipment. In such cases, a new application, together with Exchange Certificates, must be presented, and the corresponding exchange surcharge of Soles 3·50 or Soles 10·00 must be paid. Licences already in the hands of importers will be revalidated without payment of the exchange surcharge provided that payment was made up to and including September 7. In the event that payment by that date was not made, the licences must be presented for revalidation, accompanied by the corresponding Exchange Certificates, and the exchange surcharges must be paid except in the case of merchandise shipped up to and including September 23.

In view of these regulations respecting the revalidation of licences already issued or pending, Canadian exporters would be advised to withhold shipping any merchandise to Peru covered by such import licences until they have received advice from the importers that the necessary revalidation has been effected.

Particular care should be exercised in the case of merchandise which was covered by free market or importer's own exchange and which now requires the payment of the new exchange surcharge, as it is possible that the importer will not be willing or able to pay the new surcharges and will not revalidate his licence.

United Kingdom Sells Diamonds for United States Stockpiling Program

London, October 13, 1948.—(FTS)—The purchase in Britain of a substantial quantity of industrial diamonds for the United States Government stockpile was announced in London recently. The diamonds were bought from the Industrial Distributors (Sales) Corporation. The amount purchased and the prices were not made public.

In accordance with terms of the economic co-operation agreement between the United States and the United Kingdom, the transaction involved no drain on the reasonable requirements of consumers in the United States, the United Kingdom and other countries.

The diamonds will be paid for out of the sterling counterpart fund set aside to match United States grants to the United Kingdom under the European Recovery Program.

The sale of rubber stocks by the British Board of Trade to the United States on September 9 was the first purchase made under this arrangement. The diamond contract is the second to be announced.

20179—2½

New French Foreign Exchange Regulations Now Effective

No change relating to the rate employed for commercial purposes between United States dollar and franc—Canadian dollar realigned to cross-rate for American dollar—Action will eliminate extensive black market in pounds sterling.

By J. P. Manion, Commercial Secretary for Canada

PARIS, October 22, 1948.—New French foreign exchange regulations, published in the *Journal Officiel* on October 17 and effective on October 18, have given rise to some confusion which it may be well to eradicate. The most important point is that there is no change relating to the rate employed for commercial purposes between the American dollar and the French franc, nor in the rate used for financial transactions, including remittances. For commercial transactions, the exporter or the importer still receives or has to pay the mean between the official rate of 214 francs to the dollar and the rate prevailing in the free market for American dollars. The free market rate is currently 312·80 francs to the dollar and the commercial rate is accordingly 263·50 francs to the dollar.

Financial transactions, such as remittances, bank transfers, and the sale of travellers' cheques are still carried out in the free market.

The only changes with respect to transactions payable in American dollars are that:

(*a*) All imports are now payable at the mean rate mentioned above, whereas in the past the government often bought bulk commodities such as petroleum, wheat, etc., entirely with dollars purchased from the Exchange Stabilization Fund at 214 francs to the dollar. Similarly, import transactions in non-essential goods, which were formerly payable entirely with dollars purchased on the free market, now benefit also from the mean rate.

(*b*) Payment for freight services was formerly made with dollars purchased entirely on the free market. Henceforth, such services will also be payable at the mean rate.

In many respects, therefore, the new regulations are a first step in the elimination of exchange differentials by which different rates of exchange were used for different transactions.

To the extent that transactions between Canada and France are carried out in American dollars, there is thus no change in the situation as a result of the new regulations except as noted above.

Canadian Dollar Transactions Are Affected

Financial transactions carried out in Canadian dollars, however, are affected. Previously remittances in Canadian dollars could only be exchanged at the official rate of 214 francs to the dollar. Now, however, all other currencies are realigned to the cross-rate for American dollars. The rates now fixed for the Canadian dollar are as follows: Transfers: buying 263; selling, 265. Banknotes: buying, 262; selling, 266.

It is the realignment briefly mentioned above in its relation to the Canadian dollar which is the most significant feature of the new regulations. As indicated in the case of Canada, there was no official free market for any currencies except the American dollar, the Portuguese escuda and the Swiss franc under the former regulations. This meant that all other currencies had to be traded in at the equivalent of the American dollar basic rate of 214. The pound sterling, for instance was worth about 863 francs to the pound, which was the correct equivalent of 214 to the dollar. But the 214 rate was fictitious in that nearly all commercial transactions took place at the cross-rate of approximately 264. To this extent, therefore, the pound sterling and all other "soft" currencies were devalued by 23 per cent from their official rates.

All these currencies are now realigned on the basis of the commercial cross-rate for American dollars. In effect the other currencies have been revalued to correspond to their official relations to the American dollar. To this extent, therefore, it is possible to say that the French franc has been devalued to the extent of 23 per cent in relation to other "soft" currencies, but it is to be reiterated that there has been no devaluation in terms of American dollars.

Other sections of the present regulations provide for progressive realignment at such time as the free market rate for the American dollar may change significantly and thus bring about an alteration in the mean rate.

One of the results of the new regulations should be to eliminate the extensive black market in pounds sterling which was known to exist in France. Another result, more important for France, is that her balance of payments with other European countries, particularly the Organization for European Economic Co-operation nations, should be sensibly improved by reason of the reduced cost of her export commodities in terms of the importing countries' currencies.

Congestion in Port of Bombay Brings Rise In Freight Rates on Cargo From Canada

Factors responsible include diversion of cargo from Karachi, poor internal transportation and shortage of storage facilities—Inadequate supply of gasoline provided for operation of cranes and trucks.

By R. K. Thomson, Assistant Commercial Secretary for Canada

BOMBAY, September 30, 1948.—Congestion in the Port of Bombay has had the effect of increasing freight rates to this port on cargoes from ports in Canada and the United States by an emergency surcharge of 25 per cent, which will come into effect on October 1, 1948. Factors responsible for this congestion are:

(*a*) The diversion, following the partition of British India, of shipments from Karachi to Bombay, thus increasing the burden on port facilities here.

(*b*) Internal transportation, including railway rolling stock, particularly locomotives, being inadequate to provide for rapid and efficient clearance of cargo from the port to inland destinations.

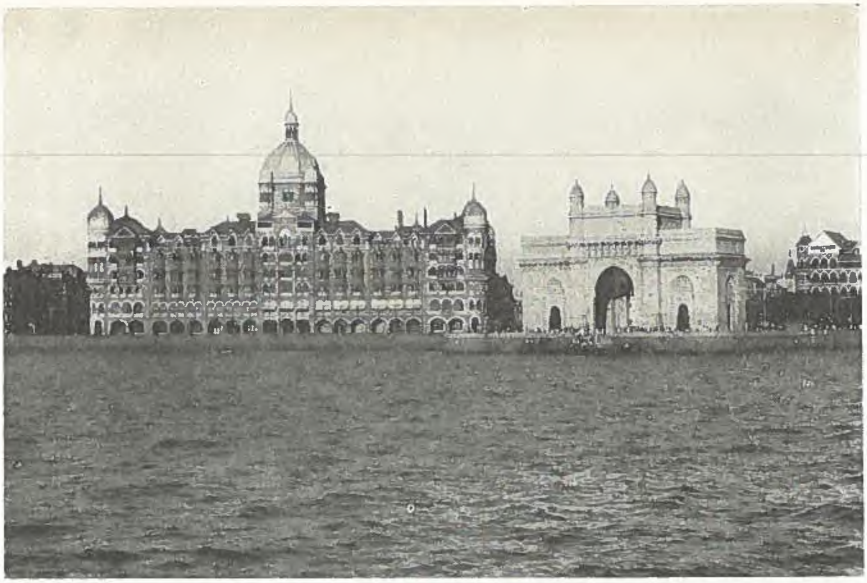
(*c*) Inadequate storage facilities, due in part to an explosion in the dock area in 1944, when a number of transit sheds were destroyed. These have not been replaced.

Minor factors contributing to this congestion are:

(*a*) An increase in the past four years in the number of grain ships discharging in Bombay.

(*b*) An increase in the size of ships arriving here since the war, rendering the shallower berths inadequate.

(*c*) Delays in the passing of documents by customs authorities.



India—Much of the external trade of the country is handled through the port of Bombay. Congestion in this port has had the effect of increasing freight rates on cargoes from ports in Canada and the United States by the imposition of an emergency surcharge.

(*d*) Inadequate allotments of gasoline to port authorities by the government rationing authorities for the operation of cranes, and to local transport firms for the operation of trucks in clearing cargo from the dockside.

(*e*) The presence in and around the docks of a large number of Sindhi refugees, who hamper considerably the work of discharging cargo.

In September, the shipping representatives in Bombay requested assistance from the Central Government to meet this grave situation and a special committee met with members of the government to study the problem. The result was a number of minor improvements, including the promise of more freight cars, an increase in the allotment of petrol and a speeding-up of customs procedure.

The problem, however, remains as a long-term one which will require large-scale improvement and planning. This will include the dredging of certain of the berths to admit larger vessels, the building of permanent additional cargo sheds and the installation of larger cranes electrically operated. Large orders for railway rolling stock have been placed by the Central Government in Canada and the United States and the eventual arrival of this equipment should assist materially in relieving the congestion.

Although the situation has improved slightly within the last week or so, the present indications are that it may grow worse, due to the recent relaxation of import restrictions with respect to sterling and soft-currency areas. This action is expected to increase the flow of goods into Bombay by as much as 25 per cent, adding considerable strain to the already overtaxed facilities. In addition, a strike of dock workers is threatening. The Chairman of the Port Trust, Bombay, recently remarked that the cost of handling cargo was three and a half annas per ton in 1938-39 and, with the new concessions now proposed, the cost is expected to rise to about 20 annas per ton.

Argentine Imports of Canned Fish Decline as Domestic Output Rises

Logical sequence to import restrictions and falling value of peso—Canadian exports are practically nil—Sardines, main type imported, are banned by Central Bank—Purchases of fresh and frozen fish are insignificant.

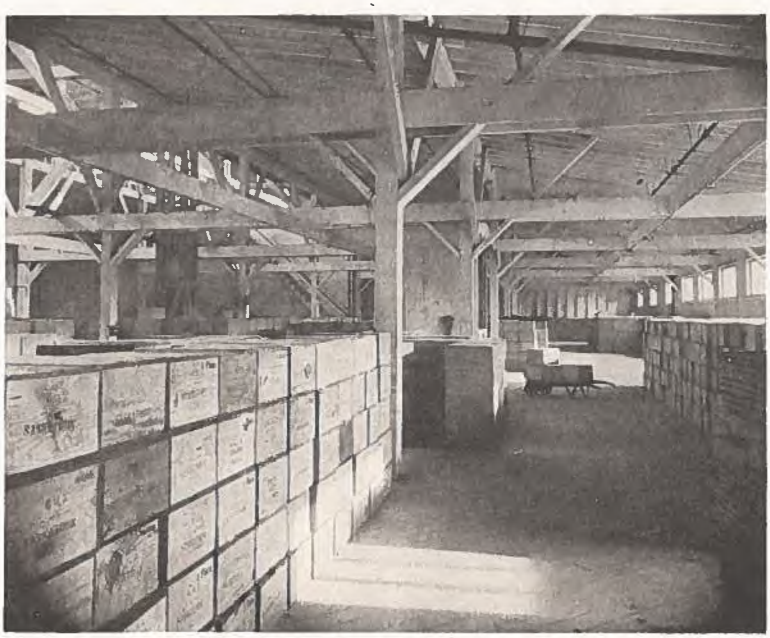
By R. E. Gravel, Assistant Commercial Secretary for Canada

(Editor's Note—This is the last in a series of three articles on Argentina's fishing industry, prepared for *Foreign Trade*. The other articles appeared in the September 25th and October 9th issues.)

BUENOS AIRES, August 2, 1948.—The marked falling off in Argentine imports of canned fish is caused, to a considerable extent, by the increasing domestic production This development is a logical sequence to the present import restrictions and falling value of the peso, which greatly increase the price to the consumer.

During the period 1937-1939, Canada's exports of canned fish to Argentina were practically nil, but in 1940 they amounted to 5,042 kilos. Other suppliers include the United States, Sweden and the United Kingdom. No postwar figures are available under this heading. The principal imports of canned fish during this period were squid in oil and in its natural state, tunny fish in oil and anchovies from Spain and Portugal; squid and tunny

Canada—Canned salmon, of which Canada exported 368,000 cwts. valued at $9,759,000 in 1947, awaiting shipment from Vancouver. Shipments were made last year to forty-seven countries, but the list does not include Argentina, which obtained her small requirements from Great Britain and Russia. Purchases of fishery products from Canada in 1947 were valued at $37,000, compared with $1,615 in 1939, and consisted of canned sea herrings, codfish and canned lobster.



from Italy; crab and crawfish from Japan. In addition, a few cases of canned salmon were supplied by the United Kingdom and by Russia, but this trade was insignificant. The demand for canned lobster is restricted and is usually met by one large Scottish shipper who is also responsible for most of the shipments of canned smoked herrings and canned salmon from the United Kingdom. Both the salmon and lobster supplied by the United Kingdom are generally Canadian pack. In addition, a wide variety of other fish is shipped in cans, generally in olive oil, from Spain, Portugal and Italy. Included in this group are clams, herrings, bonito, merluza and a few others. However, compared with canned squid and tunny, the trade in these fish is unimportant. In 1947, Canada exported canned lobster to Argentina valued at Can.$1,106.

