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In This Issue

Regular Features

COVER SUBJECT—Waters of the St. Lawrence River, the mighty seaway that carries commerce of the world to the interior of this continent, are almost dwarfed by the famous Quebec Bridge, 1,800 feet between piers and the longest cantilever structure of this character in the world. As icebreakers near completion of their annual task of clearing the harbour of Montreal, ocean-going ships from distant ports set their courses for the St. Lawrence, and will soon be passing beneath the bridge that extends a majestic welcome to incoming navigators. Trains, many of which carry goods for export to distant lands, traverse the bridge, while cargoes of foreign merchandise come up the broad stream below.

Photo by Spartan Air Services Limited.

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France Has Changed Approach To an Economic Appreciation

Creation of political stability based on the war of attrition against economic evils that has been waged by the government has brought about remarkable change—Threat of communism has been reduced and social evils have been palliated through price control.

By J. P. Manion, Commercial Secretary for Canada

(Editor's Note—This is the first in a series of five articles on economic conditions in France during the past year. Mr. Manion is at present making a tour of Canada.)

PARIS, February 20, 1950.—Until little more than a year ago, it was widely maintained that France had made the least effort of any nation involved in the Second World War towards its own economic revival, that its social problems were insuperable, its productivity stagnating, its political feeling anarchic and its economic outlook warped. A remarkable change has occurred since the end of 1948, not so much in the economy itself as in the approach to an economic appreciation.

This change cannot be attributed to any greater social equality, to any better repartition of taxes, to any greater confidence in the political future of France on the international scene, but to the creation of political stability based on the war of attrition against economic evils that has been waged by the government. There was no concrete line, no definite stand that could be interpreted as a political opinion or a matter of uncompromising policy. Rather, it was a matter of patchwork economics, which was successful for over a year, and which brought about social peace, if not satisfaction.

Over a year ago, there were two major problems—that of prices, and that of communism. The defeat of the latter in the April, 1948, elections in Italy did much to reduce its power in neighbouring countries. Nevertheless, the dockers' strike in Marseilles, and the railway and coal strikes towards the end of 1948 were a test of strength which the communists thought they could win. By that time, however, public opinion, even among the workers, had started recoiling from the political objectives with which communist-led social demands were fraught, and enthusiasm in causes which could aid the party without gaining economic advantage for the means—in this case the worker, an easy tool until then—quickly waned.

Price Control Measures Introduced

With the communist danger partially eradicated, it became necessary to palliate the social evils upon which their campaign had been hinged. As in many other countries, this took the form of price control. Price reductions were decreed, and, by means of such controls, it was hoped to minimize the demand for higher wages. For a while labour looked upon the experiment with interest, not unmitigated by doubt.

Price control, however, could do little to those who would not sell in the same economy of scarcity. A person whose cost of production—with imported raw materials—had been 100 francs could always hope that a later devaluation would force the price of the raw materials upwards, and would justify a sale of previously made goods on the basis of the new cost of those materials. There was a tendency, therefore, towards the hoarding of goods at the factory—the textile and leather industries were notorious examples—in order to increase franc profits at a later date.

The next step, therefore, was credit restriction to industry. If the banks could not lend, the industrialists could not buy the raw materials and pay for labour whose output was used for stockage purposes only. There is no doubt that, as a result of this measure, some of the stocks in some industries came out of hiding, and contributed to a reduction or at least a stabilization of prices. Textiles are a notorious example of this reaction.

The next steps were only taken recently, and have probably been the source of puzzlement to many Canadian exporters anxious to enter the French market.

Among the many measures which have been taken was a decision to force internal prices downwards by providing foreign competition to French producers. Thus, large quotas of Spanish, Portuguese and other wines have been tolerated. Special quotas have been opened for the importation of Danish butter, Dutch and Swiss cheese, milk products from other O.E.E.C. countries. Agricultural machinery, tobacco and meat quotas have been expanded. Domestic electrical appliance imports are now permitted from soft-currency areas. And in many of these cases, tariffs have been suspended in order to make the products competitive, or in some cases to make them act as pressure valves, on the French market.

Canadian Producers Unable to Benefit from Concessions

But in all cases—and this is the point of interest to the Canadian producer—these measures have been taken within the framework of O.E.E.C., within the framework of existing bilateral agreements, and in discrimination against the use of American dollars, a principle accepted by the A.B.C. conference in Washington. There is no possibility, therefore, of Canadian producers benefiting from the concessions made by France in this respect. As a matter of fact, each of the concessions was linked to one of the reciprocal agreements already in existence, so that imports of cheese, say, were immediately assigned to the three major suppliers, the Netherlands, Switzerland and Denmark. The same holds true for the other commodities enumerated.

The problem remains nevertheless that the major crisis in France today is one of prices against salaries. The government crisis in October, which resulted in the present insecure political situation, was based on the assumption that there must be an upward revision of salaries. In exchange, the government had promised a downward pressure on prices in order to maintain or increase the present standard of living. Such an approach is always looked upon with scepticism by those who are supposed to benefit and rarely do. It may be that the solution lies in a closer European union, which France has long advocated. At any rate, the problem is far from being resolved at the present time. But there has been a "holding of the line" in France, which would not have been thought possible a year ago.

Real Economic Reconstitution Still to be Effected

There remains practically everything to be done towards a real economic reconstitution, but at least the palliatives have worked. Not the least of these palliatives is the fact that France is the most completely self-supporting country in Europe, has an extraordinarily vigorous agricultural economy, and has had the good fortune to suffer little from the general drought which has adversely affected the self-sufficiency of certain European countries in 1949. The worst effect of the drought was the short-

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age of electric power, which reduced the working week in many industries to four days towards the end of the year.

As the New Year opened, this situation was rectified by generous recent rains, but productivity has not caught up to the levels of a year ago, and social unrest is stirring once more, with demands for higher wages. The crisis in retail trade since the New Year, with sales touching a record low, is proof of the fact that incomes are too low to cope with present prices.

It is to be feared that 1950 will not be as peaceful and progressive as 1949.

Export Credits Insurance Corporation Issues Report

Export sales of nearly $100 million have been declared by exporters under policies written since the Export Credits Insurance Corporation commenced business in 1945. The annual report of the corporation indicates that declared export sales underwritten in 1949 amounted to $35·8 million, which is almost twice the amount for the previous year.

Policies covered a variety of agricultural products, raw materials and manufactured goods originating in all parts of Canada, and provided exporters with protection against unforeseen losses which arise in international trade. Policies issued by the corporation insure exporters against risks not covered by commercial insurers, such as the insolvency of the foreign buyer, import and exchange restrictions imposed by foreign governments, and other risks which prevent the policyholder from receiving payment for goods he has sold.

Claims paid to exporters during 1949 amounted to $515,201, a large portion of which resulted from exchange transfer difficulties. Substantial recoveries are expected. After making full provision for all claims paid, the corporation's operations for the year disclose an excess of expenditure over income of $34,515. This amount has been charged to the underwriting reserve earned in previous years, which was $751,210 at December 31, 1949.

Mexican Commission of Imports and Exports Created

Mexico City, March 14, 1950.—(FTS) The Mexican Government has created a Commission of Imports and Exports whose functions briefly will be (*a*) to study what articles should be included in, or excluded from, the prohibited lists and to make recommendations in this respect to the Ministry of Finance; (*b*) to study bases for barter deals with other countries, involving goods on the list of prohibited imports; (*c*) to make recommendations to the Ministry of Finance concerning tariff changes; (d) to make recommendations regarding articles which should be added to, or excluded from the list of goods requiring import or export licences; and (*e*) to serve as a consulting body to the Superior Council of Foreign Trade and the National Commission to Control Imports. The powers of the new commission appear to be limited to study and recommendation and it will not have jurisdiction over foreign trade and will not itself engage in trade.

World Trade Conference to be Held in Cleveland

The Fifth Annual World Trade Conference will be held in Cleveland, Ohio, on Friday, April 21. At a similar gathering last year, a total of 780 delegates from Canada and the United States attended.

Full Effects of ECA Aid Felt in Italy as Recovery Stimulated

Continued progress recorded throughout 1949—Stability well maintained, unemployment probably decreased, industrial output advanced, agricultural production generally good and budget deficit reduced—Future viewed with grave concern due to falling exports and growing unemployment.

By R. G. C. Smith, Commercial Secretary for Canada

ROME, February 15, 1950.—Italy, throughout 1949, showed continued progress towards recovery as the full effects of ECA aid began to exercise a potent influence on the economy of the country. The stability that was achieved in the previous year was well maintained, unemployment probably decreased, industrial production made some significant advances, agricultural production was generally good and progress was made towards a reduction in the budget deficit. On the other hand, a prolonged and unusual drought reduced electric power to a damagingly low level, devaluation of sterling and other European currencies threatened to disrupt seriously the already faltering export drive, and serious labour troubles continued to impose a brake on the whole economy.

At the close of the year, therefore, while there was solid ground for satisfaction in the improved fiscal position of the government and the continued stability of the lire and cost of living, there was grave concern for the future in the face of falling exports, growing unemployment, and a general build-up of inventories at the factories.

The generous flow of ECA aid was adequate for Italy's requirements during the year and enabled the country to build up its gold and dollar reserves substantially. At the same time, shortages no longer exist in Italy. For the ECA year 1949-50, an allocation of $389,000,000 has been made for Italy. While this is a considerable drop from the previous year's allocation of $555,500,000, augmented by some $50,000,000 in Export-Import Bank credits, it is adequate for Italy's actual requirements. Under this reduced allocation the continued build-up of Italy's gold and dollar reserves will probably cease, unless the import program is seriously curtailed, particularly as dollar earnings will be considerably less than last year.

Assistance Through ECA Declined

Under the 1949-50 ECA program, dollars required for imports are estimated at $560,700,000, as against exports of $120,000,000. Thus, it will be seen that ECA aid is about 69·5 per cent of estimated dollar imports. It is, in fact, nearly 83 per cent of estimated imports from the United States ($467,600,000). These figures compare with estimated dollar requirements for imports in the previous year of $690,300,000, of which ECA aid was thus to have supplied some 80 per cent.

For the 1948-49 year, imports from the United States were estimated to be $499,000,000, against exports to that country of $85,000,000. In fact, the performance fell below the estimate of exports, but was about equal to the import estimate. The following table shows the statistical picture of actual performance compared with forecasts for trade with the United States and Canada. It will be noted that the programed estimates for imports and exports are both below the 1948-49 figure, but that in spite of this reduction the actual performance for the first four months is disappointing, particularly as regards exports.

Italian Trade with the United States and Canada

	Actual 1948-49	Programed 1949-50	Programed †July-Oct., 1949	Actual July-Oct., 1949
	(U.S.$1,000,000)			
United States and Canada—				
Imports	502*	476	159	143*
Exports	77	57	19	16

* Reduced 10 per cent to bring to approximate f.o.b. value.
† Mathematical average.

Imports from Canada Cut in Half

The totals of imports and exports during the year are misleading. Statistics are available for the first ten months and the totals show considerable improvement, compared with the same period in 1948. As an examination of the following table will show, however, the improvement in exports has been with the sterling area and Europe, whereas exports to the dollar area and to Latin America (ECA program calculates 29·5 per cent of exports to Latin America are payable in dollars) show serious decline. As the table shows, exports to Europe have improved, but these must be considered in the light of the numerous compensation and barter agreements, so that the growth is not a result of natural causes but has been largely influenced by artificial stimulants of one kind or another.

Trade of Italy

	10 months, 1948 Imports	10 months, 1948 Exports	10 months, 1949 Imports	10 months, 1949 Exports
	('000,000)			
Total	$1,261	$822	$1,314	$914
United States	465	72	466	36
Canada	23	4.5	10.5	5
Latin America	253	181.5	139.5	160
Total sterling area	169	181	199	219
United Kingdom	43	68	48	95
Other	351	383	499	494

It is not, however, in the totals that the real story is disclosed but in the trend which, since July, shows a most alarming decline, both in imports and exports.

Serious Electric Power Shortage Occurred

Owing to an unprecedented drought during the spring and summer and lack of snow in the mountains during the winter, Italy suffered a most unfortunate power shortage that was only broken by heavy rains and storms during October that did considerable flood damage to certain parts of the country. As a result, total power production was about ten per cent below 1948 and also slightly below 1947. The extent of the drought is more evident by comparing the hydro-power production, which was almost 18 per cent below 1948. This higher production of thermal power is reflected by a greatly increased importation of coal, estimated at 9,025,000 metric tons, as against 8,149,000 last year.

Italy is dependent on running water to a large extent for its hydro production, the reservoirs being normally used only for the long dry summer season. Due to heavy rains in October, the reservoirs have been considerably replenished and the level is now higher than at the same time last year. Further, heavy snow reserves in the mountains

Italy—St. Peter's and the Vatican, in Rome.

point to a good spring run-off, so that the prospect for adequate electric power for 1950 is favourable. Because of the dependence on capricious weather conditions for the supply of hydro-power, one of the major programs under ECA is the construction of new thermal plants as well as additional hydro undertakings, expected to remove the constant threat of power shortages by 1952-53.

Industrial Production Uncertain

There is some difficulty in assessing the real volume of industrial production owing to lack of complete statistical data. The official government statistical bureau's indices vary widely from those compiled by the Italian Federation of Industries. The latter shows production still substantially below the prewar figure, whereas the official index indicates a somewhat higher production. The trend is, however, more or less parallel and shows that the year, starting off uncertainly, recovered remarkably, bearing in mind the acute power shortage in May, June and July, but showed a declining tendency towards the end of the year.

There can be no real evaluation of the respective indices, but it is pertinent to point out that probably the total number of employed in industry is no greater than before the war. Electric energy and solid and liquid fuel consumption stood in October at 101 and in June (peak) at 112, compared with the 1938 index of 100. Thus the rather spectacular increases in production shown in the official statistics should probably be scaled down, whereas by the same token the Federation's figures are probably underestimated. The ECA mission's estimate of total industrial production for all of 1949 was 104 per cent of the 1938 level.

What does seem clear is that, at the close of the year, production was feeling the effects of the drop in exports, and a higher percentage of output was going into stockpiling. The cotton and woollen textile industries appear to be particularly affected, together with the machinery trades. On the other hand, chemical industries and rayon textiles have held up well, and building materials have reflected the considerable recovery in the building trades. Cement production, for example, was some 28 per cent over 1948 during the first nine months.

Trend in Construction Satisfactory

Whereas most phases of Italian reconstruction have been satisfactory, construction of houses has lagged behind. However, in 1949 activity in building construction began to show most satisfying activity. Improvement in industry generally, the implementation of the government housing and public works programs and increases in private building were responsible for the improvement. Authorized home building showed an almost uninterrupted advance during the year. During September authorized constructions were 2,885 against the peak of 1,755 reached during September of 1948. Similarly, completed construction reached 836 residential buildings during September, compared with 718 in the same month last year. The number of rooms coming available for habitation in the first nine months of the year was about 35 per cent higher than the corresponding period last year.

