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In This Issue

Regular Features

COVER SUBJECT—Secretariat building of the United Nations, thirty-nine stories high, which is under construction on the banks of the East River, New York. Bidding on materials required for the completion of this building are under way, and Canadian manufacturers wishing to compete are urged by the Canadian Government Trade Commissioner in New York to contact subcontractors, the names of which are listed on page 687 of the April 22, 1950, issue of Foreign Trade. The seven-story building in the foreground will become the library for the United Nations Headquarters.

Photo by UNATIONS.

Price 10 cents

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Canadian Tobacco Proves Popular With Manufacturers in Britain

Regret expressed that insufficient quantities are made available — Consumption larger last year and trading profits higher,, although public spending power lower and production costs increased—Allocations for Canadian tobacco unchanged after devaluation of sterling—British imports in 1949 higher.

By A. E. Bryan, Commercial Counsellor for Canada

LONDON, April 15, 1950.—Canadian tobacco is popular in the United Kingdom, and some regret is expressed that insufficient quantities are made available. Canadian flue-cured tobacco is considered by some firms equal to the higher grades of Virginia leaf, and the general consensus of opinion is that it is superior in quality to other Commonwealth tobaccos and generally a very close second to "Virginia". During a recent visit to twenty-four tobacco manufacturers in England and Scotland, it was learned that a few firms had been using Canadian tobacco for some years, while others have taken to it more recently.

One large firm displayed samples of Canadian flue-cured leaf of the 1949 season that had just been received. The leaf buyer explained that, in all his many years of experience, he had never seen such good quality Canadian tobacco. Some grades compared favourably to the best Virginia, and he had decided to press for an increased allocation over last year.

In spite of the excellence of this tobacco, it was observed that in the higher grades there still appeared the same "green-caste" of former years. This seems to be typical of Canadian leaf and is never found in tobacco from any other source. It was maintained that this "green-caste" condition was due to the tobacco having remained in the field for too short a period during the ripening season. This often happens through fear of frost on the part of the grower and his anxiety to harvest his tobacco as soon as possible.

There were also signs of "sponge" tobacco, which increases as one examines the lower grades. This, while not a serious defect, is at the same time undesirable.

Getting down to the third grade, it was noticed there was a "reddy-brown" tinge on some of this tobacco which, although very slight, is not a desirable feature and should be avoided.

Of all the samples, the fourth and fifth grades were described as being the best of their types and most satisfactory in every respect. These grades are generally used to give more "strength" to the finished tobacco and are very much sought after by the cigarette manufacturer.

Coming down to the lower grades, it was found that they were a little on the "green and bitter" side. This grade is always "thin" and is customarily used for a priming quality.

Taken as a whole, this was the finest selection of Canadian tobacco ever seen in this country, and British manufacturers are hoping that Canada will continue to improve the quality of its tobacco, which will have a permanent and growing market in the United Kingdom.

Allocation for Canadian Tobacco Unchanged

The United Kingdom allocated $8,000,000 last year for the purchase of Canadian tobacco and $110,000,000 for tobacco from the United States.

Great Britain—Canadian tobacco is becoming increasingly popular with British tobacco manufacturers and will have a permanent and growing market in this country.

In September, 1949, the Chancellor of the Exchequer announced that, with a view to reducing expenditures in hard-currency areas, there would be an immediate decrease of 25 per cent in allocations already made but not yet actually expended. Requirements from the United States were therefore cut from $110 million to $90 million.

It was thought at the time that this policy would affect the purchases of Canadian tobacco too. But it was so essential that British manufacturers should be allowed to replenish their stocks of Canadian leaf, that the authorities decided there should be no change made in their plans for the purchase of leaf tobacco from Canada and shipments from the 1948-49 season have now just been completed and total more than 13 million pounds dry weight.

Continuing its policy of austerity purchases in the hard-currency areas, the Board of Trade has decided to limit its purchases of Canadian and United States tobacco in 1950 to whatever quantity that can be purchased for $68 million, which is $30 million less than in 1948-49.

In view of the high quality of the Canadian leaf samples just received from the 1949 crop, it has been decided that no decrease should be made in the receipts of Canadian tobacco this year. Canadian shippers will, therefore, receive orders totalling about the same dollar value as last year. On the other hand, there is some possibility that an additional amount over and above the first allocation may be set aside for Canadian tobacco this year. If so, it will not amount to more than an extra $1,000,000 or $2,000,000. The outcome will depend greatly on the comparative prices of United States and Canadian tobacco in 1950, as the main idea of the Board of Trade is to get the maximum weight of good usable tobacco for the dollars it has to spend for this purpose. Hence, should United States prices in 1950 tend to increase, while Canadian prices remain at about the same level as in 1949, the prospects will improve for an increased allocation of Canadian tobacco in 1950.