Argentine Imports of Canned Fish

Year	Spain	Portugal	Italy	France	Japan	Others	Total
				Kilograms			
1937	121,579	46,541	47,737	10,062	32,922	20,028	278,869
1938	96,024	52,676	32,377	12,837	23,131	19,269	236,314
1939	19,229	75,596	28,576	28,584	17,805	37,228	207,018

Sardines are undoubtedly the most important canned fish imported. There is a good demand for such fish and, as the local fisheries do not produce this fish, it must be met from abroad either fresh, salted or tinned. The bulk of the sardines imported are packed in olive oil, although there are also certain quantities imported in tomato sauce. Most of the imports from the United States are pilchards packed in tomato sauce in oval tins of 425 grams. Spanish sardines are supplied in tins of various sizes running from 130 grams up to 1 kilogram. Smoked sardines are not popular, although they are supplied from Norway in small quantities.

Argentine Imports of Sardines in Oil or Sauce

Year	Spain	Portugal	United States	Norway	Others	Total
			Kilograms			
1937	2,785,741	17,769	59,513	32,218	60,027	2,955,268
1938	2,148,914	27,064	114,154	55,126	118,198	2,463,456
1939	411,327	91,673	145,842	166,750	797,647	1,513,239
1945	......	......	......	......	169,655	169,655
1946	......	......	......	......	7,252	7,252
1947	......	......	......	......	3	3

As with other fish imports, purchases of sardines were practically nil during the war. Other suppliers were Sweden, France, Japan and Belgium. During the three postwar years, 1945, 1946 and 1947, imports came exclusively from Brazil and Chile. On April 30, 1947, the Argentine Central Bank suspended the granting of import permits for sardines packed in oil or sauce.

The principal imports under this heading are frozen, the only fresh unfrozen fish being those imported from Uruguay. This trade is insignificant and generally consists of large blue-fish and corvina imports, made only to supplement the local salt-water catch. The chief frozen fish imported are squid from the United States, tunny from Spain, cuttle fish and octopus from Spain and Portugal.

Argentine Imports of Fresh Fish and Seafood

Year	Portugal	United States	Uruguay	Others	Total
			Kilograms		
1937	583,993	144,871	35,485	147,087	911,436
1938	650,664	177,357	14,700	78,237	920,958
1939	453,700	82,241	7,744	81,772	625,457

Under the above heading, Canada exported to Argentina 15,309 kilos of fresh fish and seafood in 1938 and 13,400 kilos in 1940. Other suppliers were Brazil, Japan, France, Sweden and Chile. Portugal supplied Argentina throughout the war.

Frozen salmon is shipped principally from the United States, although frequently it is of Canadian origin. It is shipped in small quantities to meet a limited demand from high-class hotels and restaurants and from the English-speaking community. There is a greater outlet for frozen salmon for the canning trade, but this is necessarily restricted by the high cost.

The imports shown under canned oysters as coming from Spain should more properly be classified as mussels, winkles and similar shellfish. These are consumed in large quantities in most restaurants, where they are served as oyster cocktails. They are shipped mostly in tins of 400 grams or of 1 kilo net. The tinned oysters from the United States are mostly shipped in 6-pound tins. Although they have a limited outlet owing to the high price, they are well liked, and it is possible that these could be shipped from Canada under normal import conditions if the United States competition could be met.

Imports of fresh oysters include both fresh and frozen oysters. Brazil used to be the principal shipper of fresh oysters to Argentina, but Chile has now taken its place. Imports from the United States are medium-sized blue-point oysters, shipped frozen in the shell in barrels of 1,000 each.

Argentine Imports of Canned Oysters

Year	Spain	United States	Japan	Others	Total
			Kilograms		
1937	449,641	25,318	8,658	458	484,075
1938	415,824	17,925	8,746	......	445,836
1939	88,753	20.584	907	......	111,421
1945	7,763	......	......	......	7,763
1946	21,109	......	......	6,321	27,430
1947	140,076	......	......	......	140,076

Other suppliers of canned oysters were Portugal, the United Kingdom and Chile.

Argentine Imports of Fresh Oysters

Year	Chile	United States	Portugal	Total
		Kilograms		
1937	....	....	....	19,986
1938	7,959	22,470	8,619	39,048
1939	8,706	2,950	1,640	16,938
1945	530	....	....	530
1946	1,114	6.526	214	7,854
1947	3,352	13,621	....	16,973

All canned fish, or fish packed in any way, must carry a label giving the following data in Spanish: name of product, year and month of packing, country of origin, net weight in the metric decimal system and name of importer or representative. In practice, imports of canned fish from the United States or the United Kingdom are shipped with the regular labels, with the foregoing information printed on a supplementary plain white label. The regulations require that all tins used for canning must be varnished internally if the mixture is of acid reaction, which is defined as a solution exceeding an acidity equivalent to 8 cc. of normal sodium hydrate per cent by weight of the substance of the liquid

Possibilities for Canadian Fish Limited

At the present time the possibilities of developing trade in fish with Canada are limited by the exchange regulations. Apart from this, the prospects of increasing Canada's exports of fish to Argentina seem to be restricted to dried cod, smoked and pickled herring, canned sardines and frozen salmon.

Exports of herrings from Canada, particularly smoked herrings, under normal conditions depend largely on proper shipping connections. Perhaps if suitable prices could be quoted, it would not be necessary to copy the Dutch and British pack, although it should be remembered that the moist smoked herring is preferred to the very dry pack. Efforts to ship smoked herrings unfrozen from Canada have not been successful, the fish being unfit for consumption on arrival. Even if the exchange regulations are removed, there would seem to be little hope of greatly increasing normal imports from Canada into Argentina. In addition, the large proportion of the population that is of Italian and Spanish descent forms a more natural outlet for the canned fish produced in those countries than for the comparatively unknown salmon or other Canadian fish. In so far as Argentina is concerned, food and particularly fish, is not an essential item of import.

Agricultural Resources of Italy Unable To Meet Needs of Large Population

Eight per cent of foodstuffs were imported even in prewar years—Wheat production in 1948 may be greatest since war—Outlook favourable for barley, rice, beans, sugar beets, tobacco and hemp.

By A. P. Bissonnet, Acting Commercial Secretary for Canada

(Editor's Note—This is the second in a series of five articles on economic conditions in Italy, prepared for *Foreign Trade*. The first appeared in the October 30th issue.)

ROME, August 20, 1948.—Italy, with a population of 46,000,000, has more people than her agricultural resources will support. Even in the most austere prewar years, when an effort was made to create self-sufficiency, about eight per cent of the food required by this country had to be imported.

Fall plantings in 1947 were reported to be four per cent higher than in 1946, and growing conditions in the succeeding months were good. Wheat production in 1948 is expected to be the highest since the conclusion of hostilities, and better harvests were predicted for barley, rice, beans, sugar beets, tobacco and hemp. It was forecast that the production of potatoes, oilseed crops and haricot beans would be lower. The wheat crop was estimated in June at 6.500,000 tons, the corn crop at 2.300,000 tons and the domestic production of sugar at 300,000 tons. It is expected that the output of olive oil in the 1947-48 season will be particularly good, a preliminary estimate of 2,750,000 quintals being higher than the average for prewar years.

Italy produced 995,602 tons of tomatoes in 1947. but it is still too early to forecast the output for this season, which is subject to weather conditions. However, difficulties are expected in the tomato paste market. which may result in the crop being reduced. With the reopening of the German market to Italian fruit and vegetables, it may be advisable for farmers to cultivate tomatoes on a larger scale.

Difficulties Face Exporters of Fruit and Vegetables

Exporters of fruit and vegetables cannot find an adequate outlet in the British market, due to that country's foreign exchange difficulties, and political changes in Czechoslovakia may have an unfavourable effect on trade between that country and Italy.

The hemp output in 1947 amounted to 612,000 quintals, a figure considerably lower than that of prewar years. This was due to the fact that the home market for hemp is not active and the export market has not as yet opened. With the reopening of the German market, however, and a new commercial agreement with France, the acreage sown this year is greater than in 1947. It is expected that the output in 1948 will be proportionately larger.

Italian Production of Principal Crops

	1947	1946	1936-39
	(Thousands of metric tons)		
Cereals			
Winter wheat	4,624	6,055	7,468
Spring wheat	49	71	118
Rye	97	106	139
Barley	178	230	223
Oats	446	461	566
Rough rice	700	469	744
Corn	1,924	1,898	2,963
Total	7,935	9,290	12,221
Pulses			
Dried horsebeans	325	282	635
Dried haricot beans	131	81	162
Dried peas	12	10	18
Chickpeas	48	34	39
Lentils	12	10	13
Vetch	4	4	15
Lupines	29	24	55
Total	524	435	937
Fresh Vegetables			
Potatoes	2,805	2,288	2,723
Fresh horsebeans	92	92	89
Fresh haricot beans	66	63	49
Fresh peas	97	91	80
Tomatoes	996	833	952
Asparagus	9	9	12
Artichokes	83	81	76
Fennel, cardoon, celery	130	135	128
Cabbage	605	532	460
Cauliflower	393	360	268
Onions and garlic	211	227	149
Melons and watermelons	380	347	398
Total	5,867	5,058	5,384
Industrial crops			
Sugar beets	2,231	2,317	3,272
Hemp fiber	61	55	110
Hemp seed	3	2	3
Flax fiber	5	3	4
Flax seed	11	6	6
Cotton fiber	3	3	5
Cotton seed	5	4	10
Rape	13	6	1
Colza	12	5	1
Peanuts	7	4	1
Sunflower	11	6	nil
Sesame	0·7	0·3	nil
Soybeans	4	0·7	nil
Castor beans	4	2	nil
Tobacco	64	43	43
Total	2,435	2,457	3,456
Orchards and vineyards			
Oranges	300	319	326
Tangerines	55	49	53
Lemons	247	246	327
Other citrus	21	24	32
Apples	484	279	288
Pears	253	243	197

Italian Production of Principal Crops—*Concluded*

	1947	1946	1936-39
	(Thousands of metric tons)		
Orchards and vineyards—*Concluded*			
Peaches	234	221	231
Apricots	14	20	25
Cherries	103	92	67
Plums	66	57	52
Almonds (with shells)	163	110	180
Filberts and hazelnuts	13	30	22
Walnuts	50	43	48
Figs, fresh	362	306	306
Grapes	5,342	5,690	6,140
Olives	1,550	852	1,425
Carob beans	49	39	57
Quince and pomegranate	15	13	9
Chestnuts	250	207	335
Totals	9,571	8,840	10,120
Processed fruit			
Figs, dried	59	55	84
Olive oil	258	130	230
Wine (000 hectolitres)	31,858	33,612	38,125
Forage crops	25,067	23,537	30,475

Iranian Imports Increasing As Petroleum Production Rises

Output of crude oil expected to surpass last year's total of 20 million tons—United States, Russia, and the United Kingdom are main sources of imports—Development of trade with Canada possible—Iraq to purchase Canadian harvester combines as a result of financial agreement with Britain.

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

(Editor's Note—This is the second in a series of three articles on economic conditions in the Middle East (excluding Turkey), prepared for publication in *Foreign Trade*. The first appeared in the October 30th issue.)

CAIRO, August 12, 1948.—Oil production is one of the most important factors of Iran's economy. It is expected that last year's production of 20 million tons will be easily surpassed this year. It is interesting to note that the Anglo-Iranian Oil Company obtained the highest monthly output of its history in May with a production of 2·25 million tons of crude oil.

The import trade of Iran is increasing along with increased oil production. Another factor which may well bring a further increase is the Seven-year Development Plan. This plan involves establishment of industry, increased irrigation and other means of improving agricultural production, and extension of the railway and other communication systems. The plan has been discussed for some time and there are indications that it may be initiated in the near future.

Before the war, Russia and Germany shared between them more than half the total of Persia's export and import trade, while the United States, India and the United Kingdom had roughly equal shares of the remainder. With the elimination of German trade, the United States has come up nearly to the level of Russia in its volume of total trade with Persia. With regard to the import trade of the country, the United States last year enjoyed 23·2 per cent of the total as compared with 21·3 per cent for Russia and 17·9 per cent for the United Kingdom. There is opportunity for the possible development of Canadian trade implicit in these figures.

Import Quotas Established for Current Financial Year

Import quotas, totalling 4,686,500,000 rials, have been authorized by the Ministry of National Economy for the current financial year. It is difficult to translate this sum into terms of dollars, as foreign exchange at the official rate of 32 rials to the dollar is granted for certain essential imports, while exchange must be purchased in the free market at the prevailing rate (63 rials to the dollar at the present time) for the remainder. Included in the import quotas were: tea, 247 million rials; sugar, 442 million rials; pharmaceuticals, 100·1 million rials; woollen piece-goods, 65 million rials; cotton piece-goods, 1,001 million rials; iron and steel manufactures, 312 million rials; machinery, 598 million rials; electric metres, electrical machinery, electrical apparatus and appliances, 280·02 million rials; buses, lorries and ambulances, 150·02 million rials; and cars, 32·9 million rials.