The building boom has carried well into the last quarter of the year, when unseasonable weather generally tends to slow down construction. This improvement in construction may be a relatively unimportant section of industrial production, but it is of vital importance in its effect on the production of building materials.

In spite of an abnormally dry year, agricultural production on the whole was satisfactory during 1949. Wheat production was particularly good, reaching 6,940,000 metric tons, as against 6,144,000 tons last year. The increase was largely the result of increased yield per hectare (14·7 quintals against 13·2), while the wheat was also of exceptionally good quality.

The corn crop, which was planned for a considerably increased yield over last year, was seriously affected by the drought and, at an estimated production of 2,200,000 metric tons, was actually slightly under last year. However, the ECA mission estimates that the true production was somewhat higher and falling prices in the domestic market during December confirmed that there is no shortage. The drought probably most seriously affected forage crops, that were all considerably below last year's production. Of other important crops, sugar beets were slightly above last year, with a higher sugar content, potatoes declined considerably, lemons and oranges were below last year's figures, but apples showed a bumper crop. The production of olive oil was almost double the very low yield last year. Wine production remained about the same.

Labour Troubles Still Serious

Statistics of labour strife still make depressing reading. According to figures prepared by the Italian Federation of Industry, for the first nine months of 1949 the total number of hours lost through strikes was over 47 million, which compares with some 60 million hours for the same period in 1948. Statistics on strike action are not very accurate, and it is particularly difficult to classify "political" from other types of strikes. It must not be assumed, however, that all strike action in Italy is politically inspired, for there are many legitimate causes giving rise to industrial disputes. The statistics, such as they are, show that out of a total of 709 strikes in the period January to August, 142 might be classified as "political".

Most serious of all strikes in 1949 was that of the farm workers, which lasted from May 10 to June 25 and caused enormous damage and some loss of life. Other strikes of importance occurred in the seamen's unions, among construction workers, paper mill workers, metal workers, bank employees and state employees.

Certain favourable trends have developed in 1949 in capital-labour relations. Agreements were reached to revalue wages and salaries generally and, in the settlement of the bank dispute, increased wages were granted in exchange for longer hours. These trends show the first signs that the extremist unions were prepared to recognize the necessity for higher output for increased wages. However, there is nothing to indicate that in 1950 the strike record will be any real improvement. The year began with riots and strikes in the industrial centre of Modena and in the depressed agricultural areas to the south, both of which ended with bloodshed. Unfortunately, over-population, high costs of living and the need for land reform will continue to take its toll in the form of costly labour disputes.

Unemployment Remained at Same Level

Unemployment statistics are not reliable, but it is probable that during 1949 unemployment remained at about the same level as in 1948, indicating that the improvement in industrial production may have been sufficient to absorb the new labour force, estimated at from 400,000 to 500,000 per year, but was unable to reduce the numbers of unemployed who probably number from 1,500,000 to 2,000,000. As 1950 began, it is probable that unemployment was on the increase, both because of seasonal inactivity and of a slowing down of manufacturing activity reflecting falling exports.

During 1949, there was a gradual but almost uninterrupted fall in the wholesale price index. At the end of the year the index had fallen 17 per cent from the previous January. This trend has not been followed by a corresponding drop in the cost of living, which has remained relatively steady. Until May, there was a rising trend in the cost-of-living index, followed by a more or less steady position during the summer, when a gradual decline set in, so that in December the index was down nearly five per cent, compared with January.

These contradictory trends, coupled with an almost stationary wage trend (agricultural wages rose two per cent and industrial wages one per cent) have caused considerable hardship and not a little misgiving. It is recognized that if wholesale prices continue to decline in the face of a rigid wage structure, serious unemployment and economic disruption will result. Meanwhile, farmers and other primary producers are feeling the widening spread between a lower income, uncompensated by a similar drop in costs of living.

Budget Deficit Reduced

The budget deficit for the 1948-49 year was 557 billion lire, but the estimate for 1949-50 calculates a deficit of 207 billion lire. This reduction is largely brought about by a contribution from the ERP lire fund of 141 billion lire for capital outlays. The contribution last year was only 14 billions. Expenditures have also been reduced by some 147 billions, but it is probable that supplementary appropriations will considerably reduce this saving on expenditures.

For 1949-50, expenditures are calculated at 1,470 billions and expenses at 1,263 billions. The following table compares national income with revenue. In considering these figures they must be taken as a rough guide, only, as national income figures are estimates based on incomplete data. Income is estimated on a calendar year basis so that an exact comparison is not possible.

Italian National Income and Revenue

	1947-48	1948-49	1949-50
		(Billions of lire)	
National income	5,140	5,956	6,151
Revenue	1,012	1,060	1,263
Per cent revenue to income	19.7	17.8	20.3

During 1949 there were certain deflationary forces at work. In spite of the inflow of ECA money, currency circulation only increased by nine per cent during the year. The principal factors taking money out of circulation were the build-up of reserves (154-billion-lire increase in Central Bank deposits) and the continued build-up of the lire counterpart fund (154-billion-lire increase). To offset these factors, monetary expansion against the increase in gold and foreign exchange reserves accounted for an increase of 259 billion lire. The total net increase in monetary circulation was only 85 billion lire. The currency circulation is estimated to be some 45 times that of 1938, whereas prices and wages may have increased some 55 times. This disequilibrium tends to keep interest rates high, which is an important factor tending to check Italian recovery.

Gold and Dollar Reserves Increased

During the year, Italy continued its policy of increasing its gold and dollar reserves. At the beginning of 1947, Italy's holdings were 233 million in gold and dollars, but by the end of 1949 these reserves were up to about $500 million. Even following devaluation of sterling and in spite of the decline of dollar exports, Italy managed to continue to accumulate dollar reserves. It is estimated that from the end of June to the end of the year the net increase in dollar reserves was some $30 million. This reserve position was only made possible by a very close watch on dollar imports that reduced such imports well below the programmed estimates. In January, there was an announced change in government policy that should increase imports to at least the programmed levels and should put a stop to accumulating reserves.

Canadian Crude Petroleum Production Set Record Last Year

Canadian production of crude petroleum rose to an all-time record total in 1949, due principally to sharply increased output from the Leduc and Redwater fields of Alberta. Production from the Lloydminster field also advanced, while output from Turner Valley was lower. According to preliminary figures, the year's output of crude petroleum aggregated 21,487,130 barrels, an advance of 74 per cent over the preceding year's figure of 12,368,042. December's output was 1,782,856 barrels, moderately below the 1,915,028 produced in November, but above the December, 1948, total of 1,247,654.

During the year, 62,089,307 M cubic feet of natural gas were produced compared with 58,990,299 M in the preceding year, while in December, 8,120,343 M cubic feet were produced as against 5,071,338 M in November and 7,091,990 M a year earlier. Output in 1949 was as follows by provinces (in M cubic feet), totals for 1948 being in brackets: Alberta, 51,812,751 (49,238,795); Ontario, 9,418,231 (9,060,277); Saskatchewan, 487,001 (271,434); and New Brunswick, 371,324 (419,793).

(Dominion Bureau of Statistics, March 21, 1950)

Great Britain Unable to Increase Wool Exports to Dollar Areas

While shipments were well maintained in past year, no apparent rise in exports to dollar area followed devaluation —Trade maintains there is little scope for any substantial increase in trade with Canada and the United States—Skilled labour required by wool textile industry.

By M. J. Vechsler, Canadian Government Trade Commissioner

LIVERPOOL, March 9, 1950.—Wool exports from this country were well maintained during the past year, while the domestic demand kept up with production. Though it was assumed that the devaluation of sterling would result in larger exports to the dollar area, this was not immediately apparent. Returns for October, the first complete month after devaluation was announced, varied little from the average for the preceding six months. The trade maintained there was little scope for any substantial increase in trade with Canada and the United States.

Skilled labour is still required in the wool textile industry, and particularly female labour, for the spinning and weaving trades. It is reported there were over 8,000 vacancies in the West Riding centres at the end of the year.

Prices have been the chief concern of the trade, which has sought a reduction to what was considered a safe level, in order that purchases and sales might be held as close to one another as possible. With the advent of devaluation, the picture changed overnight. Bradford buyers took the initiative at the Australian sales, with the result that merino top prices nearly reached the postwar peak, while crossbreds rose to the highest price since 1920. It was maintained that currency devaluations would result in higher price levels, which view turned out to be correct. The fact that merino and fine crossbred tops rose fully 25 per cent, while medium and low crossbreds rose by 50 per cent following devaluation, is indicative of the trend. At the end of December, a sharp reaction occurred and values took a downward trend.

Industry Free from Rationing

The control administration was ended at the end of October, and since then the industry has been entirely free from rationing. The utility scheme is still in force for the domestic market, with some broadening in the facilities. Imported fabrics, which are now entering in fairly substantial quantities, can be used for the utility trade under certain conditions. With rising prices it is becoming increasingly difficult to maintain the utility price scheduled. However, some price increases in utility ranges were announced at time of writing.

The extent to which world wool consumption exceeds production was shown in the report of the International Wool Study Group. In so far as apparel types are concerned, the position is given as follows:

World Production and Consumption of Wool

	1946-47	1947-48	1948-49
		Million pounds	
Production	2,982	2,931	2,957
Consumption	3,530	3,854	3,547
End-season stock	4,474	3,551	2,961

These differences have been filled from stocks drawn principally from joint organization stocks and from those held in the United States by the Commodity Credit Corporation.

Joint Organization Stocks Reduced

Joint organization stocks have been reduced very considerably, with the result that it is expected that there will remain only about 1,000,000 bales at the end of this season. The following illustrates the position at the dates indicated: July 31, 1945, 10,407,000 bales; June 30, 1946, 5,786,000 bales; June 30, 1947, 4,515,000 bales; June 30, 1948, 3,218,000 bales; June 30, 1949, 1,700,000 bales.

Wool production in the United Kingdom in 1948 is estimated at about 75,000,000 pounds, whereas the prewar average was about 110,000,000 pounds. Other returns of interest are:

Wool Production in Other Countries

	1948-49	1947-48
	Bales	
Australia	3,275,272	3,071,241
New Zealand	1,058,086	1,022,136
	Pounds	
Argentina	460,000,000	495,000,000
(1949-50 estimate)	440,000,000	
Uruguay	150,000,000*	150,000,000*
South Africa	244,000,000	230,000,000
United States	296,000,000	329,000,000
(1949-50 estimate)	275,000,000	

* Approximately.

Total exports of wool tops during the calendar year 1949 amounted to 6,115,000 pounds valued at £18,615,457. The following table indicates the principal countries of destination:

British Exports of Wool Tops

	Quantity 1947	('000 lbs.) 1948	1949	Value 1947	(£'000) 1948	1949
India*	3,958	4,263	5,407	841	944	1,268
Hong Kong	1,424	4,492	2,005	264	1,014	450
Canada	7,923	15,551	11,064	1,912	5,064	4,109
Other British countries	168	319	240	46	106	59
Irish Republic	3,274	3,226	3,094	726	997	1,122
Finland	1,287	3,288	4,291	276	940	1,617
Sweden	1,828	2,948	2,383	409	726	738
Norway	1,175	1,552	1,590	224	290	405
Denmark	4,151	6,335	6,772	768	1,338	1,687
Germany	773	721	3,327	195	191	820
Netherlands	2,017	1,939	5,295	399	435	1,426
Belgium	2,592	2,093	2,971	486	470	619
Switzerland	800	630	532	184	170	163
Portugal	138	285	399	42	117	182
Italy	396	1,540	1,847	73	404	581
Czechoslovakia	499	831	1,016	118	289	479
Greece	189	1,060	1,271	58	402	516
Egypt	126	840	1,143	35	270	526
China	4,651	4,106	1,085	841	876	297
Mexico	189	318	278	48	115	111
Other foreign countries	941	3,232	4,105	206	1,062	1,429
Total, Merino	12,997	24,676	24,824	3,504	9,289	10,860
Other	25,502	34,893	35,291	4,655	6,940	7,754
Total	38,499	59,569	60,115	8,159	16,230	18,615

* The figures for 1947 relate to British India.

British Exports of Worsted Combed Yarns

	1947	1948	1949	1947	1948	1949
		('000 lbs.)			(£'000)	
Union of South Africa	2,173	2,743	1,608	1,041	1,633	972
India*	573	763	1,108	269	437	442
Australia	35	174	745	45	237	473
New Zealand	515	954	1,225	261	592	802
CANADA	2,688	2,314	1,398	1,067	1,267	829
Other British countries	763	1,565	3,150	379	866	1,387
Irish Republic	439	992	1,116	216	536	556
Sweden	365	728	1,037	155	342	584
Norway	237	669	1,571	100	301	702
Denmark	364	642	1,087	151	323	605
Netherlands	321	413	1,550	113	149	720
Greece	146	178	544	71	114	439
Egypt	335	337	566	146	200	264
United States	78	127	242	59	73	139
Other foreign countries	992	1,284	3,800	474	743	2,249
Total—Yarns in skeins, balls and the like for retail sale	5,073	7,096	8,041	2,575	4,421	4,479
Other	4,951	6,787	12,706	1,977	3,398	6,690
Total	10,024	13,883	20,747	4,553	7,819	11,169

British Exports of Woven Woollen Tissues

	1947	1948	1949	1947	1948	1949
		(1,000 sq. yds.)			(£'000)	
Malta and Gozo	286	422	328	104	166	119
Cyprus	314	522	313	144	240	142
British West Africa	394	680	1,028	159	268	365
South Africa	8,239	9,099	8,396	2,769	3,187	2,884
Southern Rhodesia	260	319	306	90	117	94
British East Africa	81	158	212	34	79	81
India	2,600*	2,937	2,507	1,055*	1,207	897
Pakistan	....	683	744	....	288	301
Malaya	375	636	540	128	266	195
Hong Kong	2,050	3,248	3,786	881	1,627	1,743
Australia	1,402	4,493	7,761	472	1,870	2,853
New Zealand	3,165	4,727	5,274	1,145	1,701	1,835
CANADA	9,354	13,573	9,671	3,090	4,900	3,714
Newfoundland**	206	226	46	63	71	14
British West Indies	438	875	930	183	395	403
Other British countries	660	854	1,140	276	371	533
Irish Republic	2,538	4,658	5,011	1,108	1,776	1,781
Finland	263	555	485	146	280	223
Sweden	1,363	2,014	1,577	729	924	677
Norway	782	321	398	356	144	192
Denmark	1,487	770	2,463	634	287	987
Netherlands	984	546	1,035	434	270	501
Belgium	836	1,208	686	484	735	409
Switzerland	1,010	1,494	1,515	600	717	631
Italy	1	140	355	Under £1,000	116	280
Greece	122	197	249	90	142	195
Turkey	140	254	118	112	220	103
Lebanon	275	280	470	151	148	319
Palestine	556	217	146	298	127	71
Transjordan	109	155	153	56	89	78
Egypt	972	3,133	2,851	447	1,587	1,443
Iraq	475	729	674	225	388	373
Iran	632	222	457	381	137	298
Burma	922	149	123	246	58	58
United States	3,170	4,068	3,444	1,415	1,916	1,738
Cuba	198	307	170	96	167	99
Mexico	138	180	43	97	127	34
Colombia	100	238	41	62	160	30
Venezuela	168	358	225	118	227	154
Chile	293	219	246	185	156	159
Brazil	241	625	974	155	445	658
Uruguay	91	195	322	51	94	162
Bolivia	48	115	41	26	61	29
Argentine Republic	1,012	1,176	978	559	725	629
Other foreign countries	2,989	1,926	1,957	1,332	1,027	1,120

* The figures for 1947 relate to British India.