British Tobacco Consumption Higher

Tobacco consumption in Great Britain last year was larger than in 1948, and trading profits were higher despite the fact that public spending power was lower, depreciation and interest charges had increased, and leaf, processing and distribution costs had risen. This is an indication of the buoyant demand for tobacco and cigarettes, together with the high trading efficiency of the various tobacco manufacturers. Raw material supplies were restricted during the year, and the government levied a duty of 58s. 2d. on each pound of tobacco that went into consumption. However, the five per cent cut in supplies to retailers, made in September, 1948, was withdrawn last May. Domestic consumption increased from 209·17 million pounds in the twelve months ending in October, 1948, to 212·66 million pounds in the corresponding period for 1949. The value of tobacco consumed during the first nine months of 1949 was £577 millions, as compared with £579 millions in the corresponding period of 1948, an insignificant change.

How, with dollar imports of leaf quite heavily cut, was the tobacco industry able to maintain its output? The answer is that it drew upon other sources of supply of leaf. Tobacco imports in 1949 increased in volume from 281·8 million to 301·1 million pounds. Canadian and United States exports of leaf to this country—still, and this must be carefully noted in any assessment of prospects, rather more than one-half of British leaf imports—were cut from 185 million pounds (223·5 million pounds in 1947) to 167 million pounds. The gap left is being filled by a number of other countries, chiefly Southern Rhodesia, Nyasaland, India and Turkey.

The following comparative figures show the great changes in the geographical pattern of tobacco imports that have taken place in the last twelve years:

United Kingdom Imports of Unmanufactured Tobacco

Year	Canada	U.S.	Southern Rhodesia	India	Nyasa-land	Total (inc. other countries)
			(Thousand lbs., dry weight)			
1937	8,649	203,349	14,519	19,150	13,505	267,460
1938	16,093	256,716	18,801	32,552	13,378	344,858
1939	30,232	128,041	14,951	21,149	11,746	211,472
1940	8,471	59,060	24,096	18,747	10,246	141,430
1941	2,470	129,441	19,811	26,077	12,892	213,737
1942	10,685	180,335	24,643	22,697	14,255	264,907
1943	9,122	291,054	20,156	16,971	13,899	354,060
1944	8,895	180,285	12,563	4,715	15,081	229,925
1945	12,097	309,812	20,610	10,122	11,567	368,811
1946	9,227	365,798	23,050	17,614	10,871	432,732
1947	22,224	201,235	22,969	22,942	11,908	295,621
1948	12,686	172,383	43,951	22,815	14,073	280,775
1949	12,980	154,079	46,471	38,332	17,769	301,132

Imports from Commonwealth sources have risen steadily from 82·1 million pounds in 1947 to 97·3 million pounds in 1948 and 119·8 million pounds in 1949, in the latter year comprising 39·8 per cent of all imports, as against 27·8 per cent in 1947.

Thus considerable success has been achieved in diverting leaf imports from hard to soft-currency countries of origin. But the British tobacco manufacturers remain largely dependent for raw material supplies upon the United States and Canada, although these sources are likely to be further diminished.

In July last, the Chancellor announced a reduction of $20 millions to $110 millions in dollar disbursements on United States tobacco following devaluation. There was no reduction at this time on the imports of Canadian leaf.

The price of leaf is now small in relation to duty and to manufacturing and distribution costs. The steadily rising cost of leaf tobacco, to which devaluation has given fresh impetus, is not an accounting item that the manufacturers can ignore. A rough estimate shows that the cost per pound of imported tobacco rose from 3s. ½d. in 1948 to 3s. 6d. in 1949. These imports mean higher costs for the entire industry as soon as they enter into manufacture. Other costs, including machine processing, wages, packaging, distribution, etc., also remain at a high level.

Supply and Finance Principal Problems

The immediate problems of the future concern supply and finance. Demand remains keen despite duty-swollen-prices and still exceeds supply. But will the manufacturers have a sufficient assured intake of leaf to maintain production? Will the increase of leaf costs that has resulted from devaluation compel increases in retail prices? How long can the industry run on short-term notes and bank accommodation? These are the questions of the moment and, at this time, there is no certain answer.

The duty per pound on United States tobacco which, up to 1914, was 3s. 8d. and which had risen to 13s. 6d. by 1939, is now 58s. 2d. The preferential duty on Canadian tobacco is now 56s. 7½d. per pound. Customs and excise net receipts from smokers have risen from £17,000,000 in 1913 to over £600,000,000 at present. No Chancellor can neglect the raw material needs of an industry so vital to the budget. For this reason, every endeavour is likely to be made to guarantee the necessary supplies of leaf tobacco to maintain the industry.

Stocks Approaching Prewar Level

Not for some time will Rhodesian and other growers be able to make good any serious further decline in dollar leaf imports. These, as already shown, fell between 1947 and 1949, but even in the latter year amounted to rather more than one-half of the total imports. Any further reduction in Canadian and United States supplies would certainly endanger not only the output of the United Kingdom manufacturers but also the quality of the finished product. Supplies of dollars for Canadian and United States leaf purchases are not, therefore, likely to be cut to the bone.