A commission has been set up by the Persian government to consider the prohibition or restriction of the sale of alcoholic drinks. Their importation is already prohibited by the quota allocations for the current year.

In a country where agriculture is so vital, it is important to note that rainfall has been heavy and, accordingly, crop prospects are very satisfactory. There may be a surplus of grain available for export.

Persia is now an exporter of timber, although not on a large scale. The government has given permission for the export of about 25,000 cubic metres of different varieties during the current year.

Internal trade has been improving, particularly in textiles. Exports have continued at a satisfactory level. The demand for Persian carpets and other specialities continues good. The export of beans, cotton seed and other edible oil-bearing seeds is now unrestricted.

New Financial Agreement Effected Between Iraq and the United Kingdom

At the end of June, a new financial agreement between Iraq and the United Kingdom was effected, to continue the customary annual agreement. Under this agreement, £5·5 million in scarce currency will be granted to Iraq over the next twelve months, to cover the import of goods from hard-currency areas. This represents an increase of £500,000 in hard currency compared with last year's agreement. Out of the hard currency available for the current year, it is interesting to note that Iraq has set aside $1,200,000 for the purchase of farm machinery. A large part of this will be spent on Canadian harvester combines.

The new Iraqi budget shows an estimated expenditure of 28 million dinars and revenue 22 million. Currency in circulation is still decreasing. At the end of April, the figure was 33,779,797 dinars compared with 35 million dinars at the end of February.

Internal trade is dull and retailers hesitate to accumulate large stocks in view of the possibility of riots and looting. In spite of this the volume of goods ordered from abroad continues to be high. The volume of documentary credits opened in April was 34 per cent above the average for 1947. A large part of the value of these credits was for sugar and cotton piece-goods.

Crops in Iraq will be reasonably good, the expectation being for a total of some 200,000 tons of wheat and 500,000 tons of barley. There will still be a deficit of about 40,000 tons of wheat to provide for domestic requirements.

Netherlands Proposes Reduction in Food Subsidies in Effort to Balance Budget

Plan necessary before establishment of economic union with Belgium and Luxembourg—Trade agreements signed with various countries.

By V. L. Chapin, Assistant Commercial Secretary for Canada

(One guilder (Fl.) equals $0.3769 Canadian)

THE HAGUE, October 13, 1948.—Holland plans a reduction in food subsidies from 602 million guilders to 365 million in her 1949 budget, which shows a marked improvement over that of last year and indicates that a balanced budget will be achieved within the next year or two. The reduction in food subsidies, as well as being a saving, is one of the steps that the Netherlands Government considers necessary before the establishment of economic union with Belgium and Luxembourg in January, 1950.

Further economies of nearly 200 million guilders will be effected by transferring the responsibility for housing reconstruction from the central government to municipalities. The reduction in expenditure will be from 248 million guilders to 54 million guilders for next year. It is not expected, however, that there will be any reduction in the number of dwellings reconstructed or newly built. Municipalities are expected to finance this activity by borrowing from the capital market.

Budget estimates for 1949 indicate a net deficit of 666 million guilders compared with deficits in 1947 and 1948 of 2,108 million and 1,224 million guilders respectively.

In the field of taxation the Finance Minister stated that a start would be made later this year on a two-year plan to reduce taxes. This will be possible in view of the steady rise in the national income, which is estimated at 13,000 million guilders for 1949, and by liquidating government bureaus dealing with "war and crisis problems".

Financial and Trade Agreements Signed

During September, Holland signed monetary agreements with Great Britain and Brazil, a trade agreement with Eire and a textile barter agreement with Czechoslovakia.

Under the terms of the Anglo-Dutch monetary agreement, the former agreement, which was signed on September 7, 1945, for a period of three years, is to be extended for one more year. The only change in the original agreement is the repeal of the provision, whereby the Netherlands granted an extra credit margin to the United Kingdom. This margin represented a part of the Dutch sterling holdings as of September, 1945.

The Dutch-Brazilian payment agreement was signed in Rio de Janeiro on September 1. Under its terms, the Banco de Brazil will open an account for the Netherlands Bank, on which the proceeds of Dutch goods supplied to Brazil will be booked. The Netherlands will be able to use this account for the purchase of Brazilian goods. Dutch purchases exceeding the amount of the Netherlands fund held by the Banco de Brazil will continue to be paid for in United States dollars.

On September 4 a trade agreement between Holland and Eire was signed in Dublin. Eire will relax exchange control restrictions where these apply to the Netherlands. It has also agreed to permit an increased export of cattle to Holland during the current six-month period.

For their part, the Dutch have agreed to supply Eire with 30,000 tons of fertilizers and to facilitate the admission of an increased quantity of Eire goods on a non-discriminatory basis. Press reports from Dublin commenting on this agreement state that Eire will shortly establish a legation at The Hague.

Under the terms of the Czech-Dutch agreement, the Netherlands will receive textile waste in exchange for finished textile goods. The value of goods to be exchanged is approximately 16 million Czech crowns.

Exports to United States Show Substantial Rise This Year

Countries in sterling area, except South Africa, reduced purchases from Canada in last nine months—Value of shipments to Latin American group lower, though imports by countries with adequate supply of dollars higher—Countries participating in European Recovery Program obtain more goods from Canada.

CANADIAN exports to the United States during the nine months ended September of this year were valued at $1,040·9 million and represented a gain of $307·9 million over those for the corresponding period of 1947. Exports to other United States possessions, including Alaska, Guam and Hawaii, also showed significant gains in the same period. Total Canadian exports to the United States during September of $162 million represented an increase of $74·5 million over those for the same month in 1947, amounting to $87·5 million, and compare markedly with only $25·1 million for September, 1938.

In the case of British countries, this upward trend in the value of exports is reversed. Total Canadian exports to these countries during the first nine months of 1948 were valued at $747·4 million as compared with $845·5 million for the same period in 1947. The decline, amounting to almost $100 million, undoubtedly reflects the growing scarcity of dollars and the diversion of imports by these countries from Canada to non-dollar sources. Aggregate figures for Canadian exports to British countries in Europe, America, Africa, Asia and Oceania during the nine months ended September, 1948, all show declines from figures for the same period of 1947. Exports for the month of September, valued at $75·8 million, show a decline of $12·9 million from those for the same month last year, which were valued at $88·7 million. Canadian exports to Newfoundland, South Africa, the Gold Coast and the Bahamas, registered gains over those for the corresponding period of 1947.

Exports of merchandise to all countries for the nine months ended September show an increase of $153·3 million over the corresponding period of 1947, while exports for September gained $64·4 million over those for the same month last year.

Latin American Purchases from Canada Decreased

The Latin American group of countries imported a smaller value of Canadian goods during the first nine months of this year than was the case in 1947. Canadian exports to these countries for the nine months ended September were valued at $88·1 million, while for the same period of 1947 the figure stood at $94·3 million. Significant gains were registered, however, in total exports to Bolivia, Brazil, Cuba, Honduras, Mexico, Panama, Paraguay, El Salvador, Dominican Republic, Uruguay and

Venezuela, while the greatest decline was in the export trade with Argentina. Gains during the period January to September were made in the value of exports to other foreign countries, including Austria, Denmark, Finland, France, Germany, Greece, Roumania, Switzerland, Belgian Congo, Madagascar, St. Pierre et Miquelon, Japan, Morocco, the Netherlands East Indies, the Netherlands West Indies, Portuguese Africa and Syria. Increases in the value of exports to Western European countries reflect the increasing tempo of purchases by these countries under the European Recovery Program.

Leading markets for Canadian products, other than the United States and the United Kingdom, with dollar values (000 omitted) for the nine months ended September, were as follows: France, $57,334; South Africa, $56,430; Newfoundland, $40,112; Netherlands, $35,111; Australia, $24,476; Belgium, $23,283; Italy, $21,914; China, $20,038; Brazil, $19,615; India, $18,407; Norway, $14,490; Switzerland, $14,058; Argentina, $13,274; New Zealand, $12,724; Trinidad and Tobago, $12,527.

Substantial gains were registered by some commodity groups, such as wood, wood products and paper, animals and animal products, non-ferrous metals and products, non-metallic minerals and products and miscellaneous commodities, particularly ships and vessels. Exports of vegetable products showed a sharp drop in value of $94·5 million for the nine months ended September, while moderate declines were registered in exports of textiles and products, iron and products and chemicals.

Greek Requirements for Fourth Quarter Listed

Athens, October 5, 1948.—(FTS)—Purchases through private trade channels, amounting to $46,052,500, are proposed for the fourth quarter of the Greek Import Program. Funds are being made available by the United States for reconstruction and relief in Greece, under the supervision of the American Mission for Aid to Greece (AMAG) and the ECA Mission.

While former import programs covered, in addition to imports by private trade, those by the Greek State, as well as the above-mentioned missions, the present one covers only that by private trade. The program can only be considered as tentative, as it is subject to revision by the middle of the quarter, depending on the flow of its execution. The allocations for the fourth quarter are as follows:

Animals	$ 200,000
Foodstuffs, feeds, beverages	11,269,200
Fuel and POL	677,900
Forest products and derivatives thereof	3,627,000
Metals	3,895,200
Metal implements and other metal goods	1,164,000
Non-metallic minerals and manufactures	224,000
Textiles	7,305,000
Hides and leather	3,755,000
Rubber and rubber products	280,000
Machinery, equipment and spares	4,990,000
Vehicles and transport equipment	3,995,000
Pharmaceuticals, drugs and medical supplies	1,625,000
Chemicals, paints and dyes	1,853,000
Miscellaneous industrial raw materials	267,200
Electrical, photographic, optical and scientific supplies and equipment	634,000
Miscellaneous	291,000
Total	$46,052,500

Further details may be obtained on application to the Foreign Trade Service, Department of Trade and Commerce, quoting file 16219.

Canadian Exports, by Areas

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

Geographic Areas	September			January-September		
	1938	1947	1948	1938	1947	1948
	(Millions of Dollars)					
British Countries						
United Kingdom and Europe	29·1	55·9	48·4	245·8	561·4	523·8
America	1·7	10·7	11·9	15·7	98·0	85·0
Africa	1·2	6·6	7·5	14·3	64·8	64·4
Asia	0·6	8·3	4·7	6·3	50·9	36·4
Oceania	3·7	7·2	3·3	37·5	70·4	37·8
Total British Countries	36·2	88·7	75·8	319·6	845·5	747·4
Foreign Countries						
United States and Possessions	25·3	88·2	163·2	190·8	737·6	1,045·9
Latin America	1·3	12·3	10·9	12·9	94·3	88·1
Europe	7·9	23·2	27·7	50·7	259·7	222·5
Other Foreign	1·5	6·2	5·5	20·5	67·7	54·2
Total Foreign Countries	36·0	129·9	207·3	274·9	1,159·4	1,410·7
Total Domestic Exports	72·2	218·6	283·0	594·5	2,004·9	2,158·2

Canadian Exports, by Countries

Country	September			January-September		
	1938	1947	1948	1938	1947	1948
	(Thousands of Dollars)					
British Countries						
Europe:						
United Kingdom	28,901	54,499	47,928	242,359	542,626	516,156
Eire	146	761	35	3,170	13,789	5,684
Gibraltar	....	26	2	6	234	6
Malta	34	609	418	285	4,795	1,956
Total Europe	29,081	55,895	48,383	245,820	561,444	523,802
America:						
Newfoundland	694	5,053	7,206	5,602	35,930	40,112
Bermuda	88	367	261	990	3,788	2,991
Barbados	88	625	531	755	6,935	4,149
Jamaica	299	1,184	910	3,194	13,167	10,367
Trinidad and Tobago	269	1,950	1,518	2,578	21,090	12,527
Bahamas	119	215	306	1,352	2,533	2,866
Leeward and Windward Islands		419	529		5,650	4,509
British Honduras	15	100	129	211	1,113	839
British Guiana	107	766	530	1,024	7,786	6,617
Falkland Islands	....	....	....	....	1	....
Total America	1,679	10,679	11,920	15,706	97,993	84,977
Africa:						
Northern Rhodesia		7	25		192	361
Union of South Africa	1,082	4,750	6,706	12,439	52,963	56,430
Other British South Africa		....	1		10	4
Southern Rhodesia	81	440	381	847	4,005	2,093
Gambia	....	....	....	15	57	25
Gold Coast	23	243	130	125	1,077	1,532
Nigeria	3	165	20	56	1,870	673
Sierra Leone	18	73	53	156	647	587
Other British West Africa	....	....	6	....	2	6
British Sudan	....	455	1	203	978	39
British East Africa	33	453	149	494	3,001	2,664
Total Africa	1,240	6,586	7,472	14,335	64,802	64,414