** As from April 1, 1949, the figure of exports to Newfoundland are included with those to Canada. The cumulative figures for Newfoundland for 1949 therefore relate only to the three months January to March.

Turkey Substantially Improved Trading Position in Past Year

Larger sales of tobacco and cotton were mainly responsible—Adverse balance still persists—Economy suffered from poor wheat harvest—Implementation of European Recovery Program provided substantial assistance for the development of agriculture, coal and chrome mining, port facilities and other projects.

By G. F. G. Hughes, Commercial Secretary for Canada

(Editor's Note—This is the first of two articles on economic and commercial conditions in Turkey during 1949. One lira equals $0.39 Canadian.)

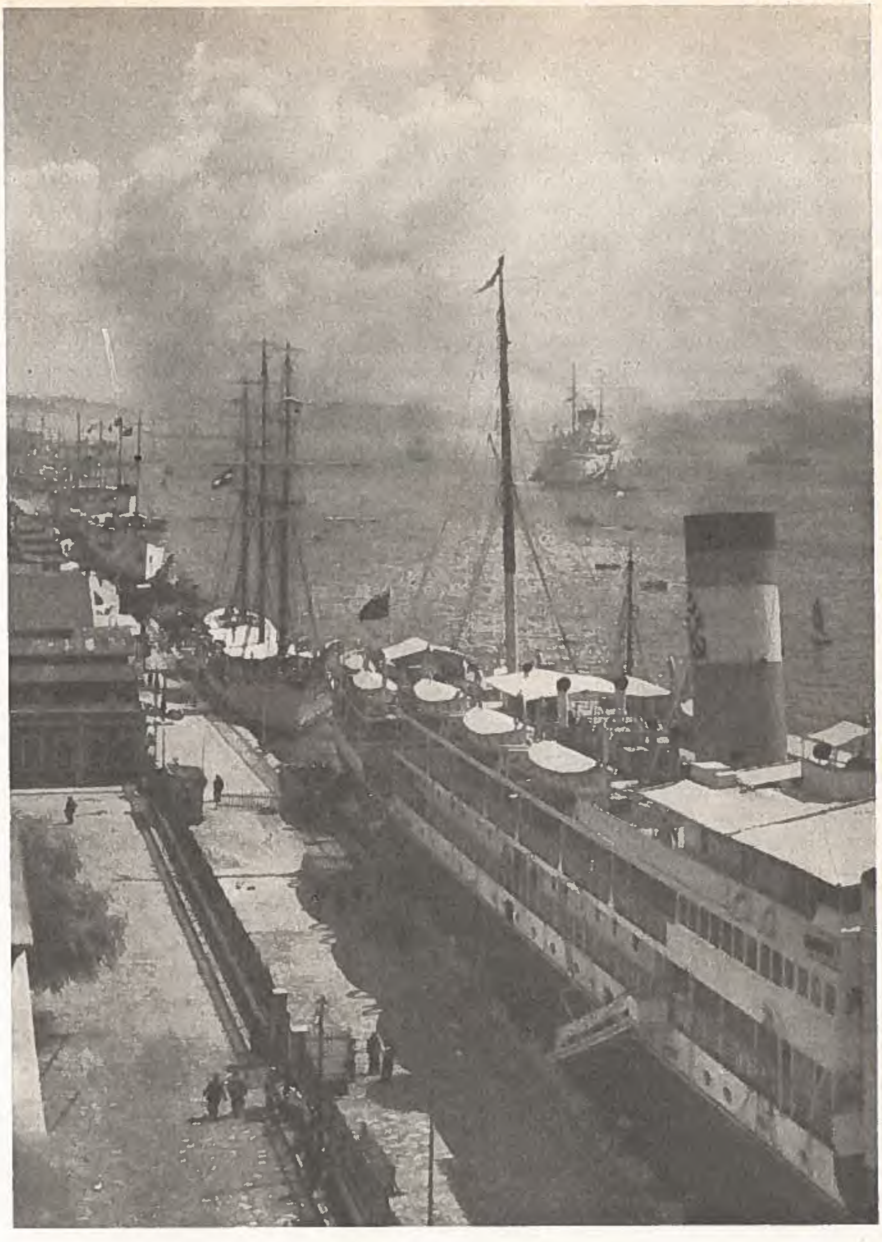
ISTANBUL, March 1, 1950.—Larger sales of tobacco and cotton were mainly responsible for a substantial improvement last year in the trading position of this country, which had deteriorated in 1947 and 1948, though an adverse balance still persists. The economy of Turkey suffered severely from the poor wheat harvest, occasioned by an early and long winter, followed by drought conditions in the spring. The equivalent of $13,000,000 had to be spent on imported wheat, of which $8,500,000 were set aside for purchases in Canada, while a further supply was obtained from the United States through funds made available by the Economic Co-operation Administration.

An encouraging aspect of the economic situation in 1949 was the implementation of the European Recovery Program, which provided substantial assistance for the development of agriculture, coal and chrome mining, port facilities and other projects. Turkey continued to receive direct military aid from the United States, and although the improvement in equipment and training is having a very beneficial effect, the immense expenditures of local currency are not materially reduced. In 1948, a total of 42 per cent of the budget was for national defence including internal security forces; in 1949 the proportion was reduced to 39 per cent. Although essential, this heavy expenditure is nonetheless a serious drain on the country's resources, both money and manpower.

Due largely to the shortage of free exchange, the practice of conducting trade through the medium of bilateral clearing agreements was continued, sixteen agreements being made, renewed or revised during the year. Noticeable among changes in the terms of Turkish trade is the rapid rise during the year in the importance of Germany as a customer and in recent months as a supplier. Compensation trading continued to be an important method of trading with all countries with which Turkey has no trading agreement (Canada being one of them). As a consequence, for commodities which would not be allowed import licences for free exchange payment, many United States manufacturers with branch plants in Canada shipped from their Canadian subsidiaries. This method was beneficial to Canadian exports of articles like cars, trucks, automobile parts, refrigerators, space heaters, fountain pens, pencils, typewriters and synthetic resins.

Action Taken to Stop Compensation Trading

Because this method of trading results in the import of luxury goods at the expense of more needed commodities, the Turkish government has taken action to stop compensation trading. A decision of the Ministry of



Turkey—Port of Istanbul.

Commerce at the end of June reduced the number of items which could be exported on compensation, and subsequent regulations have introduced further restrictions. Consequently, the outlook for 1950 for compensation trading is poor, chief opportunities for Canada being confined to ECA business and direct government purchases.

The devaluation of sterling and other currencies in September has had a significant effect upon commercial activity. From the first, Turkish government spokesmen have categorically stated the Turkish currency would not be devalued, maintaining logically that the continuance of the present rate vis-à-vis the United States dollar would cheapen Turkish imports and materially reduce the servicing of Turkey's large foreign indebtedness. On the latter item, non-devaluation is estimated to save about 203 million liras between 1949 and 1970. The policy of non-devaluation has been observed, despite expressions by informed observers that the loss of export trade would force devaluation. The sale of certain products has indeed suffered, and there is a good deal of stagnation in the movement of goods. The below-average crops of cereals and dried fruits have relieved the pressure for devaluation which average or bumper crops would have produced. The devaluation of the Turkish lira in 1946 was followed by an almost immediate compensatory rise in price levels of consumer commodities, which produced intense dissatisfaction among the general public. Many observers point out that, with a general election due in the summer of 1950, a devaluation move would be unwise. Turkey's main United States dollar earners, tobacco and chrome ore, have continued to move, and through the bilateral trading agreements with most of the European countries, the stagnation of trade has been much less than would have been the case if a system of free trade had been followed. The observation is made that, if crops are average or good in 1950, there will be increased pressure for an all-round scaling down of Turkish export prices to bring them into line with world levels. If price reduction cannot be brought about by natural forces of supply and demand, the expediency of currency devaluation might have to be considered.

ECA Aid Important to Economic Development

Undoubtedly, the most important influence of the year on the economic development of the country has been the material aid by ECA. For the 15 months ending June 30, 1949, ECA loans to Turkey amounted to $38,-000,000. With conditional aid amounting to $11,700,000, the total for the first period amounted to $49,700,000. Principal projects undertaken with approximate allocations were as follows: Agricultural machinery, $22,-000,000; improvement of Zonguldak coalfield, including mechanization equipment, washery and contractors' fees, $8,000,000; Zonguldak harbour, $1,500,000; improvement of roads, $5,000,000; power transmission line from Catalagzi to Istanbul, $3,500,000; and petroleum products, $3,000,000. Sums around one million dollars were allocated for the Soma Lignite Mine, the Divrik Iron Mine, pit prop purchases, and engineering and technical studies for the Eti Bank, which is responsible for mining development.

Of the funds allocated for the 1948-49 year up to November 30, $4,-919,000 had been allotted for purchases in Canada, $700,000 for pit props and the remainder for agricultural machinery and tractors. Although total allocations up to December 31 were $63·7 million, only about $22 million had been shipped. Real evidence of the benefits of ECA assistance will only be significantly felt in 1950 and 1951.

Drawing Rights on Other Beneficiary Countries Increased

With respect to the allocations for the ECA year 1949-50, one of the most important features is the significant increase in Turkey's drawing rights on other beneficiary countries. The total dollar aid is expected to be $59·3 million, made up as follows: Loan, $35·0 million; grant, $16·3 million; conditional aid, resulting from drawing rights granted to Greece, $8·0 million. Drawing rights to Turkey, totalling $55·3 million, have been approved as follows: Austria, $1 million; Bizone, $10 million; Belgium, $6·8 million; Denmark, $3·8 million; France, $4 million; Netherlands, $6 million; Italy, $5 million; Norway, $500,000; Sweden, $2·2 million; and United Kingdom, $16 million.

Although there is about 20 per cent increase in the dollar allocations, the effect of the large drawing rights on European countries will be readily appreciated. Among the principal items scheduled for supply from Europe are: Ships, $5·5 million; railway cars, $3·5 million; fish and meat packing plant, $7 million; coking and desulphurizing plant, $1·7 million; coal washing plant and other machinery at Zonguldak, $3 million; electrical transmission line at Sariyer, $4 million; cement mills, $2 million. About 40 per cent of total drawing rights remain to be allocated.

Principal United States dollar expenditures are scheduled as follows: Agriculture, $12·3 million; roads, $9 million; petroleum, $1·3 million; electrical transmission line at Sariyer, $5·3 million; ECA studies, $1·8 million; import of cereals, $2 million.

It is interesting to note that the technical assistance program for Turkey is second only to the United Kingdom. Assistance is in operation or approved for steel, railways, finance, metallurgy, statistics, city planning, harbour design, salt, meat packing, fisheries, power, tourism, social insurance, combustion engineering and various agricultural activities.

Practice of Deficit Budgeting Continued

The government continued its practice of deficit budgeting in 1949, the deficit allowed for amounting to 120 million liras. Part was financed by the issuance of tax-exempt government bonds, which were well subscribed. Of the total approximation of 1,372 million liras, provision was made for over 460 million liras for the Ministry of National Defence. This represents over 33 per cent of the total revenue for the military alone, which, for a country in peacetime, means a large drain on the total resources of manpower and material. Next highest expenditure was for state debts at 168 million liras and Ministry of Education at 166 million liras. Close behind stood the Ministeries of Finance and Public Works with 141 and 118 million liras respectively.

The Turkish Republic Central Bank (Merkez Bankasi) is the official bank responsible for the fiduciary issue and all foreign exchange transactions. The note circulation fluctuated from 935·1 million liras at the beginning of January, 1949, to 864·5 million liras in August, and on December 31 stood at 893·1 million liras.

Gold and Foreign Exchange Reserves

	1949		
	January 29	June 25	December 31
	(Million Liras)		
Gold	454.5	448.1	431.7
Foreign Exchange	42.5	17.5	31.0

From information available it is impossible to distinguish what proportion of the foreign exchange holdings is in hard currency.

Within Turkey there is a free market in gold, which stood at 6 liras per fine gramme on February 28, climbed gradually to 6·65 liras on August 31, took a sudden rise to 7·91 liras following the general devaluation of September, and has gradually fallen to 6·26 liras on December 31.

The balance of payments figures showed a wide variation over the year. From a net credit position in January of 14·3 million liras the position declined to a deficit of 76·6 million liras in August. Following the sale of 15,718,000 liras of gold held abroad in October the position improved. With the export season making its influence felt, the position had improved materially by November 26, when the deficit stood at 12 million liras. One of the principal reasons for the sale of gold was to finance the 118,000 tons of wheat purchased in Canada.

Agricultural Machinery Industry In France Has Made Progress

Twenty-second Agricultural Machinery Show in Paris indicates progress achieved by French industry in five years—Exhibits included 766 from French firms, as well as 95 from foreign manufacturers—Use of tractors greatly increased—French industry faced with greater foreign competition.

By J. P. C. Gauthier, Assistant Commercial Secretary for Canada

PARIS, March 3, 1950.—Progress achieved by French industry in five years in producing equipment for the mechanization of agriculture in this country was revealed at the Twenty-Second Agricultural Machinery Show, held in Paris this week. There were 766 French exhibits, while the foreign representation included products of 95 foreign manufacturers, mainly from Sweden, Great Britain, Germany, Italy, Switzerland and Belgium.

Great interest in the show was displayed by the general public. Farmers from all parts of France, accompanied by their wives and sometimes by their children, spent much time examining every machine and discussing with their family their respective merits.