It was fortunate, and an instance of the foresight of the United Kingdom industry, that it was able to buy heavily in advance of devaluation. At the end of last November, tobacco stocks of 408·76 million pounds were the highest since prewar. The industry, which normally likes to have at least a two-year stockpile in hand of from 500 to 550 million pounds, had thus, by the close of last year, worked its way towards that objective.

Large Area Planted in Southern Rhodesia

Tobacco planting in Southern Rhodesia this year has extended to 157,000 acres, the highest total on record, according to a preliminary estimate prepared by the Central African Statistical Office.

Over the past three years, there has been an average yield of 635 pounds of tobacco per acre. If this is maintained, the season's crop of Virginia flue-cured tobacco should amount to nearly 100,000,000 pounds. Last season a crop of nearly 82,000,000 pounds was reaped from 128,500 acres.

Should the expectations from this year's planting be realized the yield will represent an increase considerably higher than what is normally believed by growers to be the maximum practicable expansion in the crop.

Future Sterling Prices to Increase

Supplies of non-dollar tobacco are improving gradually on balance. But there were increases in prices last season; and a larger rise in non-dollar prices, reflecting indirectly the effects of devaluation, is more than possible at this year's sales. Within this financial year, importers will be buying from the 1950 Canadian and American crop at a much higher dollar cost owing to devaluation. The major part of the 1949 purchases were covered at the old rate.

There will, therefore, be an addition of unknown but possibly serious extent to raw material costs. The impact of devaluation on dollar costs alone, taken by itself, could hardly force an increase in prices, since it would represent less than a halfpenny for the standard 10-packet. But a general increase in leaf prices this year might change the picture.

In prewar days, it was often the habit of chancellors to allow minor reductions of the duty so as to neutralize the effect of small changes in cost and maintain a round price for the packet. But it is uncertain whether that kind of policy would be followed now. Tobacco manufacturers may be left to find their own way out of the difficulty.

There is no particular reason to fear a fall in supplies and turnover through reduced supplies of leaf. On the other hand, there is always an element of danger in that leaf stocks are still virtually at a working minimum. One large manufacturer's stocks, including advances to buying branches abroad, rose during last year from £87,494,000 to £93,553,000. But this rise was no doubt due only in part to an increase in quantity. It reflected higher prices, including the effect of devaluation on the cost of the tail-end of the purchases of American and Canadian leaf. At any rate, the scope for drawing on stocks in the event of reduction in current supplies for any reason would be limited. For fiscal reasons it is, of course, unlikely that any government would do anything to restrict supplies further in the absence of really critical difficulties.

The increase in the cost of stocks already mentioned naturally does not represent anything like the limit of this problem. In the 1950 season, a full year's impact of devaluation will be felt, whereas in the last financial year it was limited to about six weeks of the latter part of the North American buying season. Looking further ahead, the average firm will want to increase its leaf reserves considerably when that is possible, though perhaps in the end any opportunity to increase stocks may prove to run concurrently with a decline in prices. At the moment, however, tobacco companies are caught between the rising prices of stocks and heavy taxation on the nominal resultant profits, which ought to be available for putting back into the business to finance those stocks.

French West Indies Increased Output Of Sugar and Bananas in Past Year

Value of sugar crop in Guadeloupe and Martinique was approximately $9,500,000, while that of banana crop was about $14,000,000—Average price received for bananas lower—Increased imports noted from France.

By G. A. Boyd, Honorary Commercial Agent for Canada

POINTE-A-PITRE, Guadeloupe.—Sugar and banana production in the French West Indies during the past year was higher than in 1948, the value of the sugar crop in Guadeloupe and Martinique being approximately $9,500,000, while that of the banana crop was about $14,000,000. The cane crop estimates were 55,000 tons for Guadeloupe and 35,000 tons for Martinique, but these figures were reduced to 43,000 tons and 23,000 tons respectively. The decline in Guadeloupe is attributed to the fact that grinding operations commenced two months late. On the other hand, the output per man in the field and in the mills showed a marked improvement over that for the previous year. As in previous years, about 12,000 tons of sugar were retained by these two islands for local consumption, 54,000 tons thus being available for export.

Banana production last year in Guadeloupe was approximately 50,000 tons, while that in Martinique was about the same figure. The average price was lower than in 1948, dropping to Fr.40 per kilogram in October, which was insufficient to cover the cost of reaping, packaging and transportation. Germany purchased 5,000 tons of bananas from Guadeloupe and 2,000 tons from Martinique in August and September.

An abundance of French-grown fruit is held responsible for the unfavourable condition of the price structure. Furthermore, there was a decline in the purchasing power of the consumer. Much damage was sustained by the crop in Guadeloupe from excessive rains last September, and both islands suffered from spot-leaf disease.

Prices obtaining for coffee, cocoa and vanilla would have justified more extensive cultivation in Guadeloupe, the principal producer. Because of low prices prevailing in the preceding years, cultivation had been neglected to the point where supplies of coffee and cocoa were barely sufficient to meet domestic requirements. About twenty tons of vanilla were sold to the United States at $6 per kilogram, f.o.b., or for a total of $120,000.