Canadian Exports, by Countries—*Continued*

Country	September 1938	September 1947	September 1948	January-September 1938	January-September 1947	January-September 1948
	(Thousands of Dollars)					
BRITISH COUNTRIES—Con.						
Asia:						
India	220	5,693	2,276	2,066	32,271	18,407
Pakistan			115			1,398
Burma*	6	76	....	108	670	....
Ceylon	13	231	74	161	2,484	1,242
Aden	5	298	151	74	1,138	1,100
British Malaya	134	526	640	1,931	5,192	6,384
Other British East Indies	1	....	....	5	9	16
Hong Kong	164	506	630	1,811	4,177	5,863
Palestine	21	1,008	838	106	4,948	2,018
TOTAL ASIA	564	8,338	4,724	6,262	50,889	36,428
Oceania:						
Australia	2,465	4,192	2,139	25,229	44,640	24,476
New Zealand	1,193	2,932	1,119	11,959	24,891	12,724
Fiji	18	75	5	277	821	461
Other Oceania	1	4	2	43	21	140
TOTAL OCEANIA	3,677	7,203	3,265	37,508	70,373	37,801
TOTAL BRITISH COUNTRIES	36,241	88,701	75,766	319,634	845,502	747,422
FOREIGN COUNTRIES						
United States and Possessions:						
United States	25,121	87,458	161,992	189,344	732,956	1,040,925
Alaska	32	24	122	101	256	323
American Virgin Islands	4	10	31	26	119	107
Guam	....	26	5	3	117	220
Hawaii	75	390	903	1,081	2,180	3,179
Puerto Rico	57	245	121	255	2,008	1,161
Total United States and Possessions	25,289	88,153	163,174	190,810	737,636	1,045,915
Latin America:						
Argentina	315	2,193	1,441	3,389	24,001	13,274
Bolivia	8	28	46	87	445	725
Brazil	241	4,091	1,986	2,657	18,828	19,615
Chile	43	399	741	442	3,546	2,974
Columbia	112	615	622	845	7,435	6,334
Costa Rica	6	86	85	71	1,508	728
Cuba	136	673	899	786	5,492	8,063
Ecuador	....	107	87	23	1,301	807
Guatemala	9	50	165	81	1,294	1,117
Hayti	9	162	49	100	1,157	974
Honduras	7	48	61	122	563	430
Mexico	164	1,687	1,161	1,843	8,897	11,240
Nicaragua	5	75	30	65	443	432
Panama	25	135	606	240	1,494	2,224
Paraguay	....	3	23	9	117	343
Peru	88	262	407	689	3,136	2,044
Salvador	1	33	155	31	507	846
San Domingo	11	287	166	262	1,474	1,630
Uruguay	41	137	501	182	2,378	3,109
Venezuela	93	1,181	1,694	933	10,326	11,156
TOTAL LATIN AMERICA	1,314	12,252	10,925	12,857	94,342	88,065
Europe:						
Albania	2	56	....	8	446	40
Austria	....	2	85	8	1,768	2,656
Belgium	1,228	4,179	3,883	6,025	36,985	23,283
Bulgaria	1	....	....	8	14	109

*See Foreign Countries from January 1, 1948.

Canadian Exports, by Countries—*Concluded*

Country	September 1938	September 1947	September 1948	January-September 1938	January-September 1947	January-September 1948
FOREIGN COUNTRIES—Con.	(Thousands of Dollars)					
Europe:—Con.						
Czechoslovakia	125	421	273	2,984	10,196	10,301
Denmark	56	97	386	876	2,685	4,863
Estonia	.....	.....	.....	1	.....	.....
Finland	60	70	136	321	879	2,034
France	841	5,539	5,682	6,693	55,832	57,334
Germany	2,616	191	1,083	11,474	5,635	10,071
Greece	.....	173	768	1,564	4,481	8,579
Hungary	.....	31	105	1	888	686
Iceland	2	209	148	14	1,931	1,477
Italy	134	2,440	4,676	1,316	25,744	21,914
Latvia	2	.....	.....	195	.....	.....
Lithuania	300	.....	.....	777	.....	.....
Netherlands	1,278	4,166	6,636	7,530	45,513	35,111
Norway	600	1,415	461	5,119	16,566	14,490
Poland	76	917	452	646	12,925	4,715
Portugal	10	222	160	113	2,963	2,055
Azores and Maderia	.....	24	.....	2	310	63
Roumania	5	41	45	36	91	372
Soviet Union	48	301	.....	794	4,665	105
Spain	77	40	18	95	719	491
Sweden	373	1,590	565	3,573	13,722	6,204
Switzerland	69	1,029	1,681	553	9,019	14,058
Yugoslavia	1	68	411	7	5,737	1,498
TOTAL EUROPE	7,904	23,221	27,654	50,733	259,714	222,509
Other Foreign Countries:						
Abyssinia	.....	9	.....	.....	85	71
Afghanistan	.....	.....	.....	.....	33	39
Belgian Congo	4	119	98	62	964	1,348
Burma*	.....	.....	.....	.....	.....	123
China	163	2,821	695	1,872	26,478	20,038
Greenland	.....	.....	5	.....	77	57
Egypt	22	836	733	252	8,730	5,141
French Africa	6	245	200	418	3,929	2,024
French East Indies	2	11	.....	17	634	298
French Guiana	1	3	24	5	239	129
French Oceania	5	115	2	68	199	53
French West Indies	10	42	9	124	1,429	528
Madagascar	.....	.....	.....	6	75	382
St. Pierre and Miquelon	20	74	320	182	799	1,042
Iraq	2	59	55	36	1,719	713
Tripoli	.....	.....	.....	.....	5	1
Other Italian Africa	.....	.....	.....	.....	7	.....
Japan	946	26	899	12,384	504	3,735
Korea	.....	.....	.....	.....	22	22
Liberia	1	9	7	17	106	103
Morocco	4	70	429	85	1,050	1,155
Netherlands East Indies	44	233	209	581	4,207	5,270
Netherlands Guiana	5	48	35	27	656	504
Netherlands West Indies	12	158	99	156	1,373	1,606
Iran	.....	78	53	38	818	450
Philippine Islands	101	505	1,059	1,020	8,743	4,879
Portuguese Africa	88	153	87	1,182	1,480	2,273
Portuguese Asia	.....	9	3	1	68	45
Siam	1	20	29	16	379	389
Canary Islands	.....	1	.....	2	46	12
Spanish Africa	.....	8	.....	.....	61	53
Syria	6	115	276	45	1,532	773
Turkey	12	458	175	1,916	1,243	985
TOTAL OTHER FOREIGN	1,455	6,225	5,501	20,512	67,690	54,241
TOTAL FOREIGN COUNTRIES	35,966	129,852	207,259	274,914	1,159,381	1,410,728
TOTAL DOMESTIC EXPORTS	72,206	218,552	283,024	594,548	2,004,883	2,158,150

*See British Countries prior to 1948.

Commodity Comments

By Export Division, Foreign Trade Service

Foods and Related Commodities

Australian Imports of Canadian Salmon in Unlabelled Tins.—The following is an extract from the Australian Customs and Excise Regulations with reference to the importation of Canadian salmon in unlabelled tins:

"The Comptroller-General has advised that canned salmon of Canadian origin may be imported in unlabelled tins, under security, for the manufacture of fish paste, provided the tins are embossed with the word 'Canada' and the appropriate code mark designating the contents.

"This concession, which may be withdrawn should circumstances arise at any time to make such action desirable, applies only to Canadian salmon entered for such manufacturing purposes as mentioned above and not to salmon that would be sold in the tin to users."

Imports of Fish into Jamaica.—The Jamaica House of Representatives passed a resolution on October 6, 1948, exempting from payment of customs duty, upon importation into Jamaica, "fish caught by local fishermen and salted in the Morant Cays and Pedro Cays", which are small, uninhabited islets some miles off the coast of Jamaica and are, politically, parts of the Colony. Local fishermen supply limited quantities of fresh fish to the market, and the prices are high. There are some fishermen's co-operatives, established in recent years.

Imports of Fish into Cuba.—Havana market importations of Canadian codfish (bacalao) during September dropped to 1,883 cases as compared with 4,663 in the previous month of August. The decline is apparently due to the scarcity of supplies rather than lack of interest on the part of local importers, considering that importations from Norway increased during the same period. In the previous month, the situation was the reverse, when Canadian deliveries showed a substantial gain with a corresponding loss for Norway. As further evidence of the growing preference for Canadian cod, one of the local agents reports that he already has confirmed orders for October delivery amounting to 2,625 cases, which is considerably more than the combined imports from Canada in the entire month of September.

Santiago de Cuba Market.—The Santiago de Cuba market, which serves a large rural district, suffered a serious setback during September because of the unusually heavy seasonal rains, further aggravated by a railway strike. Transportation has again become normal and according to reports the rather heavy stocks of codfish and bloaters that accumulated in Santiago during this period of distress have since been cleared out. Buyers are again in the market, and it is expected that importation of both Canadian codfish and bloaters will be much larger during October than in the preceding month of September.

Reconstruction of French Fishing Fleet.—Detailed plans to increase France's productive capacity with the use of 45 billion francs of the French counterpart fund were announced on October 4, 1948, by the Economic Co-operation Administrator. In September, 45 billion French francs (approximately $150,000,000) were released, and in October an additional sum not to exceed 45 billion francs is contemplated for release. Of the first 45 billion francs, 5 billion francs (approximately $16,666,666) will be used for reconstruction of the merchant and fishing fleet of France.

Norwegian Notes.—An extensive schedule of bilateral trade agreements has been announced, some of which in the interim were concluded but not yet signed, including one with Austria. Austria accepts Norwegian frozen fish and herring among other commodities in return for steel, chemicals, textiles, and other items. A supplementary agreement with Sweden, scheduled for signature in the near future, provides for additional trade each way. Norway is to export nitrates, industrial cod liver oil, vitamin concentrates and oils, and to receive electrical elements, iron and steel, agricultural and other machinery.

Negotiations for the 1949 trade agreement with Russia were tentatively scheduled at Moscow early in November.

Norwegian exports of sardines to the United States continued to increase; consular invoice values for August certified at $1,190,423 compared with $590,000 in July and $235,000 in June.

Cod fishing opportunities in the Spitzbergen region have apparently decreased, due to falling water temperatures, and have been enlarged off the west coast of Greenland. Norway tentatively plans to shift part of her fishing fleet to that area in the forthcoming season.

Tobetma Herd to be Exported from England.—A complete herd of Guernsey cattle has been collected at the farm of Comdr. Villiers, Skipster Hagg, Sinnington, Yorks, England, prior to export to La Platense Co., of Buenos Aires.

Russia Buys British Breeding Livestock.—London, October 14, 1948.—(FTS)—Russia has recently purchased from the United Kingdom pedigreed livestock to the value of £111,657, consisting of 406 cattle, 1,580 sheep and 427 pigs. The Shorthorn bull, *Glastullich Pay Day,* which was the 1947 winner in its class at the Perth Show and second at the Royal Show, held in 1948 at York, was bought by Russia for 2,000 guineas, believed to be a record price paid for livestock purchased by the U.S.S.R. Considerable interest has been aroused by this sale, which has produced a number of cartoons, the caption below one of which reads: "For British Livestock even the Iron Curtain is Rolled Back". The breeding stock exports to Russia between early spring and late summer are as follows:

Cattle		
15	Aberdeen Angus	£ 2,989
276	Herefords / Shorthorns } approximately 50 per cent of each breed	33,600
15	Shorthorns	2,250
50	Jerseys	6,000
50	Lincoln Red Shorthorns	5,000
406		£49,839
Sheep		
40	Hampshire Downs	£ 1,519
1,000	Kent or Romney Marsh	25,000
500	Lincoln Longwool	12,500
40	Shropshire	1,387
1,580		£40,406
Pigs		
50	Berkshire	£ 2,362
377	Large White	19,050
427		£ 21,412
	Total approximate value	£111,657

Uruguay Buys Canadian Purebred Cattle.—Three bulls and 35 heifers, valued at $70,000, were purchased by the Harriet and Ubici Company, of Salto, Uruguay, at the All-Canadian Holstein-Friesian cattle sale, held last week in Toronto. The bull, *Elmcroft Heritage,* was bought for $9,400, this being the highest price paid at the sale, and another bull, *Glenafton Lodge Keeper,* went for $2,400. The dam of the latter, *Montvic Hiemke Abbekerk,* held the 305-day world record for milk production.

A purchase was made by the International Livestock Exporters, Limited, on behalf of an Italian client, of *Eglentiers Gaiety,* for $3,000. This firm has been instrumental in the development of a market in Italy for Canadian livestock.

Seventy-one head of purebred cattle, valued at $29,469, were bought by Uruguay from Canada last year. Total exports in 1947 were valued at $7,282,000, of which purchases by the United States were valued at $6,628,000. Twenty other countries procured livestock for breeding purposes from Canada last year.

Machinery, Metals and Chemicals

Prefabricated Theatres of Aluminum for Export.—The International Trading Company of the Light Metal Works, Hanover, are offering prefabricated aluminum theatres and cinemas for export. An order for two theatres has been booked for South Africa.