The introduction of modern methods into the French agricultural economy was considered of paramount importance after the war. For 43,112,000 acres under cultivation in 1945, there were only 25,000 tractors, or one for 1,700 acres, compared with one for 100 acres in Great Britain and one for 150 acres in the United States. To reduce production costs, to raise the standard of living among agricultural workers, to develop agricultural production and to create surpluses for export, the French Government decided in 1945 to establish a park of 200,000 tractors by 1952. To achieve this objective, it was necessary to increase production and to import machinery and parts in large quantities. After two years of research and tests, the French industry turned to the production of about ten models and soon was able to supply an important percentage of the demand. The production of tractors is as follows: 1945, 1,500 units; 1946, 1,900; 1947, 4,500; 1948, 12,500; and in 1949, 18,000.

The time required to attain this level of production, and the pressing needs for more foodstuffs made it necessary to import a large number of tractors and a considerable tonnage of implements. Postwar imports of tractors are as follows: 1945, 5,566; 1946, 8,400; 1947, 10,623; 1948, 15,383; and in 1949, 8,000.

Number of Tractors in Use is Substantially Increased

By combining imports and increased production, the number of tractors in use passed from 25,000 in 1945 to 125,000 at the beginning of 1950. It is estimated that, with a productive capacity of 30,000 tractors a year, the objective set for 1952 will be easily attained.

The sales of tractors and other implements, however, showed a drop by the end of 1949. While the potentialities and the demand of the market still exist, a certain degree of recession has been introduced by the declining purchasing power of the agricultural population, due to a fall in prices of their products while the costs of other commodities have not decreased. Furthermore, as a result of the policy of strictly restricted credit adopted by the government to control inflation, the reserves accumulated by the farmers in the past ten years have dwindled. Part of these reserves had been used to rebuild the decimated livestock population, and to achieve a degree of re-equipment. To keep the impetus alive, the government is now considering or taking measures which will bring some relief to this situation. A relaxation of credit facilities and exemption of certain taxes will be of great assistance to the farmers. Purchases of equipment may be financed over a period of years at a favourable rate of interest. Taxes on gasoline will be removed despite the effect that the absence of these revenues will have on the government budget which was balanced with the greatest effort. Fertilizers have also been made tax-free.

Industry Faced with Increased Foreign Competition

The problems which the French agricultural machinery industry is facing will not be entirely removed. With the new policy of liberalization of trade among O.E.E.C. countries, this industry will be faced with foreign competition, including that offered by Germany. Although customs duties have been re-established, which has been an important factor in the falling off of sales, the French manufacturers are worried about costs which are burdened with social security charges to the extent of 43 per cent of their production costs. In comparison, they cite Germany where costs are lower due to relatively lower social security charges of 24 per cent and higher labour productivity, the normal working week being 48 hours instead of 40 hours in France. These reasons are not strong enough, in the opinion of the government, however, to take stronger protective measures than those envisaged. The Minister of Trade and Industry, at the annual congress of the Chambre Syndicate du Machinisme Agricole, pointed out that it was hard for any government to reconcile the protests of the public who, in times of controlled economy, clamoured for liberty and, in times of liberty, clamoured for protection. The government would take any reasonable step necessary to ensure the normal protection of its industries. However, in view of international agreements already concluded, such as the Geneva Convention on the reduction of trade barriers, the government could not consider any arbitrary action which would result in the creation of new barriers to trade. On the contrary, the government was confident that the industry, after having made such efforts in stepping up production in such a short time, would find the means of reducing their costs by improved technology and higher productivity.

The French industrialists, in spite of these difficulties, have made an effort towards developing their export markets. France, which had exported important quantities of agricultural implements to her colonies and the European countries, has now started for the first time in her history to export tractors.

French Exports of Tractors in 1949

	Metric quintal	Number	Value ('000 francs)
Tractors, caterpillar type—			
Algeria	1,751	36	56,723
Tangiers	2	..	464
Tunisia	689	13	24,961
Tractors, wheel—			
Germany	20	1	707
Hungary	71	2	3,601
Benelux	144	6	485
South Africa	58	2	2,120
Argentina	1,150	50	53,280
Chile	44	2	804
Australia	1,000	50	16,651
Algeria	1,609	58	38,095
Morocco	133	35	18,158
Belgian African Territories	4	1	357

It is interesting to note that France has no commercial agreement with South Africa and Australia, and concluded one recently with Germany. Commercial agreements, where they exist, do not seem to have had much bearing on the development of export markets. The fact that stands out, however, is that France appears to be a new competitor, its production being now geared to produce 40,000 tractors a year. Whether she succeeds in establishing herself firmly in European and South American markets will depend to a great extent on the results of efforts in reducing production costs by higher labour productivity and developed technology.

Australia Intensified Efforts to Increase Sales to North America Since the War

Additional exports desired as result of unfavourable dollar situation—Department of Commerce and Agriculture obtained co-operation of commercial leaders to promote new products, to release goods in short supply and to introduce measures to facilitate the work of regular traders.

SYDNEY, N.S.W., March 13, 1950.—(FTS)—Australia has been pressing for additional sales to North America, with which she has had unfavourable trade balances, efforts to this end having been intensified during the postwar years as a result of the unfavourable dollar situation. Through the Federal Export Advisory Committee and industrial panels, the co-operation of commercial leaders in this country was obtained by the Department of Commerce and Agriculture for the promotion of new products in its export drive, for the release of goods in short supply, and for the introduction of new measures to facilitate the work of regular traders.

The work of the department in servicing the needs of the wool trade in the United States had taken up a great deal of its activities. Such work ranged from investigation and institution of measures to stop "black-market currency" dealing in wool to investigations of new methods of spinning wool and the subsequent introduction of such methods into Australia. Wool accounted for two-thirds of Australia's dollar trade, and in 1948-49 netted over £24 million.

Discussions were arranged between United States importers of apples and pears and Australian exporters, and as a result the department was finally able to arrange for a panel of leading United States importers to handle Australian fruit co-operatively, first on an outright purchase basis and finally on a regular consignment basis. The result had been eminently satisfactory to Australian exporters and the chief limitation to date had been the availability of shipping space.

As a result of the study by the department of the development of the export of frozen lobsters by South Africa to the United States, a project was commenced in Australia, which now netted about $1,500,000 annually. With further development of Western Australian fisheries, it was likely that dollar earnings from this enterprise would be considerably increased.

Through the assistance of the Australian Trade Commissioner in San Francisco, growers of orchids had developed an expanding trade in orchid blooms. These growers were now attempting to enter the market for orchid plants and arrangements had been made by the department for other plants to be obtained from the United States so that by hybridization the Australian output could be improved in both quality and quantity.

Allocation of Dried Fruits to Canada Increased

Although Australia sold dried fruit to both the United Kingdom and Canada, she was able to arrange an increased allocation of dried fruits to Canada, up to the maximum quantity that the Canadian market could absorb. This, of course, reduced the quantity available for the United Kingdom, but the British Government was prepared to see the United Kingdom quota reduced, because of the dollar income which resulted from the diversion. Current sales of dried and canned fruits to Canada were much above the prewar levels.

Although the spectacular rise in wool prices accounted for most of the increase in this trade, nevertheless other products were important. Australia now exported over £40 million worth of goods annually to North America which was more than double the prewar value of this trade. Moreover, Australian sales to other hard-currency markets such as Belgium and Switzerland had also increased substantially above prewar levels. Efforts were being made to open new markets in all hard-currency countries, including the South American market where an Australian Trade Mission was working at the moment.

Certain Exports Diverted to Soft-currency Areas to Relieve Dollar Problem

Australian contributions to the relief of the dollar problems did not end with her direct earnings from export to dollar markets. Most of Australia's traditional markets were in what are now the soft-currency countries, including the United Kingdom. It was in this sphere that her contribution to the common problem of the sterling area was most effective, because Australia was supplying goods which otherwise would involve dollar expenditure by those countries. This dollar-saving aspect of Australian export trade meant that in very many instances (e.g. meat, butter, fruit, sugar and metals), the quantities available for sale to the dollar area were severely limited. However, it would not assist the sterling area dollar pool if Australia supplied substantial quantities of products to the dollar area which involved reducing exports to the sterling countries and thus forced them to spend more dollars themselves. For this reason, Australia had not diverted essential supplies away from other sterling countries. Under her contracts with the United Kingdom, Australia's prices had generally been lower than the prices of other suppliers selling in the British market.

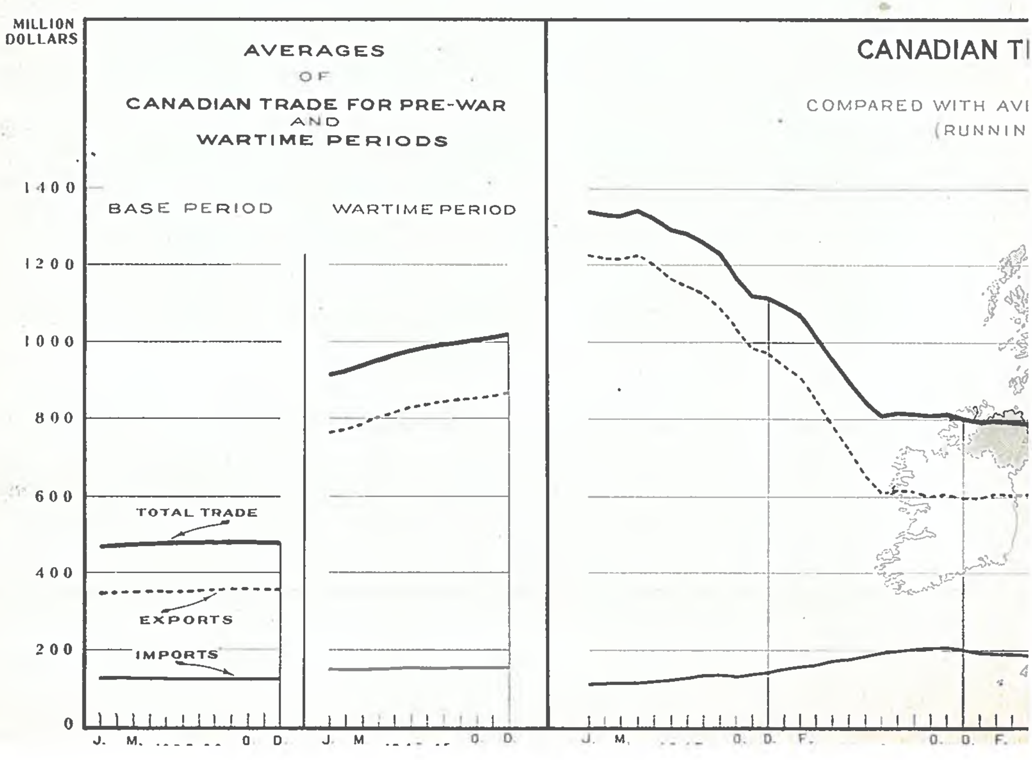
There was nothing static about an export policy. The government realized the needs of the moment and welcomed the advice and co-operation of businessmen in the development of new schemes or the improvement of existing schemes for the promotion of sales to the dollar area. The dollar problem was not a short-term problem and the prospect of obtaining additional imports from North America would remain bleak unless there was a substantial improvement in the present level of dollar earnings. It might be necessary to introduce new and bolder schemes in the near future to promote this vital commerce.

Canadian Cattle, Horses and Sheep Decreased Last Year

There were fewer cattle, horses and sheep on Canadian farms at December 1, 1949, than at the corresponding date in 1948. The decrease in the number of cattle was from 8,251,000 to 8,243,000 or about one-tenth of one per cent. Sheep and lambs decreased from 1,322,000 to 1,235,000, and horses from 1,841,900 to 1,738,000. The number of hogs, as reported in the Bureau's release of February 21 was 5,412,900 as compared with 4,604,200.

Principal Canadian Exports to Britain

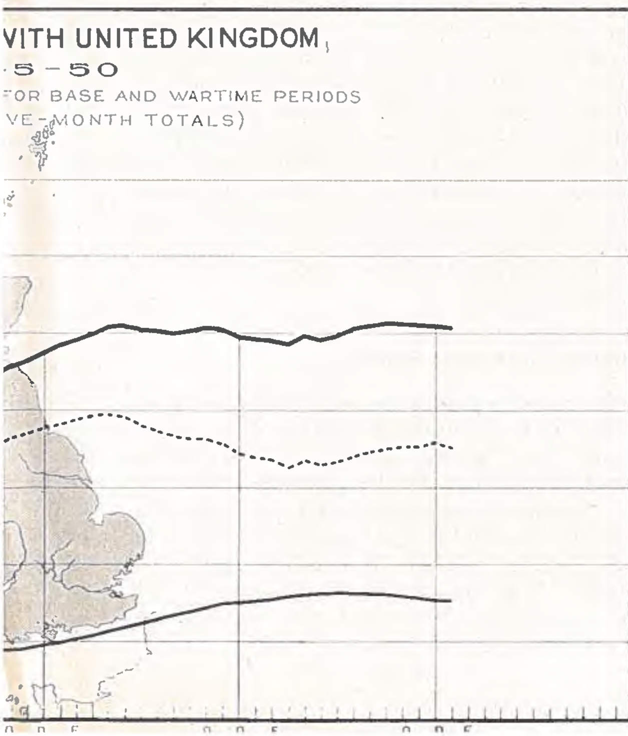
Commodity	1949 $'000	1938 $'000
Wheat	280,732	51,666
Aluminum and products	48,731	12,199
Flour of wheat	46,734	9,586
Planks and boards	37,400	19,374
Copper and products	32,275	26,124
Bacon and hams	23,381	30,495
Nickel	20,546	27,531
Wood-pulp	19,338	3,678
Aircraft and parts	18,683	87
Eggs, shell and processed	18,154	401
Zinc and products	15,404	6,572
Cheese	15,230	11,023
Lead and products	14,458	6,656
Precious metals, except gold	12,280	9,845
Ferro-alloys	10,183	232
Newsprint paper	8,850	5,695
Fish and fishery products	7,407	6,475
Tobacco	7,348	5,236
Furs and products	4,876	8,795
Farm machinery and implements	4,074	1,129
Abrasives, artificial, crude	2,963	942
Asbestos and products	2,765	1,462
Fruits	2,719	11,411
Paper, other than newsprint	1,904	4,010
Acids	1,393	868
Hardware and cutlery	1,350	1,232
Leather and products	1,116	4,197
Seeds	979	446
Rubber and products	883	4,693
Machinery, except agricultural	851	4,325
Soda and sodium compounds	740	25
Pulpwood	713	26
Wool and products	610	429
Rolling-mill products	519	1,614
Vegetables	445	4,347
Beverages, alcoholic	418	121
Pigs, ingots, blooms, billets	390	2,502
Paints and varnishes	354	386
Films	319	1,798
Flax, hemp and jute products	311	86
Brass and products	298	488
Electrical apparatus	230	713
Cotton products	225	880
Artificial silk and products	113	514
Books and printed matter	91	198
Toys and sporting goods	73	297