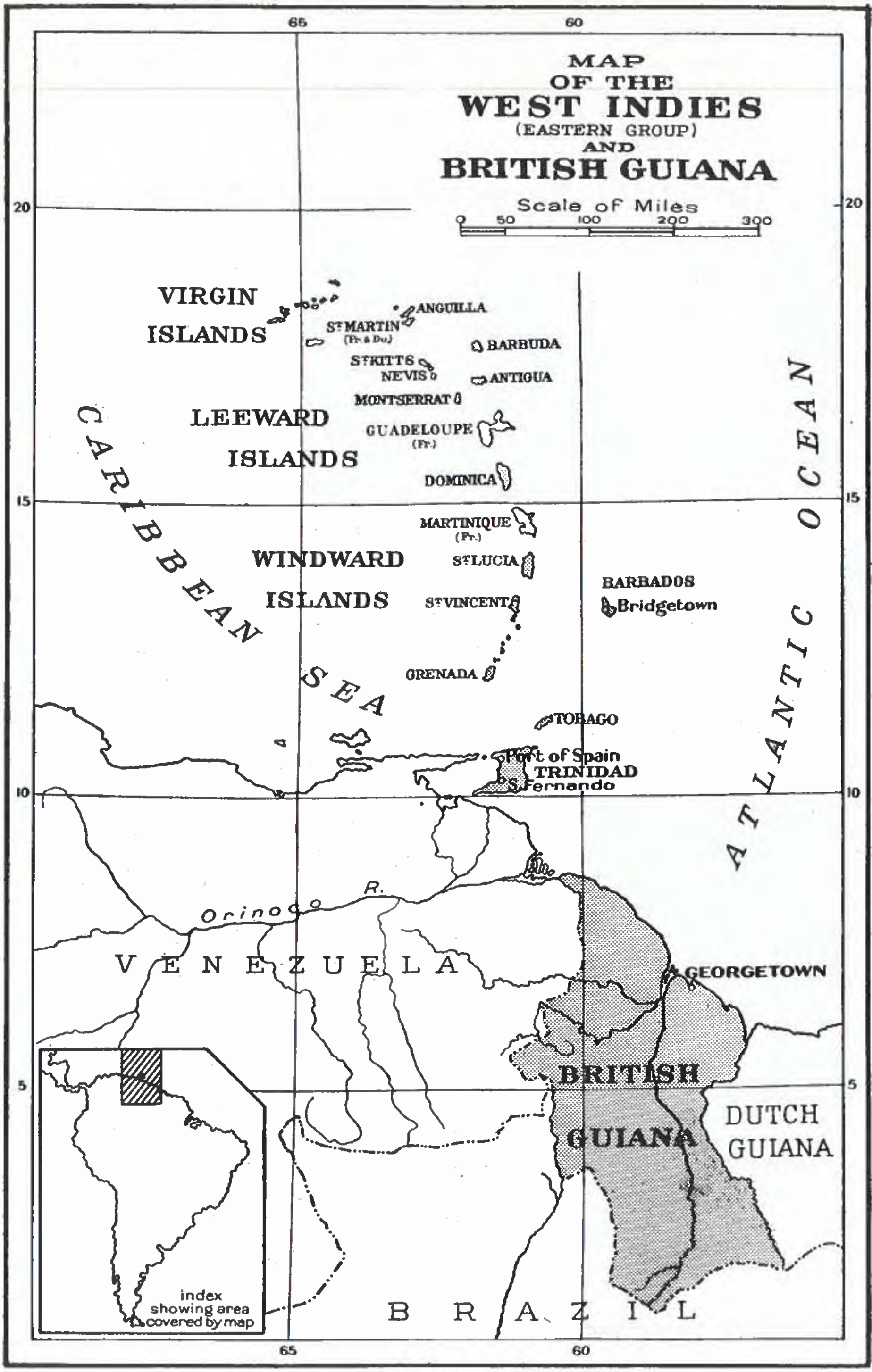
The fear expressed last year that preserves of local manufacture might no longer find a market in France was well-founded. About one thousand tons of preserves manufactured in 1947-48 are still unsold in the hands of French commission agents.

Efforts are being made to increase the production of pineapples in Martinique, and to a lesser extent in Guadeloupe.

Exports from the French West Indies were valued at Frs.11,000-million last year, or approximately $31,000,000. The value in francs is substantially the same as in 1948, but $17,000,000 less in terms of dollars, due to the devaluation of the franc in September.

Area Buying More from France

The tendency to buy more from France, rather than from foreign countries, further asserted itself in 1949. Importers of flour were informed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AND
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BARBUDA
ST KITTS
NEVIS
ANTIGUA
MONTSERRAT
LEEWARD
ISLANDS
GUADELOUPE
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ST VINCENT
BARBADOS
Bridgetown
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TOBAGO
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OCEAN
Orinoco R.
VENEZUELA
GEORGETOWN
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showing area
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last December that dollars would not be allocated in future by the Economic Co-operation Administration for the purchase of flour. French production is now considered sufficient to meet local needs.