Work Started on Rotterdam Oil Refinery.—Work has been started on a Rotterdam oil refinery to have an output of 20,000 to 30,000 barrels a day. The project is a realization of blueprints made ten years ago by Caltex and is expected to be completed by 1950. The refinery will consist of a crude distillation unit, a cracking unit and other plants needed for the manufacture of petroleum by-products. The exportable surplus will probably go to Scandinavia, Germany, Austria and Belgium.

The Caltex plant is to be one of the largest outside the Western Hemisphere and will be the second refinery in Rotterdam.

Soda Ash Plant Being Built in Russia.—According to the Soviet press, a new soda ash plant is being constructed near Sterlitamak, using brine from a close-by salt deposit.

Caustic Soda Plant under Construction in Norway.—A new plant is under construction by Den Norske Cellullfabrikken A/S at Sarpsborg, with an estimated capacity of 10,000 metric tons. The output is expected to be used mainly for the production of rayon staple fibre.

South Africa Seeking Electrical Equipment.—Tender No. 8201 for the supply of switchboards and transformers for Coalbrook Substation has been issued by the South African Railways and covers the following main items: (*a*) One 6·6 kv. switchpanel; (*b*) two 100-kva. transformers; (*c*) one 400-volt, 5-panel switchboard.

This tender closes with the Chairman of the Tender Board, P.O. Box 7784, Johannesburg, at 9 a.m., December 9, 1948. A copy of the specifications now held by the Department of Trade and Commerce, Ottawa, will be loaned to Canadian firms in order of application. File 26705 should be quoted.

General Products

English Handicraft Export Company Formed.—British Handicraft Export has been organized in England to facilitate an export drive in the interests of British craftsmen in wood, pottery and metal work. It is understood that the company will be operating on a non-profit basis.

Cycle Industry in India Expanded.—The cycle industry in India has shown considerable growth in recent years. According to the Indian Tariff Board, "the demand for cycles in the Indian market is so great that the supply position, taking into account both the possible volume of import and home production, is not likely to be such as to meet the demand completely". During the year 1946-47, no less than Rs.16,251,573 worth of complete cycles and Rs.8,629,121 worth of cycle parts and accessories were imported. It is understood that national industries for the manufacture of both cycles and parts are welcomed in India and, in line with this trend, it is interesting to note that an organization known as United Cycles Limited has commenced producing parts and accessories. The company has already got a factory at Belur and another equipped with up-to-date machinery is being presently set up at Dum Dum.

Agriculture is Most Important Item In Economic Structure of Angola

Lacking in mineral wealth and natural resources, colony depends on cultivation of the soil and fishing—Sugar, cotton, coffee, oils and other tropical crops grown along coastal strip, while principal crops of uplands are maize, wheat, beans and rice.

By L. H. Ausman, Canadian Government Trade Commissioner in Belgian Congo

(Editor's Note—This is the second in a series of articles on Angola as a market, prepared for *Foreign Trade.* The first appeared in the October 30th issue.)

LEOPOLDVILLE, July 2, 1948.—Agriculture is far more important than mining or manufacturing in the economy of Angola. A small native population with a low standard of civilization, a sub-soil poor in minerals, and few forests to produce much timber are in contrast to some of her neighbours. It is, therefore, in the cultivation of the land, which is not always fertile, and in the fish-filled seas that Angola finds the principal sources of food for her people and for shipment to the mother country and to foreign markets overseas.

Along the coastal strip, production consists of such tropical crops as sugar, cotton, coffee, oils, etc. On the uplands the principal crops are maize, wheat, beans and rice.

Cotton is cultivated by the natives along the coast and in the semi-uplands near Malange. It is sold at controlled prices to the European owners of gins. Palm oil is produced along the coast and the semi-uplands north of Benguela, with a concentration also north and south of Luanda. Other oil-producing plants include castor beans, peanuts and sesame. Coffee grows mainly in two areas north and south of Luanda. The predominant variety is known as "robusta", though a small quantity of "arabica" is produced in the uplands of Benguela and Bié provinces. In 1946, Angola produced more than three per cent of the world's supply of coffee, and 20 per cent of that grown in Africa. Sisal is mainly grown to the east of Benguela, not far from the coast.

Maize is Main Crop of Uplands Region

The most important agricultural product of the uplands region is maize (corn). Because of its adaptability, this cereal does well in the poor soil of central Angola. It is a staple food of the natives and the main support of white colonists in the area. Due to the war and the subsequent world shortage of foods, beans became a valuable crop and displaced to a large extent the growing of wheat. It is generally felt that as conditions revert to normal the high prices for beans will fall and once more attention will be paid to the cultivation of wheat. Before the war, the colony was nearly self-sufficient in wheat flour and in one year exported 10,000 tons of grain. Lately, however, it has been necessary for the government, through the Cereal Board, to import flour for consumption. Recently supplies have been bought in the United States.

The Africans also cultivate, for their own use, manioc, millet and sweet potatoes. The abnormal economic world conditions have resulted in the occasional exportation of dried manioc.

Drought Conditions Prevail

Rainfall during the first four months of 1948 has been less than during certain single days in 1947, as noted below:

Rainfall in Angola

	1947	1948
	Millimetres	
January	31.7	0.9
February	34.8	9.6
March	68.3	1.1
April	84.7	18.1
Total	219.5	29.7

In certain parts of the coastal regions and the uplands there has been almost a total absence of rain. All crops will suffer from this drought, particularly the oil palms and the coffee trees. It is estimated that the harvest of the latter will be less than 60 per cent of that last year.

Country is One of the Main Producers of Beeswax

Angola is one of the most important countries for the production of beeswax and one of the few African colonies rich in cattle. In the poor sandy regions of the east of the colony, wax is the main source of revenue for the natives. On the southern uplands the economic life of the natives is based on livestock. The livestock population in 1946 was: cattle, 1,088,000; goats, 396,000; pigs, 206,000; sheep, 170,000; and horses, 1,000.

Mossamedes District is Centre of Fish Industry

The important fishing industry is located in the south of the colony. The district of Mossamedes is the centre of the industry and here are to be found nearly all the fish processing industries. These include canning, drying and the production of meal and oil. Dried fish is, without question, the most important product. Thirty-eight per cent is absorbed by the domestic market and 16 per cent by the Portuguese markets of San Tomé and Mozambique. Of the foreign markets, the Belgian Congo is the most important.

It is of interest to note, however, that for the European population dried codfish (known locally as Bacalhau) is imported from the Scandinavian countries and Iceland. There is a possibility of developing a market for Canadian dried codfish, but price will, of course, be an important factor.

The government has recently formed a committee to study the problems relating to the fish meal and oil by-products of the industry. At present these products are obtained by rather primitive methods and are of little real commercial value. More modern equipment and methods are expected to produce a substantially increased volume, of superior quality. The use of machinery will free a large number of native labourers for other manual work in the fishing industry.

Colony Lacking in Mineral Wealth

Although numerous efforts have been made to locate mineral wealth within the colony, the only commercial developments have been with regard to diamonds in the northwest (a continuation of the diamond field in the Belgian Congo) and asphalt on the coast near Luanda. Prospecting for petroleum, in which foreign capital participated, extended over a period of more than 20 years without success. Copper deposits are scattered throughout the colony, and while it would appear that output is insufficient for peacetime operation, further prospecting plans are included in the five-year development plan.

Prospecting is also going on for bituminous coal with a view to locating a source for the distillation of oil. Gold is mined alluvially in the enclave of Cabinda, but the claims are nearly exhausted and production, which reached a peak of 128,897 grams in 1942, declines each year. Mica and manganese are of more recent development and the possibilities are good, though limited.

The diamond production, mostly gems, was five per cent of the total world supply and 20 per cent of the gem diamonds in 1945.

Manufacturing Industry is of Minor Importance

Manufacturing is of minor importance and, for the most part, for local consumption. There are three tobacco factories, one cotton mill, one paper factory, one rubber factory, a button factory, three flour mills (an extension of one is now under construction) and a number of fish-processing establishments. There are also factories for the production of metal goods (furniture, rivets and native hoes), soap, edible oils, sugar, sausages, etc. Associated with one of the sugar plantations is a distillery with an output of 2,500,000 litres of alcohol.

In the Lobito-Benguela area, a factory is being built for the processing of 20,000 tons of castor beans annually, while peanut and sesame oil are already being produced in four small mills. A factory for starches, dextrine and glucose is under construction at Nova Lisboa and other plants to be erected soon include a new fish cannery, cement factory and brewery.

Electric power is produced in 10 hydro- and thermo-electric stations. A new hydro plant is under construction in the vicinity of Luanda with an initial capacity of 8,000,000 kwh. to supply the capital, which up to now has depended on a steam plant. The shortage of electric power is felt throughout the colony, but particularly in Luanda and Lobito, where considerable power is needed to operate the large port installations. The present systems are overloaded and the provision of new dock equipment is held up for lack of power. The same applies to the installation of electric household appliances, particularly ranges.

Britain Seeks Tobacco from Southern Rhodesia

Negotiations are reported under way between the British Government and the Southern Rhodesia Tobacco Marketing Board concerning a five-year agreement for the purchase of tobacco. However, it is not possible to forecast the outcome. Prices have hardened at Southern Rhodesia tobacco auctions, following the recent decision of the British Government to purchase only half of the United States Virginia tobacco allocated to it under the European Recovery Program.

The actual dry weight of tobacco exported from Southern Rhodesia to Great Britain in 1948 is expected to be about 41,000,000 pounds, as compared with 31,000,000 pounds the previous year. *(Barclays' Bank Review.)*

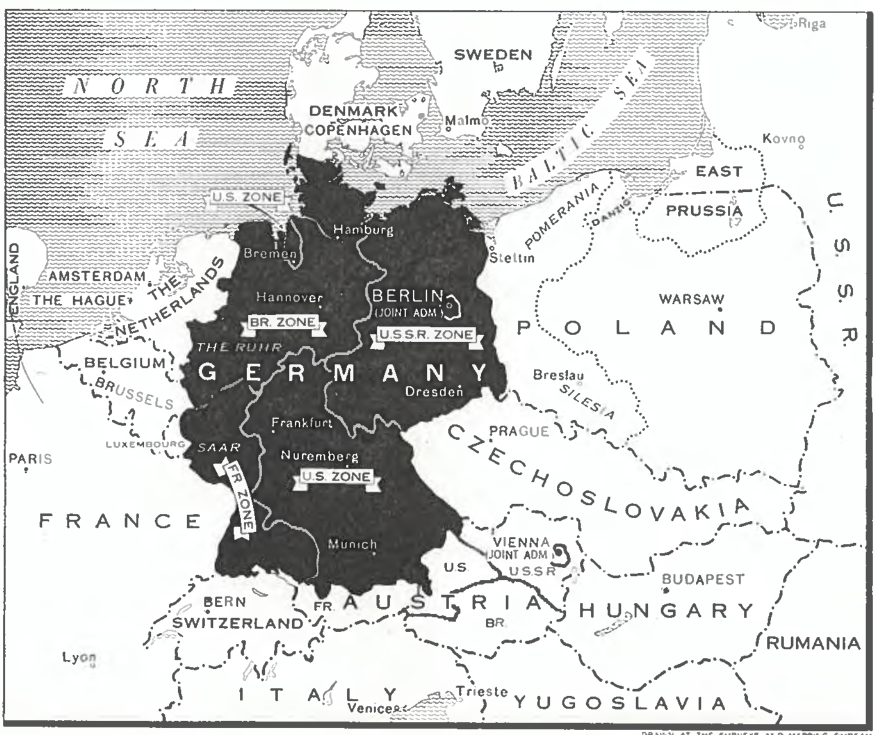
Foreign Trade of French, British and United States Zones of Germany Now Combined

Agreement signed by military governors of three countries effective October 18—Joint Export-Import Agency will take over operations of French Office of Foreign Trade.

By B. J. Bachand, Canadian Economic Representative

FRANKFURT, October 18, 1948.—Effective today, the foreign trade of the French Zone of Germany will be combined with that of the British and United States Zones, provision for this having been made under an agreement signed by the military governors of the three countries concerned. The operations of the French Zone have heretofore been carried out by the Office of Foreign Trade (OFICOMEX), and will in future be effected by the Joint Export-Import Agency, subject to the maintenance of contracts and agreements already concluded by OFICOMEX. Two French representatives will join the Board of Directors of JEIA. French personnel will be appointed to the directing and management staffs of the JEIA, both at the centre and in the regions, and United States and British representatives will join the staff of the former OFICOMEX. In future, this will act as an agency of the JEIA.

It is anticipated that the policy and procedures of the JEIA will be put into effect in the French Zone progressively and as quickly as possible. This should be achieved at the latest by December 31, 1948. Pending the coming into effect of these measures, the present procedure of OFICOMEX will continue to be applied to import and export contracts in the French Zone.