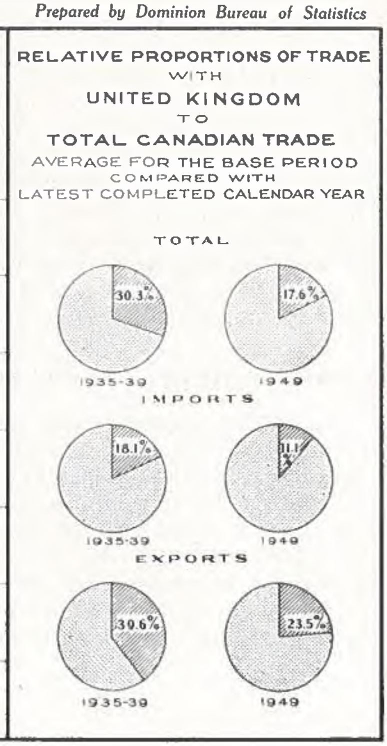


Principal Canadian Imports from Britain

Commodity	1949 $'000	1938 $'000
Wool products	52,135	14,412
Automobiles, freight and passenger	33,585	386
Cotton products	20,719	9,330
Wool, raw and unmanufactured	17,667	5,585
Clay and products	13,571	4,050
Artificial silk and products	12,986	1,870
Machinery, except agricultural	12,719	4,180
Beverages, alcoholic	12,422	5,136
Precious metals, except gold	11,391	773
Engines and boilers	9,860	1,672
Electrical apparatus	5,817	1,825
Glass and glassware	5,644	1,349
Rolling-mill products	5,247	9,037
Flax, hemp, jute and products	4,239	3,673
Coal	4,004	6,564
Farm implements and machinery	3,604	683
Leather, unmanufactured	3,152	1,453
Castings and forgings	2,874	595
Aircraft and parts, except engines	2,484	694
Pipes, tubes and fittings	2,411	553
Books and printed matter	1,805	2,158
Hardware and cutlery	1,793	763
Toys and sporting goods	1,784	495
Stone and products	1,553	206
Cocoa and chocolate	1,495	503
Automobile parts	1,485	145
Leather, manufactured	1,347	559
Aluminum and products	1,346	809
Sugar and products	1,305	529
Fruits	1,252	146
Dyeing and tanning materials	1,248	603
Paints and varnishes	1,213	1,485
Drugs and medicines	1,143	829
Tools	1,063	388
Works of art	1,009	361
Grains and products	944	371
Paper	943	1,140
Wire and chain	825	1,161
Refrigerators and parts	817	1
Scientific and educational equipment	787	651
Rubber and products	759	509
Brass, copper and products	697	422
Cellulose products	642	104
Acids	637	546
Oils, vegetable	578	4,538
Furs and products	536	1,136

Prepared by Dominion Bureau of Statistics





Higher Prices and Rising Output in Australia Aid Economic Situation

Past year ended in atmosphere of hopefulness as prospects improved for wool grower, wheat farmer, dairyman and manufacturer—Inflation is most serious problem—Devaluation provided powerful stimulus to weakening export prices of wheat and wool.

By M. R. M. Dale, Assistant Commercial Secretary for Canada

(Editor's Note—This is the first in a series of three articles on economic conditions in Australia during 1949. One Australian pound equals $2.4640 Canadian.)

SYDNEY, February 20, 1950.—Many Australians believe that the past year ended in an atmosphere of hopefulness, increased prices and a steady rise in production for the wool grower, wheat farmer, dairyman and manufacturer having improved prospects in town and country alike. Significant features of the economic situation in the last few months of 1949 were the decision to devalue the Australian pound against the United States dollar by 30·5 per cent and the general elections held on December 10.

The elections were important, as the Labour Government, in power since 1941, was defeated by the Liberal and Country Parties, which have formed a coalition government under the leader of the Liberal Party. The change is attributed partly to the public concern over socialism and a desire for greater freedom in social and economic affairs, partly to the dislike of continued "wartime" government controls, and partly to the belief that the new government would tackle more energetically the problem of rising prices. Among its election promises, for instance, were its pledge to restore the value of the pound and to eliminate gasoline rationing.

Inflation has become the most serious problem in Australia. Prices have been rising steadily for the past two years, causing continued clamour for higher wages as national income continued to grow. As a result of the rise in the cost of living index in the December quarter, the basic wage has been increased automatically to £6 15s. per week. This represents an increase of 5s. since last August and 11s. in the past year. In part, this rising trend in prices and costs is derived from factors operating within Australia; for example, the effects on production of the 40-hour week and the incidence of continual industrial disputes. In part, too, it has arisen from external factors: high export incomes and the increase in oversea currency reserves (London funds).

Devaluation Provided a Powerful Stimulus to Export Prices

Australia's London funds have been building up for some years as a result of a favourable trade balance and an inflow of capital. The latter, in particular, became important last year when devaluation of sterling was expected, for it was anticipated that the Australian pound would be appreciated in terms of sterling. Importers delayed payment for their goods and transfer of speculative capital also helped to boost London funds. However, at the beginning of the export season, it was thought that export income had passed its peak. Wool prices were showing a fall after high opening sales, and the world price of wheat was weakening.

But devaluation provided a powerful stimulus. Wheat prices were automatically written up and the wool market rose rapidly as demand grew keen. Wool receipts in the six months ended December, 1949, were £124·7 million for 1·8 million bales, compared with £85·5 million for 1·4 million bales for the corresponding period of 1948, and a total wool cheque for the whole of 1949-50 season of about £230 million is now expected. The course of average prices per pound of greasy wool at Australian sales this season has been as follows: August, 41·68 pence; September, 43·20 pence; October, 53·52 pence; November, 59·89 pence; and December, 64·82 pence.

Thus devaluation provided a strong expansionary influence in Australian export income. At the same time, through the higher cost of imports, both direct from dollar countries and indirectly through other countries, it is adding further to the cost structure of Australian industry. It is these twin facts—high export income and rising costs—that have led to recent increasing speculation inside and outside Australia on the possibility of a revaluation of the Australian pound.

Public Finance Conditioned by Inflationary Influences

Inflationary influences in the economy have strongly conditioned the course of public finances, both commonwealth and state. Tax revenue for the past few years has been consistently under-estimated in the face of rising incomes, and expenditure, budgeted for at higher figures, has also been swollen by rising costs. This is particularly noticeable in the business undertakings and transport services of the states.

The budget for the current year, ending June, 1950, was introduced last September, and allowed for a deficit of £35 million. How far this is a true deficit is a matter of speculation because of the manipulation of trust fund balances and the inclusion in ordinary expenditure of substantial sums for capital works. Despite reduced taxation and other concessions, estimated revenue for the year is £462·8 million, only slightly less than the previous year. Proposed expenditure, however, was estimated at £504·5 million, an increase of £23·4 million on the previous year's results. Defence and postwar charges were expected to be lower because of reduced rehabilitation expenses, but civil expenditure continues to mount and will have risen 50 per cent in two years. Administrative expenses and those of business undertakings have increased, but the main cause is the size of the National Welfare Fund, out of which social service benefits are paid. Social service expenditure is expected to rise by over £20 million to a total of £100·4 million, and a further £21 million will be set aside to increase the balance of the fund.

Federal finances, operating as they are at this high level of governmental expenditure, appear extremely vulnerable to any economic recession. A fall in export income or business turnover would quickly be reflected in almost all sources of tax revenue. At the same time, expenditure on social services would rise through the necessity of meeting unemployment benefits. In addition, a public works program, estimated to cost over £700 million, would require large-scale borrowing and would add a further serious strain on financial stability.

Small Surplus May Replace Budget Deficit

The results of the first half of the financial year to December, 1949, showed a deficit of £42·8 million. Expenditure was at about the estimated rate; customs, excise and sales tax receipts were well above half the year's estimates, but income tax and social service contributions were badly lagging. The reason for this is not fully clear, but the lag was probably accentuated by refunds of tax for the previous year (regular tax deductions of wage and salary earners usually exceed in total the final assessment of tax) and delays in issuing other tax assessments. If the income tax estimates are reached in the full year, as they should be, and current yields of indirect taxes are maintained, the budget deficit may easily be replaced by a small surplus in the absence of any radical change of policy on the part of the new government.

The rate of increase in costs has been accelerated since devaluation. During the September quarter, retail prices rose at an annual rate of seven per cent whereas during the final quarter prices were rising at the rate of about 11 per cent a year. Wholesale price rises were even more pronounced and show a rate of increase equal to 30 per cent a year against 9 per cent for the previous three months.

Improvement in Argentine Trade Indicated by Year-end Trends

Efforts to withstand inflationary trend partially successful —Agriculture to be given assistance by government—Trade still subject to government control—Credits to Spain discontinued—Further price control regulations introduced.

By H. L. Brown, Canadian Commercial Secretary for Canada

BUENOS AIRES, March 9, 1950.—Toward the close of 1949 there were indications that the foreign trade position of Argentina might improve. For several years the basic produce exports of Argentina had been sold at prices which were regarded by the buying countries as excessive, and consequently buyers held off as long as possible and bought only minimum requirements. Following the adoption of somewhat more realistic price policy in the latter part of 1949, Argentine produce was disposed of at a rate which could be regarded as an indication of favourable prospects for an increase in exports during the coming months, with a resultant greater volume of foreign exchange to pay for imports.

Monetary circulation continues to expand at such a pace as to give rise to fears of inflation. Partially successful efforts have been made to remedy the inflationary trend, but they have not had any appreciable effect. The domestic purchasing power of the peso is lower than it was even a year ago. Government expenditure continues to rise to such an extent that many new and heavy taxes have been imposed. At the same time the government is withdrawing subsidies for essential goods and services. The consequent increase in prices of consumer goods and public services is reflected in the continuance of labour agitation for higher wages. These have risen, but it is doubtful whether the purchasing power of earned money has kept pace with the rising cost of living.

Agriculture to be Assisted

The President has stated that the next three years will be devoted to assisting agriculture. With subsequent provision for the importation of the equivalent of some $27 million worth of agricultural and dairy equipment, it is hoped that the decline in agricultural production may be slackened and that restoration of the agricultural industry will be stimulated to some extent.

Argentina—Diagonal Roque Saenz Pena, in Buenos Aires, one of the principal streets in this capital city.

The past three years were devoted to the improvement of industry, but since few official statistics have been published for more than eighteen months, it is not possible to estimate what has been achieved.

The Ministry of Industry and Commerce has reported that 42 new industrial plants, employing 12,989 persons, began operations during 1949. The majority of these were brought in from Switzerland, France, Czechoslovakia and Italy. Less is heard of the Five-Year Plan announced in 1946, but a number of important works have been completed. These include the ultra-modern airport in Buenos Aires, now in operation, and the gas pipe-line from Comodoro Rivadavia to Buenos Aires, a distance of 1,000 miles, which is in use and will provide the capital with an important new source of natural fuel.

The policy of selling basic exports through a government agency is being continued. The Argentine Trade Promotion Institute (I.A.P.I) has had its powers more precisely defined, but is still the agency for the export of principal meat and grain products. With the application of a modified price policy, produce has been disposed of by I.A.P.I. at a rate which, although not really comparable with the prewar level, is an improvement over sales in the previous twelve months. These sales would be more encouraging for future overseas business were it not that drought has affected the corn crop. Stocks of a number of commodities, such as hides, are apparently exhausted, and there is only a moderate export surplus of wheat. Then, too, the sales may be of a sporadic nature, as they cannot be regarded as an indication of a regular uninterrupted flow of trade.

By the end of the year, six months had passed since the 1949 Anglo-Argentine convention came into effect. A substantial part of that agreement had not been implemented, nor has there been improvement in 1950. Apart from shipments of meat from Argentina and petroleum from the sterling area, of linseed oil, oilseed cakes and hides from Argentina and coal from the United Kingdom, there is little trade to record. Import permits for goods from the United Kingdom were still not being issued in any volume. The aim of the convention to maintain "equilibrium at the highest level" (with United Kingdom exports at £121·5 million and Argentine exports at £129 million annually) was not achieved. Preliminary United Kingdom statistics indicate that imports from Argentina in 1949 were valued at approximately £71·7 million, and the total value of United Kingdom exports to Argentina was approximately £52·2 million. However, to the latter figure must be added the value of petroleum shipments from the sterling area. Sterling was in short supply in Argentina at the end of the year, and there has been no subsequent sign of improvement.

Credits to Spain Discontinued

Late in January, 1950, news reports from Madrid indicated that the Argentine Government had informed the Spanish Government of its inability to grant further credits to Spain, as envisaged under the agreement of 1948 when Argentina undertook to grant annual credits of 350 million pesos over a period of five years to a total of 1,750 million pesos. It is understood that Spain made full use of the first three annual instalments, aggregating some 1,050 million pesos; the contemplated credits for 1950 and 1951 are being withheld. This decision caused little surprise, as it has long been apparent tht Argentina has little prospect of recovering in the near future the advances already made. A Spanish trade mission recently returned from Argentina with empty hands, the projected creation of an Argentine free port area in Cadiz appears to have been forgotten, and Spanish goods have almost disappeared from the Argentine market. Spain has, therefore, had to seek elsewhere for supplies of wheat, which came from Argentina.

The position of Argentina with regard to France and Italy is quite the reverse. Italy, recently desirous of buying from Argentina at any price, is now warning Italian exporters that they may not enter into export commitments unless Argentina can provide goods in exchange. Nor is there any indication that Argentina's current trade deficit with Italy arises from purchases of essential goods. An Italian official is reported to have stated that the hindrances to export to Argentina derive from their excess. He pointed out that the problem can only be solved by increasing imports from Argentina, but that is not possible at present.

During the middle months of 1949, exchange and import permits to a substantial value were issued by Argentina on France, with the result that a stalemate was converted almost overnight into a very substantial flow of French goods into Argentina. Compensatory trade was inadequate. In 1948, exports from France into Argentina were valued at 6,255 million francs, and in 1949 the figure soared to 35,292 million francs. On the other hand, the value of imports into France from Argentina dropped from 15,632 million francs in 1948 to 11,595 million in 1949. As a result, import permits on France have been drastically reduced. Meanwhile, France liquidates trade balances in Argentina by purchases for resale to other countries in Europe.

Today Argentina can still make claim to being a creditor nation on balance but is unable to collect or use the credits. In fact Argentina is finding it increasingly difficult to maintain exports at a sufficiently high level to balance urgent import requirements.

Trade Consultations with the United States Concluded

Early in December, it was officially announced that the Joint Argentine-United States Committee on Commercial Studies had concluded its deliberations in Washington and that a joint report had been made to both governments. There is justifiable interest in this announcement, although it is realized that many difficulties will have to be overcome before a steady expansion of interchange can be achieved. It will be recalled that the formerly valuable sale of linseed to the United States has been dissipated by the Argentine policy of permitting the export of linseed oil only. Then, too, the sales of canned corned beef and of wool to North America, although of interesting proportions, might be expanded if Argentine prices were lowered at least by the lifting of export taxes and perhaps by modification of peso exchange rates.