Generally speaking, workers appeared satisfied with wage rates, and there were no strikes of any importance during the year. However, it was noted that as soon as crop operations ended, there appeared a more drastic stoppage in buying than in previous years, indicating that practically no savings had been accumulated during the crop season. Business in October, November and December was at the lowest ebb in many years. Inventories were consequently high at the end of 1949, and bank borrowings larger than usual.

Moderate elements were successful in the elections last October. Only three Communists were elected in Guadeloupe, as compared with fourteen previously.

The "Garden City" building project, to which reference was made in the February 19, 1949, issue of *Foreign Trade*, has not been completed. The original estimates have been exceeded, and defects are reported in some of the prefabricated houses, involving considerable repairs.

The airfield is still under construction, though the 1,650-metre landing strip is nearly completed. Work has not yet started on the administration buildings and other installations, and it is not possible to indicate when the airport will be ready for use.

There is still a shortage of housing. A loan and mortgage company is being created under government auspices to finance low-cost houses over a period of twenty years. Real estate prices are declining, indicating a lack of money, and offerings at bargain prices are not even being taken up.

Great Britain and Jamaica Sign Citrus Juice Contract

Kingston, April 17, 1950.—(FTS)—Great Britain has signed a ten-year contract to purchase 2,750 tons of concentrated sweet orange juice annually from Jamaica, beginning October 1, 1950. It is understood similar contracts are arranged with Trinidad for 1,500 tons and with British Honduras for 750 tons.

To supply this quota, Jamaica will have to produce 1,250,000 boxes of sweet oranges annually, as against a total production in 1949 of 500,000 boxes. Consequently, it is expected only 1,000 tons will be supplied during the first year of the contract. This will be made possible by the increased use of fertilizers, the coming into bearing of new trees and the increased bearing of the older trees. It is estimated this will result in a production of 400,000 boxes to manufacture the 1,000 tons of concentrate, and 300,000 boxes available for export as fresh fruit.

The contract provides for a sliding scale in prices, commencing at 30s. per gallon and decreasing by 2s. to 22s. in the fifth year, at which time the price structure will be reviewed.

Thus, it would appear that the major portion of the United Kingdom's annual quota of 5,000 tons of concentrated orange juice will be manufactured in Jamaica. The construction of the new processing plant at Bog Walk is expected to be completed by mid-July, and should be one of the most modern of its kind in the Caribbean.

Growers will be paid 5s. a box for fruit used in the manufacture of juice, and it is hoped to maintain this figure despite the yearly decrease in the price of juice agreed upon in the contract. As by-products of the new plant, orange oil will be extracted and cattle feed made from the waste. In the course of time, other citrus products will be made, and even crops such as tomatoes, pineapple and guava may be processed.

Canadian Exports to Turkey Show Marked Increase in Past Year

Wheat was principal Canadian export to Turkey in 1949, valued at $8,783,984—Increased exports from Canada to Turkey dependent upon higher Canadian imports of Turkish goods—Compensation or barter trade played important part in Turkish external trade.

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

(One Turkish lira equals $0.3911 Canadian)

ISTANBUL, March 1, 1950.—Canadian exports to Turkey during the past year were substantially higher than in previous years, due in large part to the heavy purchases of wheat. These were rendered necessary to augment a very poor harvest, but improvements in agriculture should eliminate the necessity for such importations in future. Canadian statistics indicate that shipments to Turkey last year were valued at $14,121,436, compared with $2,011,983 in 1948 and with $2,228,820 in 1947. On the other hand, Canada purchased from Turkey last year goods valued at $1,207,000, compared with $1,063,551 in 1948 and with $2,671,771 in 1947.

Excluding the unprecedented imports of Canadian wheat, valued at $8,784,000, Turkey purchased goods valued at $5,337,000 from Canada in 1949, a total that compares favourably with those for the previous two years. Agricultural machinery and pit props, the procurement of which was made possible through the Economic Co-operation Administration, accounted for imports of $3,147,000 and $366,000 respectively, while purchases by the Turkish Government were valued at $9,308,000. Most of the remaining imports from Canada, valued at approximately $1,298,000, can be attributed to direct compensation trading. However, as a result of regulations imposed last June, restricting compensation trading, it is expected there will be some reduction in purchases during the current year.

The acceptance by Turkey in principle of the OEEC trade liberalization policy indicates a tendency to return to "free" multilateral trading. However, it is doubtful whether Canadian exports to Turkey can be developed while Canadian imports from Turkey remain so small.

Canadian Exports to Turkey*

	1946	1947	1948	1949
Government Purchases and ECA Supplies—				
Agricultural machinery and spares	$ 985,974	$ 96,595	$ 1,391,405	$ 3,147,318
Pit props of wood	......	......	......	366,391
Wheat	......	......	......	8,783,984
Engines and boilers	......	......	234,215	513,883
Railway cars, coaches and parts	......	1,225,340	......	10,068
Other Exports—				
Trucks	......	261,199	......	206,069
Cars and parts	......	6,921	61,616	538,165
Rubber and manufactures	141,652	184,427	39,187	53,354
Refrigerators and ice-making machinery	......	......	20,818	128,220
Typewriters	......	29,014	......	57,860
Stoves, lamps and parts	......	4,320	11,881	30,687
Copper and manufactures	3,400	34,628	......	60,971
Lead and manufactures	105,923	84,640	......	5,738
Synthetic resins	......	......	29,237	63,296
Fountain pens and pencils	198	55,365	33,797	32,006
Others	380,916	246,371	189,827	123,426
Total	$ 1,618,063	$ 2,228,820	$ 2,011,983	$14,121,436

* Dominion Bureau of Statistics.