DRAWN AT THE SURVEYS AND MAPPING BUREAU
MINES FORESTS AND SCIENTIFIC SERVICES BRANCH
DEPARTMENT OF MINES AND RESOURCES
OTTAWA

The agreement signed by the Commanders-in-Chief is limited to the fusion of the two foreign trade organizations. The monetary, banking and credit organizations of the three zones have already been merged through the Bank Deutscher Laender. The economic organizations, both Allied and German, of the French Zone and of the combined zones will continue to operate in their respective responsibilities. Nevertheless, in those economic activities not directly regulated by the JEIA, the three Military Governors will arrange for a procedure of consultation between the Allied and German authorities of the French Zone and of the combined United States and British Zones in harmonious economic policies which are being carried out in the French Zone and the combined United States and British Zones.

Slight Recession Evident in United Kingdom Shipbuilding During the Third Quarter

Decrease of 34,704 tons, as compared with previous quarter—Total at the end of September, 2,208,999 tons gross, exceeds that for same period last year by 106,734 tons.

By A. E. Bryan, Commercial Counsellor for Canada

LONDON, October 20, 1948.—A slight recession in shipbuilding activity is disclosed in Lloyd's Register of Shipping report for the third quarter of 1948. The tonnage of steam and motor merchant vessels under construction in the United Kingdom at the end of September decreased by 34,704 tons, as compared with the previous quarter. Nevertheless the present total of 2,208,999 tons gross is greater by 106,734 tons than the amount being built at the end of September, 1947. With the exception of the June quarter of this year, it has not been exceeded since March, 1922, when the figure was 2,235,998 tons.

A small decrease is also noted in the tonnage intended for registration abroad or for sale. This figure has risen continuously from about 100,000 tons at the end of March, 1946, to 513,000 tons at the end of March, 1947, to 696,000 tons at the end of March, 1948, and to 711,000 tons at the end of the June quarter. At the end of September, it stood at 695,550 tons. This represents 31·5 per cent of the tonnage being built in the United Kingdom and includes 283,901 tons for Norway and 96,145 tons for Argentina. Of the vessels intended for registration abroad, 22 of 107,337 tons were commenced during the September quarter.

The tonnage of vessels under construction abroad at the end of September was 1,994,874 tons gross, which is 216,688 tons more than that recorded at the end of June last. These figures exclude Germany, Japan and Russia. The leading countries outside the United Kingdom are: France, 399,612 tons; United States, 289,612 tons; Sweden, 263,625 tons; Italy, 221,537 tons; the Netherlands, 211,327 tons; British Commonwealth, etc., 162,166 tons (including Canada, 100,960 tons, and Australia, 44,196 tons); Denmark, 136,496 tons; and Spain, 106,788 tons.

Scrap Steel from Germany Sought

Berlin, August 19, 1948.—Both Great Britain and the United States are negotiating for a larger share of Germany's exports of scrap steel during the first year of ERP. Their original agreement had called for total scrap exports during the year of 1,200,000 tons. Of this, the first 50 per cent was to be apportioned, with 300,000 tons going to Great Britain, 200,000 tons to the United States and 100,000 tons to other countries.

Trade and Tariff Regulations

Import Licences for Angola Required

Leopoldville, September 28, 1948.—Import licences are required for all commodities entering Angola and will only be issued if the authorities certify that the goods concerned are essential to the economy of this colony. Up to the present, there has been a relatively liberal interpretation of this requirement and requests have been refused only in a few cases.

Although Portugal is one of the few countries without a serious shortage of United States dollars, steps were taken at the beginning of this year to regulate the use of exchange by setting up a foreign trade control. In February, the colony of Angola was invited to take similar action. After some delay, the system of licensing was introduced which corresponded to that prevailing during the war, when an Import Commission had authority to control imports. In practice, this applied only to textiles and certain foodstuffs, but it has now been extended to cover all commodities.

Recently, as a complementary step, a Foreign Trade Commission was set up in Angola for the purpose of supervising all foreign trade operations; advising the authorities as to the needs of the colony, the availability of foreign exchange, and the most suitable sources of supply.

Australia to Terminate Control on Potatoes

Sydney, September 15, 1948.—(FTS)—Wartime controls over the cultivation and sale of potatoes in Australia will terminate in the near future. In Victoria, the State Potato Marketing Board will assume responsibility for marketing the potato crop. Regulations under which the Board will operate are now being prepared. One of these will provide for a "free" marketing period for "new grade" potatoes grown by market gardeners and growers in the Bellarine Peninsula, and which usually come on the market towards the end of October. This "free marketing" period will extend until about the middle of December.

The Government of Victoria will not approve restrictions on potato acreage. The Commonwealth Government will not continue the subsidy on potatoes, which form such an important part of the diet of every family, but they will be under price control by the new state authority.

Barbados Revises Import Control Regulations for 1949

Port of Spain, October 13, 1948.—(FTS)—The Controller of Supplies, Bridgetown, Barbados, notified importers on October 7, 1948, that applications for licences to import lubricating oil and grease from sources other than the United Kingdom-Colonies group area in 1949 will be considered for quantities not exceeding one-half of 1948 quotas.

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 Commercial Relations and Foreign Tariffs Division, Foreign Trade Service. Countries concerning which such information is now available in a revised form are: Denmark, Italy, Norway, Sweden and Switzerland. Data on other countries will be made available from time to time.

Notice was also given that applications for licences would be considered for limited quantities of kraft wrapping paper, exercise books, foolscap paper, writing paper, envelopes, etc., from Canada and the United States.

Quota holders have been informed that consideration will be given to applications for the importation of waxed paper from sources other than the United Kingdom-Colonies group.

Trade Commissioners on Tour

CANADIAN Trade Commissioners return periodically from their posts in foreign lands to familiarize themselves with conditions in this country and the special requirements of the commercial community. They are in a position 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 areas concerned:

Ottawa—Foreign Trade Service, Department of Trade and Commerce

Calgary—Board of Trade.
Charlottetown—Board of Trade.
Edmonton—Canadian Manufacturers' Association.
Fredericton—Chamber of Commerce.
Halifax—Board of Trade.
Moncton—Board of Trade.
Montreal—Montreal Board of Trade.
Pembroke—Chamber of Commerce.
Quebec City—Board of Trade.
Regina—Chamber of Commerce.
Saint John—Board of Trade.
St. Catharines—Chamber of Commerce.
Toronto—Canadian Manufacturers' Association.
Vancouver—H. W. Brighton, Department of Trade and Commerce, 355 Burrard Street.
Victoria—Department of Trade and Industry.
Welland—Board of Trade.
Winnipeg—Canadian Manufacturers' Association.

T. Grant Major, Canadian Government Trade Commissioner in Port-of-Spain, Trinidad, is making a tour of Canada, visiting those sections of the country interested in trade with his area, which includes the Leeward and Windward Islands, Barbados, British Guiana, Dutch Guiana, French Guiana and the French West Indies.

St. John's, Newfoundland—November 1-2.
Ottawa—November 4-6.
Quebec City—November 9.
Montreal—November 10-12.

J. C. Britton, Commercial Secretary for Canada in St. John's, Newfoundland, for the last five years, is continuing his tour of Canada, during which he will discuss with businessmen the development of trade between this country and Newfoundland. On conclusion of his present tour, Mr. Britton will sail for Tokyo, to which he has been posted as special representative. The remainder of Mr. Britton's tour to Winnipeg, Regina, Vancouver, Victoria, Saskatoon and Ottawa has been postponed indefinitely.

F. W. Fraser, Commercial Secretary for Canada in Melbourne, Australia, will commence a tour of Canada on October 25, visiting those sections of the country interested in trade with his area, which includes the States of Victoria, South Australia, Western Australia, and Tasmania.

St. Catharines, Welland—November 5, 6.
Toronto—November 8-19.
Ottawa—November 22-24.

Ocean-Going Sailing Schedules

Information contained in the following list of sailings is furnished by steamship companies and agents concerned. This is the latest available, and is subject to change after *Foreign Trade* has gone to press.

The loading date and name of ship are not indicated in some instances, as information available is not sufficiently definite to mention the ship concerned. The name of the operator is given, however, and exporters should seek further details from the operator or agent concerned. Ships loading within ten days of the publication date of this issue are not included.

Departures from Montreal

*Calls at Halifax about four days later. †Calls at Quebec about three days later. ‡Calls at Saint John about four days later. (r) Indicates refrigerated cargo space.

Destination	Loading Date	Vessel	Operator or Agent
Aden—			
Port Aden	November 16-20	*Memnon*	Cunard Donaldson
Africa-East—			
Lourenço Marques	November 20-25	*Digby County*	March Shipping
Lourenço Marques Beira	November 11-22	*Cambray*	Elder Dempster
Lourenço Marques Mombasa Beira	November 13-20	*Thorshall*	Kerr Steamships
Africa-South—			
Cape Town Port Elizabeth East London Durban	November 11-22 November 20-25	*Cambray* *Digby County*	Elder Dempster March Shipping
Australia—			
Brisbane Sydney Hobart Geelong Melbourne Adelaide	November 15-20	*City of St. Albans*	Montreal Australia New Zealand Line
Brisbane Sydney Melbourne Adelaide	Late December	*Pipiriki*	Montreal Australia New Zealand Line
Belgian Congo—			
Matadi	November 20-25	*Digby County*	March Shipping
Belgium—			
Antwerp	November 12-18	*Westralia*	Montreal Shipping
Antwerp	November 16-22	†*Saint Marcouf*	Furness Withy
Antwerp	November 17	*Prins Maurits*	Shipping Limited
Antwerp	November 20-26	*Anatina*	Montreal Shipping
Antwerp	November 20	*Hedel*	Shipping Limited
Antwerp	November 22-27	*Hada County*	Canada Steamships
Antwerp	November 22-29	*Braheholm*	Swedish American
Antwerp	November 23	*Prins Frederik Hendrik*	Shipping Limited
Antwerp	November 23	*Prins Johan Willem Friso*	Shipping Limited

Destination	Loading Date	Vessel	Operator or Agent
Ceylon—			
Colombo	November 10–20	*A Ship*	March Shipping
Colombo	November 15–20	*Merchant Prince*	McLean Kennedy
China—			
Shanghai	November 10–20	*Seaside*	March Shipping
Shanghai	November 16–19	‡*Menestheus*	Cunard Donaldson
Denmark—			
Copenhagen	November 22–29	*Braheholm*	Swedish American
Egypt—			
Alexandria, Port Said, Suez	November 16–20	*Memnon*	Cunard Donaldson
Alexandria	November 14–20	*Dodin M.*	Montreal Shipping
Eire—			
Dublin	November 13–17	*Ramore Head*	McLean Kennedy
Dublin	November 16–19	*Inishowen Head*	McLean Kennedy
Dublin, Cork	November 20	*A Ship*	Shipping Limited
Finland			
Helsinki	November 22–29	*Braheholm*	Swedish American
France—			
Le Havre	November 15–20	*Hada County*	Canada Steamships
Le Havre	November 16–22	†*Saint Marcoup*	Furness Withy
Le Havre	November 22–29	*Braheholm*	Swedish American
Germany—			
Hamburg	November 12–18	*Westralia*	Montreal Shipping
Hamburg	November 20–26	*Anatina*	Montreal Shipping
Bremen, Hamburg	November 22–29	*Braheholm*	Swedish American
Greece—			
Piraeus	November 21–30	*Mont Rolland*	Montreal Shipping
Hong Kong	November 16–19	‡*Menestheus*	Cunard Donaldson
India and Pakistan—			
Karachi, Bombay, Madras, Calcutta	November 10–20	*A Ship*	March Shipping
	November 15–20	*Merchant Prince*	McLean Kennedy
Karachi, Bombay, Calcutta	November 10–20	*Seaside*	March Shipping
Italy—			
Naples, Genoa	November 11–19	*Liguria*	Montreal Shipping
	November 21–30	*Mont Rolland*	Montreal Shipping
Japan—			
Yokohama	November 10–20	*Seaside*	March Shipping
Yokohama	November 16–19	‡*Menestheus*	Cunard Donaldson
Malaya—			
Penang, Port Swettenham	November 16–20	*Memnon*	Cunard Donaldson
Mediterranean—			
Central and Western Areas	November 14–20	*Dodin M.*	Montreal Shipping
	November 15–22	*Nereo*	Montreal Shipping
	November 21–30	*Mont Rolland*	Montreal Shipping
Mexico—			
Veracruz	November 17–21	*Federal Pioneer*	Federal Commerce
Veracruz	November 20–25	*Stegeholm*	Swedish American