According to figures of the Central Bank, expansion of monetary circulation continued to a degree warranting suggestion of inflation, especially as it has been accompanied by a noteworthy increase in prices. Currency in circulation as at December 31 in recent years has been: 3,579·2 million pesos in 1946, 4,771·9 million pesos in 1947, 7,694·1 million pesos in 1948, and 10,127·7 million pesos in 1949. Relative figures for deposits were: 11,388·8 million pesos, 12,992·5 million pesos, 16,333·7 million pesos and 19,603·9 million pesos.

At the same time, credit has been in short supply, due partly to official regulations against speculation. A large number of mortgage foreclosures recently recorded would indicate a scarcity of capital available for mortgage and that mortgagors may have wished to recover their capital.

The Argentine authorities have tried to liquidate overdue commercial obligations in North America by allocating approximately 30 per cent of incoming dollars for this purpose. Progress has been steady but slow. No official figures are available for the total debt or the amount of payments to date. A few Canadian exporters have received payment of some outstanding accounts, but patience is still required.

A reduction of about one-third was recorded in the turnover of the Buenos Aires Stock Exchange during 1949, when the total was 1,860·6 million pesos as compared with 2,567·3 million in 1948, a net decline of 706·7 million pesos—all nominal values. The only increase in bond turnover was in mortgage bonds. Transactions in national bonds fell off substantially. Provincial bonds also declined, as did debentures, but the greater part of the net decrease resulted from the decline of 436 million pesos in the turnover of shares.

An analysis of clearing house statistics for 1949 shows that the rate of increase in the value of documents cleared, which rose over 130 per cent between 1945 and 1948, was slowed down considerably, while the number of cheques also declined for the first time in recent years. In 1945 the number of cheques exceeded 33 million, with a value of over 82,684 million pesos; in 1949 the number of cheques was well over 37 million and the value exceeded 196,317 million pesos.

Bankruptcy returns for 1949 show a considerable increase in the amount of failures as compared with that for the preceding year. The respective figures were 48·5 million pesos in 1949 and 29·9 million pesos in the previous year, an increase of some 62 per cent. Actually the number of failures, at 607, was smaller than the figure of 787 for 1948.

New Price Control Regulations Introduced

There is always the possibility that devaluation may have an inflationary effect, resulting from decreased imports at higher prices and increased exports or exports at lower prices; consequently devaluation may have to be accompanied by price control measures. It was therefore no surprise that, simultaneously with the publication of the new exchange rates and regulations in early October, the Argentine authorities issued a decree forbidding any increase in price at any stage of manufacture, distribution and marketing of essential goods, such as foods, beverages, textiles and the like, over the price level prevailing during the second half of September. The decree stated that, although the new exchange regulations were expected to result in a larger volume of imports, and therefore a greater availability of goods, it is important to avoid and to suppress any tendency towards profiteering in the interim. In fact the new rates of exchange for imports protect the Argentine manufacturer, but the manufacturer's costs have risen to a point where that protection, in terms of pesos, may not prove adequate.

The further measures of price control are undoubtedly associated with the abolition during September of all the subsidies formerly paid to producers of essential foodstuffs, such as sugar, edible oil, and others, with the exception of wheat flour. The consequent increases in the prices of these goods are, on a percentage basis, substantial. At the end of the congressional session in September, a vote of 400 million pesos was passed in respect of the cost to the state of the domestic wheat flour subsidy formerly paid from other sources of income. The vote is covered by substantial increases in income tax, averaging about 20 per cent.

Canadian Commercial Fruit Crop Lower Last Year

Canada's 1949 commercial fruit crop had an estimated value of $42,708,000, down 11 per cent from the preceding year's total of $48,149,000. Among the individual crops, only pears, cherries and apricots were higher in value. Average prices for most fruits were also lower than in 1948.

Canadian Exports, by Areas

(Excluding Gold)

	February 1938	February 1949	February 1950	January-February 1938	January-February 1949	January-February 1950
Commonwealth Countries	(Millions of Dollars)					
United Kingdom and Europe	27.6	44.2	30.8	62.0	100.2	80.7
America	1.4	5.1	2.8	3.2	13.0	5.3
Africa	1.8	3.3	3.5	3.1	8.3	7.4
Asia	0.9	7.8	3.2	1.6	22.8	6.7
Oceania	3.4	3.6	4.3	7.8	6.7	6.9
Total Commonwealth Countries	35.1	64.1	44.6	77.7	151.1	107.0
Foreign Countries						
United States and Possessions	16.9	107.7	130.6	37.0	224.8	262.6
Latin America	1.5	8.7	6.6	2.8	16.7	13.5
Europe	3.6	17.3	13.4	7.1	33.9	23.8
Other Foreign Countries	2.6	7.2	4.1	5.4	15.6	13.8
Total Foreign Countries	24.5	140.9	154.8	52.3	290.9	313.7
Total Domestic Exports	59.6	205.0	199.5	129.9	442.0	420.6

Canadian Exports, by Countries

	February 1938	February 1949	February 1950	January-February 1938	January-February 1949	January-February 1950
Commonwealth Countries	(Thousands of Dollars)					
EUROPE—						
United Kingdom	27,345	44,124	30,374	60,915	99,937	78,981
Ireland	206	39	413	1,005	120	1,000
Gibraltar	....	28	....	....	127	67
Malta	27	8	3	100	39	649
Total Europe	27,578	44,199	30,790	62,020	100,223	80,697
AMERICA—						
Newfoundland	359	2,404	....	884	5,723	....
Bermuda	92	179	201	194	630	422
Barbados	65	383	192	159	860	405
Jamaica	431	385	787	797	971	1,364
Trinidad and Tobago	231	817	843	575	2,421	1,565
Bahamas }	144	245	223	333	464	416
Leeward and Windward Islands }		270	167		750	413
British Honduras	19	36	44	41	73	93
British Guiana	93	379	344	200	1,133	634
Falkland Islands	....	4	....	....	5	....
Total America	1,434	5,102	2,801	3,183	13,030	5,312
AFRICA—						
Northern Rhodesia }		7	10		49	25
Union of South Africa }	1,668	2,812	3,211	2,544	7,121	6,854
Other British South Africa }		....	....		....	....
Southern Rhodesia	81	180	177	173	569	193
Gambia	....	....	4	2	....	10
Gold Coast	2	154	52	7	326	97
Nigeria	4	15	19	11	25	37
Sierra Leone	5	22	16	28	24	25
Other British West Africa	....	....	....	....	....	....
Anglo-Egyptian Sudan	1	2	....	186	2	2
British East Africa	63	124	47	147	190	124
Total Africa	1,824	3,316	3,536	3,098	8,306	7,367

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

Canadian Exports, by Countries—Continued

Commonwealth Countries—Con.	February 1938	February 1949	February 1950	January-February 1938	January-February 1949	January-February 1950
	(Thousands of Dollars)					
ASIA—						
India	373	6,304	1,082	584	17,495	1,578
Pakistan		176	1,360		2,749	2,399
Ceylon	20	128	142	38	202	225
Aden	10	2	1	14	23	2
Federation of Malaya	321	658	100	656	1,124	1,133
Other British East Indies	1	....	15	1	....	15
Hong Kong	92	577	502	230	1,189	1,324
Total Asia	852	7,845	3,202	1,574	22,782	6,676
OCEANIA—						
Australia	2,429	2,366	2,836	5,585	5,303	4,582
New Zealand	952	1,207	1,456	2,108	1,406	2,318
Fiji	14	20	28	79	29	32
Other British Oceania	....	....	1	11	....	2
Total Oceania	3,395	3,593	4,321	7,783	6,738	6,934
Total Commonwealth Countries	35,086	64,054	44,649	77,659	151,079	106,985
Foreign Countries						
UNITED STATES AND POSSESSIONS—						
United States	16,792	106,709	128,838	36,835	222,732	259,697
Alaska	2	67	43	8	161	101
American Virgin Islands	3	7	14	5	36	25
Hawaii	50	639	673	130	1,477	1,109
Puerto Rico	17	230	1,030	27	343	1,579
United States Oceania	....	43	15	3	59	43
Total United States and Possessions	16,864	107,695	130,613	37,008	224,808	262,554
LATIN AMERICA—						
Argentina	451	257	165	605	837	300
Bolivia	10	84	62	16	238	101
Brazil	242	1,689	756	538	3,145	1,466
Chile	54	283	65	110	489	167
Colombia	85	557	460	167	1,405	1,057
Costa Rica	9	167	132	20	352	258
Cuba	90	1,276	1,134	174	2,428	2,435
Dominican Republic	55	209	271	62	384	519
Ecuador	6	84	32	9	201	82
El Salvador	7	22	94	11	70	179
Guatemala	8	64	217	14	155	453
Haiti	11	142	120	15	365	450
Honduras	3	73	27	18	101	53
Mexico	209	1,070	732	436	1,836	1,400
Nicaragua	2	70	44	4	152	113
Panama	31	748	413	63	914	642
Paraguay	1	11	11	3	13	17
Peru	68	264	117	168	676	307
Uruguay	17	227	141	71	410	168
Venezuela	129	1,412	1,650	250	2,493	3,343
Total Latin America	1,488	8,709	6,643	2,754	16,664	13,510
EUROPE—						
Albania	....	....	....	2	....	....
Austria	3	579	70	6	911	265
Belgium and Luxembourg	366	1,532	4,574	769	4,520	5,992
Bulgaria	....	2	....	....	3	56
Czechoslovakia	163	524	31	223	753	224
Denmark	16	295	73	65	958	157
Estonia	....	....	....	....	....	....
Finland	29	37	28	46	72	66
France	436	2,508	1,789	1,305	6,386	4,160
Germany	1,141	2,474	252	1,785	5,087	692

Canadian Exports, by Countries—Concluded

Foreign Countries—Con.	February 1938	February 1949	February 1950	January-February 1938	January-February 1949	January-February 1950
	(Thousands of Dollars)					
EUROPE—Con.						
Greece	1	305	69	1	555	183
Hungary	....	31	12	....	33	26
Iceland	....	200	10	1	201	35
Italy	17	1,157	466	101	2,120	853
Latvia	23	....	....	25	....	....
Lithuania	....	....	....	....	....	....
Netherlands	601	1,308	798	1,401	2,553	1,655
Norway	325	1,160	1,433	679	2,197	2,378
Poland	25	27	105	76	86	413
Portugal	5	266	1,046	21	466	1,577
Azores and Madeira	....	....	29	....	11	29
Roumania	....	5	....	16	30	1
Spain	....	13	1,735	....	85	2,475
Sweden	283	662	231	329	882	331
Switzerland	10	4,241	563	95	5,918	2,093
U.S.S.R.	168	4	....	168	14	3
Yugosalvia	....	1	118	1	57	131
Total Europe	3,612	17,331	13,432	7,115	33,898	23,795
OTHER FOREIGN COUNTRIES—						
Afghanistan	....	....	29	....	2	29
Arabia	....	165	98	....	410	150
Belgian Congo	4	175	195	26	382	317
Burma*	28	4	....	33	35	....
China	104	1,244	155	243	2,665	862
Greenland	....	....	4	....	7	4
Egypt	23	1,713	38	39	1,888	152
Ethiopia	....	14	13	....	18	16
French Africa	7	164	299	15	1,050	426
French East Indies	3	15	12	5	37	19
French Guiana	....	....	....	....	....	4
French Oceania	2	7	25	15	13	28
French West Indies	7	....	1	12	1	2
Madagascar	....	7	4	1	16	6
St. Pierre and Miquelon	11	69	107	22	182	181
Iran	16	99	233	17	264	312
Iraq	6	25	7	11	40	8
Israel*	7	1,134	358	18	1,763	2,921
Jordan	...	11	20	....	103	25
Tripoli	....	....	....	....	....	....
Other Italian Africa	....	....	....	....	....	....
Japan	2,058	104	448	4,201	406	2,657
Korea	....	....	88	....	2	423
Liberia	2	6	6	3	11	16
Morocco	3	26	114	6	181	309
Indonesia	44	614	223	109	1,277	1,339
Surinam	4	64	83	6	144	171
Netherlands Antilles	12	155	137	29	419	290
Philippine Islands	146	624	1,032	287	1,472	2,122
Portuguese Africa	109	304	232	318	547	547
Portuguese Asia	....	3	7	....	38	10
Siam	2	67	53	4	146	187
Canary Islands	....	8	16	....	14	17
Spanish Africa	....	....	5	....	....	51
Syria	3	161	31	11	1,765	72
Turkey	....	220	52	....	279	129
Total Other Foreign	2,566	7,202	4,125	5,380	15,577	13,802
Total Foreign Countries	24,533	140,940	154,813	52,259	290,944	313,657
Total Domestic Exports	59,619	204,994	199,462	129,919	442,024	420,642

* Included in "Total Asia" and in "Total Commonwealth Countries" for 1938. The figures are shown here on one line to facilitate comparison with other years.