Turkey—Sultanahmet Square, with Aya Sofia Mosque, Istanbul.

Compensation or barter trade played an important part in Turkey's foreign trade, especially during the first part of the year. Since direct compensation is not allowed with countries with which Turkey has trading agreements, and since it allows commodities to be sold at high prices in Turkish currency, recourse to what is known as "compensation tri-partite" was very common. This type of transaction involves the nominal export of goods to a non-agreement country, and the import of the counterpart goods from the same country. However, the ultimate destination of the Turkish goods and origin of the counterpart imports is a country with which Turkey has a trading agreement. This awkward kind of transaction is made simply to accede to, or avoid, the Turkish regulations. Of chief interest to Canada is the volume of exports which nominally went to Canada, but which actually remained in the United States. This will be clearly evident from the fact that official Turkish statistics show exports to Canada for the eleven months ending November at approximately

Canadian Imports from Turkey*

	1946	1947	1948	Jan.-Nov. 1949
Figs, dried	$1,063,686	$ 292,991	$ 169,079	$ 115,328
Raisins	179,894	1,935,475	......	......
Nuts	430,822	322,075	442,308	855,944
Seeds	7,648	......	......	4,612
Tobacco, unmanufactured	102,337	75,941	131,928	105,430
Furs	......	......	27,455	......
Carpets, oriental	19,406	23,260	440	937
Chrome ore	64,685	......	46,429	25,628
Wool, raw	......	......	6,600	31,738
Acids	......	5,427	10,104	......
Sponges of marine production	......	......	......	4,043
Dyeing and tanning materials	10,555	14,645	1,426	......
Old coins, stamps, trophies	......	......	200,000	......
Settlers' effects	......	......	22,000	......
Others	1,466	1,957	5,782	5,218
Total imports	$1,880,499	$2,671,771	$1,063,551	$1,148,878

Note—Canadian imports for 1949 totalled $1,207,000. * Dominion Bureau of Statistics.

$9,110,000, or £T25,516,000, whereas Canadian statistics show imports from Turkey for the same months at $1,148,878. The strong demand for American type luxury goods, coupled with the decrease in compensation dollar availability following the restrictive measures, has caused the compensation dollar rate to climb from about £T3.90 in January, 1949, to about £T5.10 at the end of December.

Turkey had a trade deficit in 1949 for the third consecutive year, amounting to £T119 millions, which was a real improvement over the 1948 deficit of £T219 millions. The improvement was made possible by increased exports, fostered by German and Greek drawing rights and heavy compensation trading, which enabled Turkey to get rid of goods normally slow to move. To meet payment of the trade deficit, Turkey was assisted by ECA loans and her drawing rights on other countries. Although the excess of visible imports is not of serious proportions, the deficit on invisible imports is high. Figures for the full year are not available, but it is understood that for the first six months the deficit, including shipping, insurance, commissions and servicing of foreign debts, amounted to the equivalent of $65.1 million.

Imports into Turkey, by Countries

	1949 Amount £T	Per Cent	1948 Amount £T	Per Cent	1947 Amount £T	Per Cent
	(In Thousands of Turkish Liras)					
United States	164,343	20.3	179,021	23.2	228,311	33.3
Great Britain	139,997	17.3	187,292	24.3	85,988	12.6
Czechoslovakia	62,272	7.7	41,462	5.4	33,678	4.9
France	44,841	5.5	32,720	4.3	15,860	2.3
CANADA	42,395	5.2	5,757	0.7	500	0.1
Italy	40,884	5.0	69,374	9.0	95,658	14.0
Germany (Trizone)	31,780	3.9	5,564	0.7	182	0.0
Sweden	29,717	3.7	21,537	2.8	21,054	3.1
Austria	29,251	3.6	11,604	1.5	2,024	0.3
Australia	25,935	3.2	18,291	2.4	18,343	2.7
Netherlands	21,076	2.6	17,604	2.3	6,498	0.9
Switzerland	17,552	2.2	26,743	3.5	26,784	3.9
Hedjaz	17,508	2.2	14,194	1.8	6,212	0.9
Iran	16,070	2.0	8,597	1.1	184	0.0
Poland (Danzig)	14,494	1.8	2,350	0.3	202	0.0
Belgium and Luxembourg	12,889	1.6	15,365	2.0	21,455	3.2
Others	101,612	12.2	112,674	14.7	122,070	17.8
Total	812,616	100.0	770,149	100.0	685,000	100.0