Departures from Montreal—*Continued*

Destination	Loading Date	Vessel	Operator or Agent
Netherlands— Amsterdam........ Rotterdam........	November 12–18	*Westralia*	Montreal Shipping
	November 17	*Prins Maurits*	Shipping Limited
	November 20	*Hedel*	Shipping Limited
	November 20–26	*Anatina*	Montreal Shipping
	November 22–27	*Hada County*	Canada Steamships
	November 22–29	*Braheholm*	Swedish American
	November 23	*Prins Frederik Hendrik*	Shipping Limited
	November 23	*Prins Johan Willem Friso*	Shipping Limited
Netherlands East Indies— Batavia.......... Soerabaya......... Samarang.......... Cheribon.......... Belawan-Deli......	November 16–20	*Memnon*	Cunard Donaldson
Newfoundland— St. John's..........	November 17–19	*Wellington Kent*	Newfoundland Canada
St. John's..........	November 26–29	*Dione*	Shaw Steamships
New Zealand— Auckland.......... Wellington.......... Lyttelton.......... Dunedin..........	November 11–17	*Kent*	Montreal Australia New Zealand Line
Northern Ireland— Belfast............	November 13–17	*Ramore Head*	McLean Kennedy
Belfast............	November 18–23	*Fanad Head*	McLean Kennedy
Norway— Oslo............. Kristiansand...... Stavanger......... Bergen............	November 22–29	*Braheholm*	Swedish American
Philippines— Manila.............	November 16–19	‡*Menestheus*	Cunard Donaldson
Poland— Gdynia............ Gdansk............	November 22–29	*Braheholm*	Swedish American
Portugal— Lisbon.............	November 21–30	*Mont Rolland*	Montreal Shipping
St. Pierre et Miquelon........	November 17–19	*Wellington Kent*	Newfoundland Canada
Singapore............	November 16–20	*Memnon*	Cunard Donaldson
Sweden— Gothenburg........ Malmo............ Norrkoping........ Stockholm.........	November 22–29	*Braheholm*	Swedish American
Trieste..............	November 21–30	*Mont Rolland*	Montreal Shipping
Syria— Beirut.............	November 14–20	*Dodin M.*	Montreal Shipping
United Kingdom— Glasgow...........	November 13–21	*Lismoria*	Cunard Donaldson
Leith............. Newcastle.........	November 17–22	*Cairnvalona*	Furness Withy
Liverpool..........	November 13–17	*Ramore Head*	McLean Kennedy
Liverpool..........	November 16–22	*Sibley Park*	Cunard Donaldson
Liverpool..........	November 16–19	*Inishowen Head*	McLean Kennedy
Liverpool..........	November 17–23	*Beaverford*	Canadian Pacific
Liverpool..........	November 18–23	*Fanad Head*	McLean Kennedy
London............	November 14–20	†*Beaverlake* (r)	Canadian Pacific
Manchester.........	November 17–20	*Manchester Shipper* (r)	Furness Withy

Departures from Montreal—*Concluded*

Destination	Loading Date	Vessel	Operator or Agent
West Indies— Antigua, Barbados, Bermuda, British Guiana, Dominica, Grenada, Montserrat, St. Kitts, St. Lucia, St. Vincent, Trinidad	November 9–19	**Alcoa Pointer*	Alcoa Steamships
Bahamas, Jamaica	November 22	*Canadian Conqueror*	Canadian National
	November 27	**Canadian Observer*	Canadian National
Cuba	November 20–25	*Stegeholm*	Swedish American
Bermuda, St. Kitts, Barbados, Grenada, Trinidad, British Guiana	November 13–20	**Canadian Challenger*	Canadian National
Antigua, Bermuda, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Trinidad, British Guiana	November 18–25	*Canadian Constructor*	Canadian National

Departures from Quebec

(r) Indicates refrigerated cargo space.

Destination	Loading Date	Vessel	Operator or Agent
United Kingdom— London	November 14–18	*Scythia* (r)	Cunard Donaldson

Departures from Halifax

*Sails from Saint John about three days earlier.
(r) Indicates refrigerated cargo space.

Destination	Loading Date	Vessel	Operator or Agent
Argentina— Buenos Aires	December 10–15	*Royal Prince*	Furness Withy
Belgium— Antwerp	December 13–18	*Rouen*	Furness Withy
Brazil— Rio de Janeiro, Santos	December 10–15	*Royal Prince*	Furness Withy
France— Marseilles	December 13–18	*Capo Arma*	Furness Withy
Le Havre	December 13–18	*Rouen*	Furness Withy
Italy— West Coast Ports	December 13–18	*Capo Arma*	Furness Withy

Departures from Halifax—*Concluded*

Destination	Loading Date	Vessel	Operator or Agent
Netherlands East Indies—			
Batavia; Soerabaya	November 12-16	*Steel Flyer*	Isthmian Steamships
Malaya—			
Penang; Port Swettenham	November 12-16	*Steel Flyer*	Isthmian Steamships
Newfoundland—			
St. John's	November 9-10	*Mayhaven*	Shaw Steamships
St. John's	November 16-19	*Fort Amherst*	Furness Withy
St. John's	November 17-22	*Nova Scotia*	Furness Withy
St. John's	November 18-21	*Mary Sweeney*	Newfoundland Canada
St. John's	November 21-22	*Atlantic Charter*	Montreal Shipping
St. John's	November 21-22	*Mayhaven*	Shaw Steamships
St. John's	November 23-26	*Fort Townshend*	Furness Withy
St. John's	Nov. 28-Dec. 3	*Newfoundland*	Furness Withy
St. John's	December 10-13	*Fort Amherst*	Furness Withy
Corner Brook	November 11-14	*Mary Sweeney*	Newfoundland Canada
Corner Brook	November 25-28	*Mary Sweeney*	Newfoundland Canada
St. Pierre et Miquelon	November 9-10	*Mayhaven*	Shaw Steamships
	November 21-22	*Mayhaven*	Shaw Steamships
	November 21-22	*Atlantic Charter*	Montreal Shipping
Singapore	November 12-16	*Steel Flyer*	Isthmian Steamships
United Kingdom—			
Liverpool	November 17-22	*Nova Scotia*	Furness Withy
Liverpool	Nov. 27-Dec. 1	*Ascania* (r)	Cunard Donaldson
Liverpool	Nov. 28-Dec. 3	*Newfoundland*	Furness Withy
Liverpool	December 18-23	*Nova Scotia*	Furness Withy
Southampton	November 18	*Aquitania*	Cunard Donaldson
Southampton	December 9	*Aquitania*	Cunard Donaldson
Uruguay—			
Montevideo	December 10-15	*Royal Prince*	Furness Withy
West Indies—			
Bermuda	November 22-25	*Fort Amherst*	Furness Withy
	Nov. 29-Dec. 2	*Fort Townshend*	Furness Withy
	December 16-19	*Fort Amherst*	Furness Withy
Antigua; Barbados; Bermuda; British Guiana; Dominica; Grenada; Montserrat; St. Kitts; St. Lucia; St. Vincent; Trinidad	November 25-30	**Lady Nelson* (r)	Canadian National
	December 9-17	**Lady Rodney* (r)	Canadian National

Departures from Saint John

(r) Indicates refrigerated cargo space.

Destination	Loading Date	Vessel	Operator or Agent
Belgium—			
Antwerp	December 13-18	*Beckenham*	Cunard Donaldson
British Honduras—			
Belize	December 10-14	*A Ship*	Saguenay Terminals
Canal Zone—			
Cristobal	December 10-14	*A Ship*	Saguenay Terminals
China—			
Shanghai	December 3	*City of Khartoum*	McLean Kennedy

Departures from Saint John—*Concluded*

Destination	Loading Date	Vessel	Operator or Agent
Colombia—			
Barranquilla........	Nov. 30–Dec. 4	*Feggen*	Saguenay Terminals
Barranquilla........	November 19–26	*Apollo* (r)	Saguenay Terminals
Barranquilla........	Mid-December	*A Ship*	Saguenay Terminals
Dominican Republic—			
Ciudad Trujillo.....	Nov. 30–Dec. 4	*Feggen*	Saguenay Terminals
Germany—			
Hamburg...........	December 13–18	*Beckenham*	Cunard Donaldson
Guatemala—			
Puerto Barrios......	December 10–14	*A Ship*	Saguenay Terminals
Haiti—			
Port au Prince......	Nov. 30–Dec. 4	*Feggen*	Saguenay Tgrminals
Hong Kong..........	December 3	*City of Khartoum*	McLean Kennedy
Mexico—			
Tampico........... Veracruz...........	December 18	*Salen*	Federal Commerce
Manchester.........	November 16–20	*Manchester Com'erce* (r)	Furness Withy
Netherlands—			
Rotterdam........ Amsterdam........	December 13–18	*Beckenham*	Cunard Donaldson
Netherlands West Indies—			
Curaçao............	November 19–26	*Apollo* (r)	Saguenay Terminals
Curaçao............	Mid-December	*A Ship*	Saguenay Terminals
Philippines—			
Manila.............	December 3	*City of Khartoum*	McLean Kennedy
United Kingdom—			
Avonmouth.........	November 21–28	*Dorelian* (r)	Cunard Donaldson
Avonmouth.........	Nov. 30–Dec. 7	*Norwegian*	Cunard Donaldson
Glasgow............	December 3–11	*Salacia* (r)	Cunard Donaldson
Liverpool...........	Nov. 25–Dec. 1	*Fort Musquarro*	Cunard Donaldson
London.............	Nov. 29–Dec. 7	*Arabia* (r)	Cunard Donaldson
Manchester.........	November 16–20	*Manchester Com'erce* (r)	Furness Withy
Manchester.........	December 1–4	*Manchester City* (r)	Furness Withy
Manchester.........	December 8–11	*Manchester Regiment* (r)	Furness Withy
Venezuela—			
La Guaira......... Puerto Cabello.....	Nov. 30–Dec. 4	*Feggen*	Saguenay Terminals
La Guaira......... Maracaibo.........	November 19–26 Mid-December	*Apollo* (r) *A Ship*	Saguenay Terminals Saguenay Terminals

Record Food Imports into Bizonal Germany

Frankfurt, September 18, 1948.—(FTS)—Food imports into Bizonal Germany reached a record total of 813,457 tons during August. The largest single item was bread grains and flour, which amounted to more than 75 per cent of the total. Other food products imported were whale and herring oil, pulse, fresh vegetables and fruit, powdered and fresh potatoes, sugar, and fish. Over two-thirds of the food imports came from the United States. Other sources of supply were Argentina, Cuba, Africa, Great Britain, Italy, Netherlands, Norway, Iceland, and other European countries.

Departures from Vancouver

Ships listed under "Departures from Vancouver" may possibly be loading in addition at New Westminster. Exporters should communicate with agents in Vancouver to obtain information concerning loading dates, berths, available cargo space and rates.

(r) Indicates refrigerated cargo space.

Destination	Loading Date	Vessel	Operator or Agent
Africa-East—			
Lourenço Marques	November	*Manx Navigator*	Dingwall Cotts
Africa-South—			
Cape Town, Port Elizabeth, East London, Durban	November	*Manx Navigator*	Dingwall Cotts
Australia—			
Sydney, Hobart, Melbourne	November 20	*Wairuna*	Canadian Australasian
China—			
Shanghai, Taku Bar	November	*Narrandera*	Empire Shipping
Cook Islands—			
Raratonga	November 20	*Waitemata*	Canadian Australasian
Japan—			
Yokohama	November	*Narrandera*	Empire Shipping
New Zealand—			
Auckland, Lytellton, Dunedin	November 20	*Waitemata*	Canadian Australasian
Philippines—			
Manila, Cebu	November	*Narrandera*	Empire Shipping
Society Islands—			
Papeete	November 20	*Wairuna*	Canadian Australasian
Papeete	November 20	*Waitemata*	Canadian Australasian
United Kingdom—			
Liverpool, Manchester	November 19	*Pacific Unity*	Furness Withy
	November 30	*Pacific Shipper*	Furness Withy

No Change Projected in Allotment Import Permit System

Canadian manufacturers of products requiring imported parts will be enabled to plan their production in 1949 on the same basis as in 1948 under the allotment import permit system, as no change is projected in the method of calculating allotment permits for goods included in Schedule III of the Emergency Exchange Conservation Act. Items include automobiles, washing machines and other consumer goods, parts for which are imported from the United States, and consist mainly of steel and other metals.

In order to obtain an export bonus in 1949, manufacturers have only to show an increase in their sales abroad during that year over and above their exports during the basic period, November, 1946, to October, 1947.

Provision is being made for holders of allotment permits to claim as an addition to their 1949 allotment, any reasonable balance unspent during 1948. Any unclaimed export bonus earned up to and including December 31, 1948, may also be included in the carryover to next year. Alternatively, consideration will be given to charging excess imports during 1948 to the 1949 allotment permits, but cases of this kind will be studied individually.

Plans are now being completed by the Import Control Branch for the issuance of 1949 allotments during December, so that everyone entitled to a 1949 permit will receive it without making further application before his present one has expired. Accompanying the new permits will be a claim form for the unspent balance of 1948 permits, for which claim may be made at any time during 1949.

Foreign Trade Service Abroad

Cable address:—*Canadian*, unless otherwise shown.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Argentina

Buenos Aires—H. L. Brown, Commercial Secretary, Canadian Embassy, Bartolomé Mitre 478.

Territory includes Uruguay and Paraguay.

Buenos Aires—W. B. McCullough, Commercial Secretary (Agricultural Specialist), Canadian Embassy, Bartolomé Mitre 478.

Australia

Sydney—C. M. Croft, Commercial Counsellor for Canada, City Mutual Life Building, Hunter and Bligh Streets. Address for letters: Post Office Box 3952V.

Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

Sydney—Dr. W. C. Hopper, Commercial Secretary for Canada (Agricultural Specialist), City Mutual Building. Hunter and Bligh Streets. Address for letters: Post Office Box 3952V.