Canadian Exports, by Commodities

	February 1938	February 1949	February 1950	January-February 1938	January-February 1949	January-February 1950
Main Groups	(Millions of Dollars)					
Agricultural, Vegetable Products	11.4	48.2	38.7	29.4	108.0	86.1
Animals and Animal Products	8.6	20.5	24.9	20.5	48.0	65.3
Fibres, Textiles and Products	0.8	2.4	1.3	1.8	5.3	2.9
Wood, Wood Products and Paper	13.4	64.2	70.4	28.3	129.6	140.5
Iron and Products	6.0	21.6	17.4	11.6	46.7	33.7
Non-Ferrous Metals and Products	15.0	29.5	29.4	29.6	67.1	57.5
Non-Metallic Minerals, Products	1.4	5.6	7.0	3.1	12.1	13.8
Chemicals and Allied Products	1.6	5.8	6.9	3.0	12.3	14.8
Miscellaneous Commodities	1.3	7.1	3.6	2.6	13.0	6.0
Total Domestic Exports	59.6	205.0	199.5	129.9	442.0	420.6
Agricultural, Vegetable Products	(Thousands of Dollars)					
Fruits	968	810	1,394	2,143	2,300	2,334
Vegetables	168	411	825	358	951	1,624
Wheat	3,690	24,130	16,015	12,612	52,981	39,172
Grains, other	695	2,288	1,783	1,703	4,245	4,276
Flour of wheat	1,567	6,791	7,355	3,259	17,616	16,606
Farinaceous products, other	835	789	1,011	1,737	1,617	1,874
Sugar and products	56	119	279	105	328	375
Alcoholic beverages	702	2,098	2,578	1,758	5,154	5,113
Vegetable fats and oils	14	769	260	25	2,189	577
Rubber and products	859	2,174	798	2,024	4,189	1,580
Seeds	312	5,231	3,317	668	10,532	6,900
Tobacco	1,341	1,515	1,579	2,625	3,569	2,782
Vegetable products, other	194	1,047	1,498	430	2,342	2,855
Total	11,400	48,173	38,693	29,449	108,013	86,068
Animals and Animal Products						
Cattle	520	2,238	5,670	988	4,861	11,167
Other animals, living	109	479	753	232	1,063	1,325
Fish and fishery products	1,780	5,295	7,585	4,317	11,277	15,060
Furs and products	2,071	2,539	2,034	5,678	6,440	5,334
Leather and products	441	544	530	768	1,202	953
Bacon and hams	2,479	1,616	1,456	5,780	4,606	15,488
Meats, other	422	2,330	2,483	838	6,813	5,798
Cheese	71	15	125	134	40	263
Milk products, other	239	1,077	916	494	2,249	1,826
Eggs, shell and processed	16	2,061	1,373	28	5,140	3,214
Animal products, other	462	2,334	1,929	1,234	4,284	4,831
Total	8,610	20,528	24,855	20,493	47,976	65,259
Fibres, Textiles and Products						
Cotton products	151	513	286	397	1,229	823
Flax, hemp, jute and products	6	108	152	14	314	249
Wool and products	115	604	322	221	927	619
Artificial silk and products	143	115	199	335	265	479
Textile products, other	414	1,022	329	796	2,579	761
Total	830	2,363	1,288	1,763	5,313	2,931
Wood, Wood Products and Paper						
Planks and boards	2,300	10,198	13,857	4,787	21,298	24,343
Pulpwood	562	3,277	2,576	1,229	6,124	5,617
Unmanufactured wood, other	1,255	2,873	3,314	2,715	6,569	6,531
Wood pulp	2,390	15,405	13,953	4,540	30,588	27,294
Manufactured wood, other	175	448	288	551	789	526
Newsprint paper	5,965	30,361	34,884	12,781	60,294	73,228
Paper, other	726	1,394	1,317	1,619	3,331	2,570
Books and printed matter	57	280	193	122	587	431
Total	13,429	64,237	70,383	28,345	129,580	140,541

Canadian Exports, by Commodities—Concluded

Commodity	February 1938	February 1949	February 1950	January-February 1938	January-February 1949	January-February 1950
	(Thousands of Dollars)					
Iron and Products						
Iron ore	....	13	....	....	32	46
Ferro-alloys	115	2,105	725	273	4,548	1,766
Pigs, ingots, blooms, billets	274	176	994	879	385	1,982
Rolling mill products	352	1,164	511	434	2,146	1,547
Locomotives and parts	....	2,215	396	....	4,559	409
Farm machinery and implements	876	8,115	6,891	1,644	15,914	13,473
Hardware and cutlery	280	311	297	374	790	692
Machinery (except farm)	705	2,469	1,295	1,692	4,710	2,597
Automobiles, freight	945	730	837	1,812	1,652	2,388
Automobiles, passenger	1,843	653	1,277	2,947	3,255	2,135
Automobile parts	233	938	1,072	608	1,725	1,836
Railway cars and parts	2	1,081	1,499	9	2,477	2,010
Iron products, other	381	1,654	1,577	900	4,529	2,839
Total	6,007	21,624	17,371	11,572	46,721	33,721
Non-Ferrous Metals and Products						
Aluminium and products	2,699	5,106	6,396	3,450	10,624	10,693
Brass and products	63	170	195	157	407	328
Copper and products	3,145	4,594	6,516	7,096	13,083	13,629
Lead and products	568	2,392	1,914	1,512	8,769	3,229
Nickel	5,475	7,986	7,683	11,054	15,619	16,886
Precious metals (except gold)	1,600	3,657	882	3,290	5,591	2,670
Zinc and products	963	3,712	3,681	2,008	9,135	5,990
Electrical apparatus, n.o.p.	327	1,145	790	648	2,277	1,405
Non-ferrous products, other	201	763	1,317	399	1,624	2,623
Total	15,041	29,524	29,374	29,614	67,126	57,454
Non-Metallic Minerals, Products						
Asbestos and products	536	2,195	4,398	1,229	5,045	8,510
Coal	143	534	293	337	831	525
Petroleum and products	15	514	11	35	1,133	35
Abrasives, artificial, crude	406	1,020	946	782	2,039	1,869
Non-metallic products, other	302	1,342	1,367	702	3,012	2,882
Total	1,402	5,606	7,014	3,085	12,060	13,821
Chemicals and Allied Products						
Acids	76	276	168	173	546	310
Medicinal preparations	88	216	380	178	483	789
Fertilizers	744	3,204	2,833	1,248	6,943	6,702
Paints and varnishes	87	260	508	161	684	843
Calcium compounds	48	204	86	83	487	169
Soda and sodium compounds	284	304	370	573	661	754
Chemical products, other	274	1,338	2,533	580	2,445	5,242
Total	1,600	5,802	6,879	2,997	12,250	14,809
Miscellaneous Commodities						
Toys and sporting goods	10	15	17	21	37	34
Films	320	254	252	561	421	346
Ships and vessels	....	2,445	306	50	3,099	306
Aircraft and parts	70	436	326	102	757	713
Electrical energy	343	467	577	777	813	903
Miscellaneous consumer goods	175	363	188	332	567	441
Miscellaneous, other	237	983	1,130	453	3,266	1,471
Donations and gifts	....	1,368	221	....	2,320	591
Non-commercial articles	146	808	588	304	1,704	1,234
Total	1,300	7,138	3,605	2,601	12,984	6,038

Canadian Exports, by Main Groups

(Excluding Gold)

	February			January-February		
	1938	1949	1950	1938	1949	1950
To All Countries	(Thousands of Dollars)					
Agricultural, Vegetable Products	11,400	48,173	38,693	29,449	108,013	86,068
Animals and Animal Products	8,610	20,528	24,855	20,493	47,976	65,259
Fibres, Textiles and Products	830	2,363	1,288	1,763	5,313	2,931
Wood, Wood Products and Paper......	13,429	64,237	70,383	28,345	129,580	140,541
Iron and Products	6,007	21,624	17,371	11,572	46,721	33,721
Non-Ferrous Metals and Products	15,041	29,524	29,374	29,613	67,126	57,454
Non-Metallic Minerals, Products	1,402	5,606	7,014	3,085	12,060	13,821
Chemicals and Allied Products	1,600	5,802	6,879	2,997	12,250	14,809
Miscellaneous Commodities	1,300	7,138	3,605	2,601	12,984	6,038
Total	59,619	204,994	199,462	129,919	442,024	420,642
To United Kingdom						
Agricultural, Vegetable Products	7,743	21,682	16,491	20,818	51,260	38,196
Animals and Animal Products	5,461	4,400	3,300	12,463	11,064	19,023
Fibres, Textiles and Products	293	135	110	559	296	152
Wood, Wood Products and Paper	2,804	4,821	1,474	5,589	10,704	4,150
Iron and Products	1,651	1,705	673	3,303	3,379	1,652
Non-Ferrous Metals and Products	8,480	10,007	6,986	16,430	20,772	13,204
Non-Metallic Minerals, Products	198	445	735	345	716	1,354
Chemicals and Allied Products	374	521	382	777	963	743
Miscellaneous Commodities	341	409	222	631	783	509
Total	27,345	44,124	30,374	60,915	99,937	78,981
To United States						
Agricultural, Vegetable Products	1,325	9,703	10,276	3,081	20,773	20,866
Animals and Animal Products	2,160	11,332	16,592	5,301	26,033	36,087
Fibres, Textiles and Products	36	800	693	87	1,556	1,569
Wood, Wood Products and Paper	8,490	53,829	64,829	18,222	106,792	128,787
Iron and Products	405	8,925	7,894	798	17,914	15,947
Non-Ferrous Metals and Products	2,123	14,322	17,574	4,737	33,134	35,086
Non-Metallic Minerals, Products	773	3,775	5,062	1,851	8,642	10,154
Chemicals and Allied Products	841	2,646	4,461	1,391	5,016	8,636
Miscellaneous Commodities	639	1,377	1,456	1,368	2,872	2,565
Total	16,792	106,709	128,838	36,835	222,732	259,697

Trade of Great Britain Declined in February

London, March 22, 1950.—(FTS)—The usual seasonal decline occurred in United Kingdom external trade in February. Exports, at £155·8 million, were 11 per cent less than in January. When allowance is made for the fewer number of working days, the fall is adjusted to 4 per cent.

Imports in February were valued at £181·7 million, which was £19·5 million less than in January but £19·7 million more than in February, 1949. The value of imports is swollen by devaluation and this tendency is likely to become more apparent as time goes on.

The surplus of imports over total exports amounted to £20·7 million, against £19·5 million in January.

Among exports the best results were visible in motor vehicles, machinery and iron and steel items. In imports the outstanding feature in February was raw cocoa imports which at 35,000 tons created a record.

South African Wheat Crop Lower in January

Latest estimates of the South African wheat crop, based on conditions early in January, amount to 4,299,000 bags, a drop of 3,000 bags from the estimate of the previous month. Extensive damage to the crop by hail and rust has affected the quality, reportedly poor.

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

Brantford—Board of Trade.
Calgary—Board of Trade.
Charlottetown—Board of Trade.
Edmonton—Canadian Manufacturers' Association.
Fort William—Chamber of Commerce.
Fredericton—Chamber of Commerce.
Granby—Chamber of Commerce.
Guelph—Board of Trade.
Halifax—Board of Trade.
Hamilton—Chamber of Commerce.
Kitchener—Chamber of Commerce.
Moncton—Board of Trade.
Montreal—Montreal Board of Trade.
Quebec City—Board of Trade.
Regina—Chamber of Commerce.
Saint John—Board of Trade.
Sarnia—Chamber of Commerce.
St. Catharines—Chamber of Commerce.
Saskatoon—Board of Trade.
Sherbrooke—Chamber of Commerce.
St. John's—Department of Trade and Commerce, Stott Building.
Toronto—Canadian Manufacturers' Association.
Vancouver—Department of Trade and Commerce, 355 Burrard Street.
Victoria—Department of Trade and Industry.
Welland—Board of Trade.
Windsor—Chamber of Commerce.
Winnipeg—Canadian Manufacturers' Association.
Woodstock (N.B.) Board of Trade.

S. V. Allen Returns from Johannesburg

S. V. Allen

Stanley Vincent Allen, Canadian Government Trade Commissioner in Johannesburg since April, 1948, has returned home on leave, and will commence a tour of this country on April 6 in Montreal. Born in Yarmouth, N.S., in 1908, Mr. Allen received his early education there and in Calgary, later graduating from the University of Alberta with a Bachelor of Commerce degree. He joined the Department of Trade and Commerce in January, 1932, and the following year was appointed assistant trade commissioner at Hamburg, Germany. Three years later, Mr. Allen was transferred to London, England, as assistant trade commissioner, and in February, 1942, to Washington, where he served for four years as assistant commercial secretary. During this period, he was Canadian Secretary of the Joint War Aid Committee, and Secretary of the advisory committee in Washington of the Mutual Aid Board. He was appointed Commercial Secretary for Canada in Cape Town in July, 1946, and two years later transferred to Johannesburg.

Montreal—April 6-25.
Toronto—April 26-May 12.
Hamilton—May 15-16.
St. Catharines-Welland—May 17-18.
London—May 19.

J. P. Manion, Commercial Secretary for Canada in Paris, has returned home on leave, and is making a tour of this country that will take him from the Atlantic to the Pacific, during which he will discuss conditions in his territory with Canadian businessmen.

Montreal—March 27-April 5.
Sherbrooke-Granby—April 11.
Montreal—April 12-13.
Fort William—April 15.
Winnipeg—April 17.
Calgary—April 19.
Vancouver-Victoria—April 21-27.
St. John's (Nfld.)—May 2-3.
Halifax—May 5-6.
Saint John (N.B.)—May 8.
Woodstock (N.B.)—May 9.
Quebec City—May 11-12.
Toronto—May 22-30.
Windsor—May 31.
Sarnia—June 1.
Kitchener—June 2.
Guelph—June 2.
Welland—June 5.
St. Catharines—June 6.
Brantford—June 7.
Hamilton—June 8.
Toronto—June 9-15.

Trade and Tariff Regulations

Colombian Import Restrictions Further Relaxed

Bogotá March 16, 1950.—(FTS)—Under a Colombian decree of March 8, 1950, more goods were added to the list of those which may be imported into Colombia without reference to the importer's basic quota and with exchange granted at the official rate. The new products to which this privilege is now accorded include: Oats and rolled oats; shoemakers' lasts, wooden rulers; newsprint; cotton transmission belts; bands of rubberized cloth for insulating; certain iron rivets; copper or brass wire mesh; rustproof steel; diesel engines; road-making machinery; gases for refrigerators; water-proofing and quick-setting ingredients; paraffin; prepared wicks.

(Editor's note:—A previous announcement concerning products which may be imported into Colombia without regard to the quota, and to the regulations applicable to such imports, appeared in the February 25, 1950, issue of *Foreign Trade*.)

India Announces Import Policy for First Half of Year

New Delhi, March 11, 1950.—(FTS)—Principles governing the issue by India of import licences for January-June, 1950, are set forth in a notice dated February 25. In view of the limited availability of foreign exchange, the licensing of goods in general is subject to monetary ceilings. Applicants for import licences have to justify fully the import of articles from abroad. As in the previous licensing period, articles have been listed in three categories: (1) those for which no licences will ordinarily be granted; (2) those which will be licensed subject to quota based on past imports; and (3) those which will be licensed to actual users if the import is justified by the applicant and then only to the extent to which import is considered essential. In the case of articles falling under category (3), the determining consideration will not be the past imports by the applicant but the essentiality of the import, the over-riding consideration being always the availability of foreign exchange. Licences will not be issued for goods when these or suitable substitutes thereof are available in reasonable quantity from indigenous sources or from stocks in the country. Requests for import licences from dollar and hard-currency countries will need the further justification that the article to be imported or a suitable substitute thereof is not available from soft-currency countries. Applications for licences (except from newcomers) for the current half-year will not be entertained after June 10, 1950.

As in the previous licensing period also, supplying countries are divided into four groups: (1) dollar area (which includes Canada and United States and specified other countries in North and South America), (2) hard-currency area, (3) medium-currency area, (4) soft-currency area.

In view of the Government of India's desire to provide for the country's requirements of machinery and industrial raw materials, the import licensing schedule provides for a more liberal policy as regards these goods than that of the previous half-year. The following commodities, formerly prohibited from dollar sources, are now placed in the category of goods for which licences will be issued subject to monetary ceilings: precision and measuring tools; leather belting; spare parts for diesel engines of all types; spare parts for petrol and kerosene engines of all types; spare parts for motors and generators of any type or design; electrical control gear and transmission gear; hearing aid batteries; raw cotton; unmanufactured tobacco; car polishes; most hardware, ironmongery and tools; photographic negatives and printing paper, excluding X-ray film; all sorts of photographic instruments, apparatus and appliances (other than cinema); brake fluid; wood pulp; specified chemicals; electrical instruments, apparatus and appliances (excluding telegraphic and telephone); glucose; casein.