Exports from Turkey, by Countries

	1949 Amount £T	Per Cent	1948 Amount £T	Per Cent	1947 Amount £T	Per Cent
	(In Thousands of Turkish Liras)					
United States	99,168	14.3	119,630	21.7	125,603	20.1
Germany (Trizone)	111,859	16.1	21,101	3.8	940	0.1
Great Britain	85,604	12.3	81,109	14.7	102,526	16.4
Czechoslovakia	55,752	8.0	38,598	7.0	35,222	5.6
Greece	52,392	7.6	29,697	5.4	27,234	4.3
France	36,215	5.2	31,467	5.7	28,161	4.5
Egypt	31,512	4.6	35,191	6.4	30,576	4.9
CANADA	26,367	3.8	4,828	0.9	2,044	0.4
Netherlands	23,548	3.4	10,257	1.9	5,281	0.8
Austria	23,181	3.3	14,393	2.6	2,455	0.4
Switzerland	14,308	2.1	18,435	3.3	24,430	4.0
Sweden	13,213	1.9	18,285	3.3	16,243	2.6
Palestine	12,987	1.9	23,612	4.3	46,442	7.4
Poland (Danzig)	11,926	1.7	2,733	0.5	......	....
Italy	11,256	1.6	35,370	6.4	66,199	10.6
Others	84,622	12.2	66,332	12.1	111,888	17.9
Total	693,910	100.0	551,038	100.0	625,244	100.0

Imports into Turkey, by Commodities

	1949 Amount £T	1949 Per Cent	1948 Amount £T	1948 Per Cent	1947 Amount £T	1947 Per Cent
	(Tn Thousands of Turkish Liras)					
Machinery	174,019	21.4	136,208	17.7	72,262	10.5
Iron and steel (all kinds)	87,155	10.7	74,994	9.7	70,272	10.3
Cotton textiles	62,797	7.7	43,750	5.7	29,400	4.3
Fuels and mineral oils	61,781	7.6	80,020	10.4	118,229	17.2
Wool, hair (bristle) and their yarns	49,819	6.1	44,171	5.7	34,238	5.0
Cereals, grains and their products	40,973	5.5	4,125	0.5	219	0.0
Cars, trucks, buses, etc.	37,833	4.6	41,236	5.3	54,461	8.0
Trees, coal, timber and wood products	36,259	4.4	21,222	2.8	4,722	0.7
Rubber and rubber products	22,333	2.7	22,018	2.9	18,074	2.6
Paper and paper products	19,491	2.4	18,608	2.4	16,976	2.5
Optical and technical instruments, apparatus, their parts, other instruments	19,039	2.3	24,083	3.1	14,290	2.1
Cotton yarn	17,179	2.1	34,946	4.5	51,648	7.5
Alkalines	16,577	2.0	18,995	2.5	16,113	2.3
Paints	16,156	2.0	17,084	2.2	16,952	2.5
Ships and aircraft	15,417	1.9	19,703	2.6	20,087	3.0
Coffee, cocoa, tea	14,433	1.8	14,022	1.9	14,730	2.2
Drugs and chemicals	12,724	1.5	15,365	2.0	14,777	2.2
Copper and alloys	10,501	1.3	12,981	1.7	9,079	1.3
Sugar and its products	8,479	1.0	13,069	1.7	......	0.0
Porcelain and chinaware	7,573	0.9	6,286	0.8	5,786	0.8
Others	82,078	10.1	107,263	13.9	102,688	15.0
Total	812,616	100.0	770,149	100.0	685,003	100.0

Exports from Turkey, by Commodities

	1949 Amount £T	1949 Per Cent	1948 Amount £T	1948 Per Cent	1947 Amount £T	1947 Per Cent
	(In Thousands of Turkish Liras)					
Tobacco	259,714	37.5	173,472	31.5	182,118	29.1
*Fruits	114,472	16.5	85,396	15.4	103,085	16.4
Cotton	76,024	11.0	33,745	6.1	30	0.0
Cereals and grains and their products	34,703	5.0	51,868	9.4	159,522	25.3
Livestock	32,500	4.7	16,633	3.0	26,530	4.1
Other common metals (mainly chrome)	32,138	4.6	26,462	4.7	15,221	2.4
Vegetal products	23,836	3.5	23,693	4.3	22,406	3.4
Grains (seeds)	23,177	3.3	37,510	6.8	14,273	2.2
Fat, butter	12,657	1.8	14,638	2.7	9,738	1.4
Skins	12,588	1.8	15,532	2.8	11,532	1.7
Plants, flowers, vegetal material and rejects	8,762	1.3	10,211	1.9	10,949	1.7
Materials and products of animal origin	8,539	1.2	7,558	1.3	7,306	1.1
Copper and alloys	7,902	1.1	1,719	0.3	5,829	0.9
Wool, hair (bristle) and their yarns	7,638	1.1	5,851	1.2	5,834	0.9
Fish	5,827	0.8	6,399	1.2	6,493	0.9
Oils	5,431	0.8	10,716	2.0	733	0.1
Trees, coal, timber and wood products	4,544	0.6	5,800	1.1	12,633	1.9
Meat, food of animal origin	3,298	0.5	4,539	0.8	1,045	0.2
Lead and alloys	2,831	0.4	......	....	......	....
Skins for the manufacture of furs	2,421	0.3	2,847	0.6	3,056	0.5
Others	14,908	2.2	16,449	2.9	26,911	5.8
Total	693,910	100.0	551,038	100.0	625,244	100.0