Melbourne—F. W. Fraser, Commercial Secretary for Canada, 83 William Street.

Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.

Belgian Congo

Leopoldville—L. H. Ausman, Canadian Government Trade Commissioner, Forescom Building. Address for letters: Boîte Postale 373.

Territory includes Angola and French Equatorial Africa.

Belgium

Brussels—B. A. Macdonald, Commercial Secretary, Canadian Embassy, 46 rue Montoyer.

Brazil

Rio de Janeiro—Maurice Bélanger, Commercial Secretary, Canadian Embassy, Ed. Metropòle, Avenida Presidente Wilson 165. Address for letters: Caixa Postal 2164.

São Paulo—J. C. Depocas, Canadian Government Trade Commissioner, Canadian Consulate, Edificio Alois, Rua 7 de Abril 252. Address for letters: Caixa Postal 6034.

Chile

Santiago—E. H. Maguire. Acting Commercial Secretary, Canadian Embassy, Bank of London and South American Building. Address for letters: Casilla 771.

Territory includes Bolivia.

China

Shanghai—L. M. Cosgrave, Commercial Counsellor for Canada, 27 The Bund. Postal District (0).

Colombia

Bogotá—H. W. Richardson, Acting Canadian Government Trade Commissioner, Edificio Colombiana de Seguros. Address for letters: Apartado 1618. Address for air mail: Apartado Aereo 3562.

Territory includes Republic of Panama and the Canal Zone.

Cuba

Havana—Office of the Commercial Secretary, Canadian Legation, Avenida de las Misiones 17. Address for letters: Apartado 1945.

Territory includes Haiti, Dominican Republic and Puerto Rico.

Egypt

Cairo—J. M. Boyer, Canadian Government Trade Commissioner, 22 Sharia Kasr el Nil. Address for letters: Post Office Box 1770.

Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria and Iran.

France

Paris—J. P. Manion, Commercial Secretary, Canadian Embassy, 3 rue Scribe.

Territory includes Algeria. French Morocco and Tunisia.

Paris—J. H. Tremblay, Commercial Secretary (Agricultural Specialist), Canadian Embassy. 3 rue Scribe.

Territory includes Belgium, Denmark, France and the Netherlands.

Germany

Frankfurt—B. J. Bachand, Canadian Economic Representative, Canadian Consulate, Economic Section, 145 Fuerstenbergerstrasse. Frankfurt am Main, A.P.O. 757, U.S. Army.

Cable address, Canadian Frankfurt/Main.

Foreign Trade Service Abroad—Continued

Greece

Athens—T. J. Monty, Commercial Secretary, Canadian Embassy, 31 Vassilissis Sophias Avenue.

Guatemala

Guatemala City—C. B. Birkett, Canadian Government Trade Commissioner, Post Office Box 400.

Territory includes Costa Rica, El Salvador, Honduras and Nicaragua.

Hong Kong

Hong Kong—K. F. Noble, Canadian Government Trade Commissioner, Hong Kong Bank Building. Address for letters: Post Office Box 126.

Territory includes South China, the Philippine Islands and French Indo-China.

India

New Delhi—Richard Grew, Commercial Secretary, Office of the High Commissioner for Canada, Post Office Box 114.

Bombay—C. R. Gallow, Commercial Secretary for Canada, Gresham Assurance House, Mint Road. Address for letters: Post Office Box 886.

Territory includes Burma and Ceylon.

Ireland

Dublin—H. L. E. Priestman, Commercial Secretary for Canada, 66 Upper O'Connell Street.

Belfast—H. L. E. Priestman, Canadian Government Trade Commissioner, 36 Victoria Square.

Italy

Rome—R. G. C. Smith, Commercial Secretary, Canadian Embassy, Via Saverio Mercadante 15-17.

Territory includes Malta, Yugoslavia and Libya.

Jamaica

Kingston—R. V. N. Gordon, Acting Canadian Government Trade Commissioner, Canadian Bank of Commerce Chambers. Address for letters: Post Office Box 225.

Territory includes the Bahamas and British Honduras.

Mexico

Mexico City—D. S. Cole, Commercial Counsellor, Canadian Embassy, Edificio Internacional, Paseo de la Reforma. Address for letters: Apartado Num. 126-Bis.

Netherlands

The Hague—J. A. Langley, Commercial Counsellor, Canadian Embassy, Sophialaan 1-A.

Newfoundland

St. John's—R. Campbell Smith, Commercial Secretary, Office of the High Commissioner for Canada, Circular Road.

New Zealand

Wellington—P. V. McLane, Commercial Secretary. Office of the High Commissioner for Canada, Post Office Box 1660.

Territory includes Fiji and Western Samoa.

Norway

Oslo—S. G. MacDonald, Commercial Secretary, Canadian Legation, Fridtjof Nansens Plass 5.

Territory includes Denmark and Greenland.

Pakistan

Karachi—G. A. Browne, Acting Canadian Government Trade Commissioner, The Cotton Exchange, McLeod Road. Address for letters: Post Office Box 531.

Territory includes Afghanistan.

Peru

Lima—C. J. Van Tighem, Commercial Secretary, Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin. Address for letters: Casilla 1212.

Territory includes Ecuador.

Portugal

Lisbon—L. S. Glass, Canadian Government Trade Commissioner, Canadian Consulate General, Rua Rodrigo da Fonseca 103.

Territory includes the Azores and Madeira, Spain, Spanish Morocco, the Canary Islands and Gibraltar.

Singapore

Singapore—Paul Sykes, Canadian Government Trade Commissioner, Room D-2, Union Building. Address for letters: Post Office Box 845.

Territory includes Federation of Malaya, North Borneo. Brunei, Sarawak, Siam and Netherlands East Indies.

South Africa

Johannesburg—S. V. Allen, Commercial Secretary for Canada, Mutual Buildings, Harrison Street. Address for letters: Post Office Box 715.

Territory includes Transvaal, Natal, Southern Rhodesia, Northern Rhodesia, Mozambique or Portuguese East Africa, Kenya, Nyasaland, Tanganyika and Uganda.

Cable address, Cantracom.

Foreign Trade Service Abroad—Concluded

Cape Town—S. G. Tregaskes, Acting Commercial Secretary for Canada, New South African Mutual Buildings, 21 Parliament Street. Address for letters: Post Office Box 683.

Territory includes Cape Province, Orange Free State, South-West Africa, Mauritius and Madagascar.

Cable address, Cantracom.

Sweden

Stockholm—F. H. Palmer, Commercial Counsellor, Canadian Legation, Strandvägen 7-C. Address for letters: Post Office Box 14042.

Territory includes Finland.

Switzerland

Berne—Yves Lamontagne, Commercial Counsellor, Canadian Legation, Thunstrasse 95.

Territory includes Austria, Czechoslovakia and Hungary.

Trinidad

Port-of-Spain—A. W. Evans, Acting Canadian Government Trade Commissioner, Colonial Life Insurance Building. Address for letters: Post Office Box 125.

Territory includes Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, and the French West Indies.

Turkey

Ankara—G. F. G. Hughes, Acting Commercial Secretary, Canadian Embassy, 211 Ayranci Baclari, Kavaklidere.

United Kingdom

London—A. E. Bryan, Commercial Counsellor. Office of the High Commissioner for Canada, Canada House, Trafalgar Square, S.W.1.

Cable address, Sleighing, London.

London—R. P. Bower, Commercial Secretary, Office of the High Commissioner for Canada, Canada House, Trafalgar Square, S.W.1.

Territory includes the South of England, East Anglia and British West Africa (Gold Coast, Sierra Leone and Nigeria).

Cable address, Sleighing, London.

London—W. B. Gornall, Commercial Secretary (Agricultural Specialist), Office of the High Commissioner for Canada, Canada House, Trafalgar Square, S.W.1.

Cable address, Cantracom, London.

London—R. D. Roe, Commercial Secretary (Timber Specialist), Office of the High Commissioner for Canada, Canada House, Trafalgar Square, S.W.1.

Cable address, Timcom, London.

Liverpool—M. J. Vechsler, Canadian Government Trade Commissioner, Martins Bank Building, Water Street.

Territory includes the Midlands, North of England and Wales.

Glasgow—J. L. Mutter, Canadian Government Trade Commissioner, 200 St. Vincent Street.

Territory covers Scotland and Iceland.

Cable address, Cantracom.

United States

Washington—J. H. English, Commercial Counsellor, Canadian Embassy, 1746 Massachusetts Avenue, N.W.

Washington—G. R. Paterson, Agricultural Counsellor. Canadian Embassy, 1746 Massachusetts Avenue, N.W.

New York City—M. T. Stewart. Canadian Government Trade Commissioner, British Empire Building, Rockefeller Centre.

Territory includes Bermuda.

Cable address, Cantracom.

Boston—T. F. M. Newton, Consul of Canada, 532 Little Building, 80 Boylston Street, Boston 16.

Detroit—J. H. Hurley, Consul of Canada, Canadian Consulate, 1035 Penobscot Building, Detroit, 26, Michigan.

Chicago—Edmond Turcotte. Consul-General of Canada, Suite 800, Chicago Daily News Building, 400 West Madison Street.

Los Angeles—V. E. Duclos, Canadian Government Trade Commissioner, Associated Realty Building. 510 West Sixth Street.

San Francisco—Harry A. Scott, Consul-General of Canada, 3rd floor, Kohl Building, 400 Montgomery Street, San Francisco.

Venezuela

Caracas—C. S. Bissett, Canadian Government Trade Commissioner. Address for letters: Canadian Consulate General, 8° Piso, Edificio America, Esq. Veroes.

Territory includes Netherlands West Indies.

Foreign Exchange Quotations

The following are nominal quotations, based on rates available in London or New York and converted into Canadian terms at the mid-rate for sterling or par for United States dollars, as furnished by the Foreign Exchange Division of the Bank of Canada. These quotations may be found useful in considering statistics and prices generally, but Canadian exporters are reminded that the kinds of currency which may be accepted for exports to different countries are specifically covered by the Foreign Exchange Control Act and Regulations, and that funds may sometimes be tendered in payment for exports, which cannot, in fact, be transferred to Canada. Both importers and exporters are advised to communicate with their bankers before completing financial arrangements for the sale or purchase of commodities, to ensure that the method of payment contemplated is not only possible but that it is in accordance with the Foreign Exchange Control Act and Regulations.

Country	Monetary Unit		Nominal Quotations Oct. 25	Nominal Quotations Nov. 1
Argentina	Peso	Off.	·2977	·2977
		Free	·2065	·2060
Australia	Pound	....	3·2240	3·2240
Belgium and Belgian Congo	Franc	....	·0228	·0228
Bolivia	Boliviano	....	·0238	·0238
British West Indies (except Jamaica)	Dollar	....	·8396	·8396
Brazil	Cruzerio	....	·0544	·0544
Chile	Peso	Off.	·0517	·0517
		Export	·0322	·0322
Colombia	Peso	....	·5714	·5714
Cuba	Peso	....	1·0000	1·0000
Czechoslovakia	Koruna	....	·0200	·0200
Denmark	Krone	....	·2083	·2083
Ecuador	Sucre	....	·0740	·0740
Egypt	Pound	....	4·1330	4·1330
Eire	Pound	....	4·0300	4·0300
Fiji	Pound	....	3·6306	3·6306
Finland	Markka	....	·0073	·0073
France and French North Africa	Franc	Off.	·0038	·0038
		Free	·0032	·0032
French Empire—African	Franc	....	·0076	·0076
French Pacific Possessions	Franc	....	·0202	·0202
Haiti	Gourde	....	·2000	·2000
Hong Kong	Dollar	....	·2518	·2518
Iceland	Krona	....	·1541	·1541
India	Rupee	....	·3022	·3022
Iraq	Dinar	....	4·0300	4·0300
Italy	Lira	....	·0017	·0017
Jamaica	Pound	....	4·0300	4·0300
Malaya	Dollar	....	·4701	·4701
Mexico	Peso	....	....	....
Netherlands	Florin	....	·3769	·3769
Netherlands East Indies	Florin	....	·3769	·3769
Netherlands West Indies	Florin	....	·5302	·5302
New Zealand	Pound	....	4·0300	4·0300
Norway	Krone	...	·2015	·2015
Pakistan	Rupee	....	·3022	·3022
Palestine	Pound	....	4·0300	4·0300
Peru	Sol	....	·1538	·1538
Philippines	Peso	....	·5000	·5000
Portugal	Escudo	....	·0403	·0403
Siam	Baht	....	·1000	·1000
Spain	Peseta	....	·0916	·0916
Sweden	Krona	....	·2783	·2783
Switzerland	Franc	....	·2336	·2336
Turkey	Lira	....	·3571	·3571
Union of South Africa	Pound	....	4·0300	4·0300
United Kingdom	Pound	....	4·0300	4·0300
United States	Dollar	....	1·0000	1·0000
Uruguay	Peso	Controlled	·6583	·6583
		Uncontrolled	·5618	·5618
Venezuela	Bolivar	....	·2985	·2985