The above regulations apply to commodities listed in Parts II to V inclusive of the India import licensing schedule. The importation of iron and steel products and non-ferrous metals under Part I and machine tools under Part VI, as well as capital goods and heavy electric plant, are treated separately for licensing purposes.

Applications for licences to import iron and steel products, as well as machine tools, may be made at any time to the appropriate licensing authority. Licences for most iron and steel products from the dollar area are granted only if the licensee is a manufacturing industry, actual consumer or importer with definite orders from the manufacturers or consumers.

Import licences for non-ferrous metals issued on or after September 1, 1949, during July-December, 1949, licensing period will stand automatically valid up to March 31, 1950. Licences issued before September 1, 1949, will not be revalidated and applicants who have not been able to utilize them during July-December, 1949, must apply for new licence in the January-June, 1950, period.

Licences issued for capital goods and heavy electric plant are initially valid for a period of six months from the date of issue. Their validity will be extended to the approximate period of shipment of goods (not exceeding three years from date of issue) provided satisfactory evidence is produced to show firm contracts are made for their supply.

Ireland Imposes New Duty on Hardboard

Dublin, March 23, 1950.—(FTS)—Effective March 21, 1950, Ireland imposed a duty on imports of sheets or slabs, which are made wholly or mainly of fibre (other than asbestos) or pulp, that is to say, super hardboard, hardboard and medium hardboard which are not laminated and which are (*a*) of a weight of not less than 50 pounds per cubic foot and of a thickness of not less than 1/16th of an inch, or (*b*) of a weight of not less than 30 pounds per cubic foot and not more than 50 pounds per cubic foot and of a thickness of not less than 3/16ths of an inch.

A free-of-duty licensing provision is attached to this Order.

The duty is 4d. per square yard applicable to Canada and the United Kingdom; 6d. per square yard applicable to all other countries.

Ireland Eases Control of Timber Imports

Dublin, March 15, 1950.—(FTS)—The Emergency Powers Orders which control the importation of timber (including lumber) to the Republic of Ireland were revoked on March 10, 1950, with effect from April 1, 1950, after which date any person will be free to import timber.

This revocation does not affect the foreign exchange control requirements that all importations involving an expenditure of dollars must receive the specific permission of the Department of Finance.

United States Simplifies Consular Invoice Procedure

Washington, March 24, 1950.—(FTS)—Customs regulations of the United States have been amended in an effort to relieve importers from the necessity of supplying certified consular invoices for certain incoming shipments. The change affects, with certain exceptions, importations of merchandise that is free of duty, or is subject to specific rates of duty not dependent on value. Such shipments comprise a substantial portion of the United States import trade.

Consular invoices will still be required for most commercial shipments of more than $100 value, when the goods are subject to duty on a value basis.

In the case of shipments to which the change applies, information needed by the Customs Bureau, and heretofore obtained from consular invoices, will be obtained hereafter for the most part from the usual commercial invoices.

Special considerations are attached to imports of certain duty-free or specific-rate commodities. In these exceptional instances, certified consular invoices still are necessary. The commodities include coca leaves, coffee, opium, tea, all kinds of wool and seeds for planting. The consular invoice requirement also remains in effect for articles subject to import authorizations or other special import controls.

This change in the regulations is said to be a major step in the program of the Treasury Department to simplify customs procedures.

DATA FOR EXPORTERS COMPILED

Information, of particular interest to Canadian exporters, concerning shipping documents and customs regulations of foreign countries, is being compiled by the International Trade Relations Division. Countries concerning which such information is now available in a revised form are: Belgium, Cuba, Denmark, Dominican Republic, Egypt, Greece, Guatemala, Italy, Mexico, Netherlands Antilles, Nicaragua, Norway, Panama, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela. Data on other countries will be made available from time to time.

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 Paraguay and Uruguay.

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 3952 G.P.O.
Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.

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 Counsellor, Canadian Embassy, 46 rue Montoyer.
Territory includes Luxembourg.

Brazil

Rio de Janeiro—D. W. Jackson, Commercial Secretary, Canadian Embassy, Edificio Metropole, Avenida Presidente Wilson 165. Address for letters: Caixa Postal 2164.

São Paulo—C. J. Van Tighem, Commercial Secretary for Canada, Canadian Consulate, Edificio Alois, Rua 7 de Abril, 252. Address for letters: Caixa Postal 6034.

Chile

Santiago—Acting Commercial Secretary, Canadian Embassy, Bank of London and South America Building. Address for letters: Casilla 771. Territory includes Bolivia.

China

Shanghai—Acting Commercial Secretary for Canada, 27 The Bund, Postal District (0).
Territory includes Taiwan (Formosa).

Colombia

Bogotá—H. W. Richardson, Canadian Government Trade Commissioner, Edificio Colombiana de Seguros. Address for letters: Apartado 1618. Address for air mail: Apartado Aereo 3562.
Territory includes Canal Zone and Panama.

Cuba

Havana—A. W. Evans, Commercial Secretary, Canadian Legation, Avenida de las Misiones 17. Address for letters: Apartado 1945.
Territory includes Dominican Republic, Haiti and Puerto Rico.

Egypt

Cairo—J. M. Boyer, Canadian Government Trade Commissioner, Osiris Building, Sharia Walda, Kasr-el-Doubara. Address for letters: Post Office Box 1770.
Territory includes Aden, Anglo-Egyptian Sudan, Cyprus, Ethiopia, the Hashemite Kingdom of the Jordan, Iraq, Lebanon, Saudi Arabia and Syria.

France

Paris—J. P. Manion, Commercial Secretary, Canadian Embassy. Address for letters: 3 rue Scribe.
Territory includes Algeria, French Morocco and Tunisia.

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

Germany

Frankfurt am Main—W. Jones, Acting Canadian Commercial Representative, Canadian Consulate, 145 Fuerstenbergerstrasse.
Cable address, Canadian Frankfurt-Main.

Greece

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

Guatemala

Guatemala City—J. C. Depocas, Canadian Government Trade Commissioner, No. 20, 4th Avenue South. Address for letters: 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 French Indo-China and South China.

India

New Delhi—RICHARD GREW, Commercial Secretary, Office of the High Commissioner for Canada, 4 Aurangzeb Road. Address for letters: Post Office Box 11.

Bombay—R. F. RENWICK, Acting 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.

Italy

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

Territory includes Libya, Malta and Yugoslavia.

Jamaica

Kingston—M. B. PALMER, Canadian Government Trade Commissioner, Canadian Bank of Commerce Chambers. Address for letters: Post Office Box 225.

Territory includes the Bahamas and British Honduras.

Japan

Tokyo — J. C. BRITTON, Commercial Representative, Canadian Liaison Mission, Canadian Legation Building.

Territory includes Korea.

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.

The Hague—D. A. B. MARSHALL, Commercial Secretary (Agricultural Specialist), Canadian Embassy, Sophialaan 1-A.

Territory includes Belgium, Denmark and Luxembourg.

New Zealand

Wellington—P. V. McLANE, Commercial Secretary, Office of the High Commissioner for Canada, Government Life Insurance Building. Address for letters: 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, Commercial Secretary, Office of the High Commissioner for Canada, the Cotton Exchange, McLeod Road. Address for letters: Post Office Box 531.

Territory includes Afghanistan and Iran.

Peru

Lima—R. E. GRAVEL, Commercial Secretary, Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin. Address for letters: Casilla 1212.

Territory includes Ecuador.

Philippines

Manila—F. H. PALMER, Canadian Consul General and Trade Commissioner, Tuason Building, 8-12 Escolta, Binondo. Address for letters: Post Office Box 1825.

Portugal

Lisbon—L. S. GLASS, Acting Canadian Consul General and Trade Commissioner, Canadian Consulate General, Rua Rodrigo da Fonseca 103.

Territory includes the Azores, Gibraltar and Madeira.

Singapore

Singapore—R. K. THOMSON, Acting Canadian Government Trade Commissioner, Room D-2, Union Building. Address for letters: Post Office Box 845.

Territory includes Brunei, Federation of Malaya, Indonesia, North Boreno, Sarawak and Thailand.

South Africa

Johannesburg—D. S. ARMSTRONG, Acting Canadian Government Trade Commissioner, Mutual Building, Harrison Street. Address for letters: Post Office Box 715.

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

Cable address, Cantracom.

Foreign Trade Service Abroad—Concluded

Cape Town—C. B. BIRKETT, Commercial Secretary for Canada, 5th Floor, Grand Parade Centre Building, Adderley Street. Address for letters: Post Office Box 683.
Territory includes Cape Province, Orange Free State, South-West Africa, Mauritius and Madagascar.
Cable address, Cantracom.

Spain

Madrid—E. H. MAGUIRE, Canadian Government Trade Commissioner, 70 Avenida José Antonio. Address for letters: Apartado 117.
Territory includes the Balearic Islands, Canary Islands, Rio de Oro and Spanish Morocco.

Sweden

Stockholm—B. J. BACHAND, Commercial Secretary, 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—T. G. MAJOR, Canadian Government Trade Commissioner, 43 St. Vincent Street. 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

Istanbul—G. F. G. HUGHES, Commercial Secretary for Canada, Istiklal Caddesi, Lion Magazasi yaninda, Kismet Han No. 3/4, Beyoglu, Istanbul. Address for letters: Post Office Box 2220, Beyoglu.

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.

Belfast—H. L. E. PRIESTMAN, Canadian Government Trade Commissioner, 36 Victoria Square.
Territory covers Northern Ireland.

United States

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

Washington—Dr. W. C. HOPPER, Agricultural Secretary, Canadian Embassy, 1746 Massachusetts Avenue, N.W.

New York City—M. T. STEWART, Canadian Government Trade Commissioner, British Empire Building, Rockefeller Center. Address for letters: Canadian Consulate, 620 Fifth Avenue.
Territory includes Bermuda.
Cable address, Cantracom.

New York City—M. B. BURSEY, Canadian Government Trade Commissioner (Fisheries Specialist), British Empire Building, Rockefeller Center. Address for letters: Canadian Consulate, 620 Fifth Avenue.

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

Detroit—J. J. 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—H. A. SCOTT, Consul-General of Canada, 3rd floor, Kohl Building, 400 Montgomery Street.

Venezuela

Caracas—C. S. BISSETT, Acting Canadian Consul General and Trade Commissioner, Canadian Consulate General, 8° Peso, Edificio America, Esquina Veroes. Address for letters: Apartado 3306.
Territory includes Netherlands Antilles.

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 Sept. 17	Nominal Quotations Mar 20	Nominal Quotations Mar. 27
Argentina	Peso	Off.	·2977	·3275	·3275
		Free	·2085	·1221	·1221
Austria	Schilling	Export	....	·0515	·0515
Australia	Pound	....	3·2240	2·4640	2·4640
Belgium and Belgian Congo	Franc	....	·0228	·0220	·0220
Bolivia	Boliviano	....	·0238	·0262	·0262
British West Indies (Except Jamaica)	Dollar	....	·8396	·6417	·6417
Brazil	Cruzeiro	....	·0544	·0598	·0598
Burma	Rupee	....	·3022	....	....
Ceylon	Rupee	....	·3022	·2310	·2310
Chile	Peso	Off.	·0233	·0183	·0183
Colombia	Peso	....	·5128	·5641	·5641
Costa Rica	Colon	....	·1800	·1980	·1980
Cuba	Peso	....	1·0000	1·1000	1·1000
Czechoslovakia	Koruna	....	·0200	·0220	·0220
Denmark	Krone	....	·2084	·1592	·1592
Dominican Republic	Peso	....	1·0000	1·1000	1·1000
Ecuador	Sucre	....	·0740	·0815	·0815
Egypt	Pound	....	4·1330	3·1587	3·1587
El Salvador	Colon	....	·4000	·4400	·4400
Fiji	Pound	....	3·6306	2·7748	2·7748
Finland	Markka	....	·0062	·0048	·0048
France, Monaco and French North Africa	Franc	Off.	·0037	·0032	·0032
French Empire—African	Franc	....	·0073	·0063	·0063
French Pacific Possessions	Franc	....	·0201	·0174	0174
Germany	Deutsche Mark	....	3000	·2619	2619
Guatemala	Quetzal	....	1·0000	1·1000	1·1000
Haiti	Gourde	....	·2000	·2200	·2200
Honduras	Lempira	....	·5000	·5500	·5500
Hong Kong	Dollar	....	·2519	·1925	·1925
Iceland	Krona	....	·1541	·1178	·0675
India	Rupee	....	·3022	·2310	·2310
Iran	Rial	....	·0212	....	....
Iraq	Dinar	....	4·0300	3·0800	3·0800
Ireland	Pound	....	4·0300	3·0800	3·0800
Israel	Pound	....	3·0000	3·0800	3·0800
Italy	Lira	....	·0017	·0018	·0018
Jamaica	Pound	....	4·0300	3·0800	3·0800
Japan	Yen	....	·0028	....	....
Lebanon	Piastre	....	·4561	....	....
Mexico	Peso	....	·1157	·1273	·1273
Netherlands	Florin	....	·3769	·2895	·2895
Netherlands Antilles	Florin	....	·5308	·5833	5833
New Zealand	Pound	....	4·0150	3·0800	3·0800
Nicaragua	Cordoba	....	·2000	·2200	·2200
Norway	Krone	....	·2015	·1540	·1540
Pakistan	Rupee	....	·3022	·3325	3325
Panama	Balboa	....	1·0000	1·1000	1·1000
Paraguay	Guarani	....	3200	....	....
Peru	Sol	....	·1538	·0743	·0743
Philippines	Peso	....	4975	·5500	·5500
Portugal and Colonies	Escudo	....	·0400	·0385	·0385
Singapore	Straits Dollar	....	·4702	·3593	·3593
Spain and Colonies	Peseta	....	·0916	·1008	·1008
Sweden	Krona	....	·2783	·2126	·2126
Switzerland	Franc	....	·2336	·2560	·2561
Thailand	Baht	....	·1000	....	....
Turkey	Lira	....	·3571	·3911	·3911
Union of South Africa	Pound	....	4·0300	3·0800	3·0800
United Kingdom	Pound	....	4·0300	3·0800	3·0800
United States	Dollar	....	1·0000	1·0000	1·1000
Uruguay	Peso	Controlled	·6583	·7241	·7241
Venezuela	Bolivar	....	·2985	·3289	·3289
Yugoslavia	Dinar	....	·0200	....	....