*Fruits—		
Dried figs	10,830	13,943
Dried raisins	46,281	28,427
Pistachio nuts	2,705	3,138
Hazelnuts (shelled and unshelled)	43,636	30,929
Walnuts	4,889	4,165
Others	6,131	4,794
Total	114,472	85,396

Total exports for 1949 of £T693·9 million represent a real improvement over the 1948 total of £T551 million. There was no significant change in the pattern of export commodities except in cotton fibre, which rose from 6·17 per cent of total exports to 11·0 per cent in 1949. On the import side the relative position remained about the same. An exception was cereal grains which accounted for 5·5 per cent of total imports, where before imports had been little or nothing.

The most significant change in the distribution of trade by countries in 1949 was the increase in exports to Germany to 16·1 per cent of the total, compared with 3·8 per cent for 1948. Corresponding percentages for exports to the United States were 14·3 per cent and 21·7 per cent. The percentages for Canada were 3·8 per cent for 1949 and 0·9 per cent for 1948, but the large increase is the result of "back door" compensation trading with the United States. The same held true to a lesser degree for imports from Canada at 5·2 per cent for 1949, compared with 0·7 per cent for 1948. Czechoslovakia continued in a prominent place, both as customer and supplier, taking 8 per cent of Turkey's exports and supplying 7·7 per cent of Turkey's imports for the year.

Devaluation Generally Considered Failure

Turkey emerged from World War II with credit balances of both dollars and sterling. During 1946, while goods were scarce, there was no difficulty in meeting foreign exchange commitments. In fact, action was taken to reduce exports to the sterling area because the sterling balance was considered too high. The devaluation of the Turkish lira in September, 1946, was effected largely because of large stocks of export products, which could not be sold at the then existing high prices. In view of the fact that prices subsequently rose almost commensurately, devaluation was generally considered a failure.

The agreements made in 1946 and 1947 and those which continued in force, notably with the United States and the United Kingdom, were in keeping with the idea of free multilateral trade. Reserves of acceptable foreign exchange dwindled, and after sterling was rendered inconvertible, it was no longer possible to conduct trade with so-called "free" currency. A policy was embarked on in 1948 of arranging bilateral trade agreements with European and neighbouring countries. The usual type of agreement involves the exchange of goods which may or may not be specifically listed, a record of the accounts being kept, usually in terms of United States dollars, by the central banks of the contracting parties. A maximum unbalance in accounts is usually stated and provisions made for a time limit to pay off the unbalance in goods, following which settlement must be made in acceptable exchange or gold.

Because of high Turkish prices, there were certain products like dried fruits, nuts and old crop tobacco, which were difficult to sell at fixed exchange rates, and a third method of trading was employed, i.e., compensation or barter. Compensation was allowed for certain specified goods with countries with which Turkey had no trading agreement. With the exception of the United States, these include the dollar area countries, among them Canada.

The decisions taken by the Turkish Government in 1949, which have had significant effect upon foreign trade, are as follows:

(*a*) Gradual curtailment of compensation trading with avowed object of its elimination. A Ministry of Commerce circular of June 30 reduced the number of compensation items from 247 to 42.

(*b*) Policy of holding the value of the Turkish lira at 2·80 to the United States dollar.

(c) General acceptance of the OEEC policy to free 50 per cent of trade between the participating countries, subject to reservations that the liberalization apply to a list of goods rather than across the board, and that higher credit ceilings be granted to Turkey by other OEEC countries.

Turkey—Sorting tobacco at Samsum. Tobacco was the principal Turkish export in 1949, representing 37·5 per cent of the total exports.

In summary, the regulations now provide for the following foreign trade transactions:

(1) Export against payment in convertible currency to any country. List of commodities covers all allowable exports.

(2) Export against payment in sterling for credit of Turkish account. List of commodities covers all allowable exports.

(3) Exports to "clearing" agreement countries.

(4) Compensation exports to countries with which Turkey has no trade agreement. List of goods is extremely limited. Of interest to Canada are only filberts and figs.

(5) "Déblocage" exports providing facilities for deblocking Turkish assets held by foreign companies or nationals.

The import regime currently in force divides import commodities into three lists, according to priority. As a large proportion of compensation items, being luxuries, appears in the third list, it is extremely difficult at the present time to obtain a compensation import licence for any commodity which will bear the 80 per cent premium on the cost of "compensation" dollars.

To illustrate the prominence of the "clearing" type agreements in Turkey's foreign trading, agreements were made in 1948 with the French Zone of Germany, Finland, Sweden, Poland, Italy, Belgium, Denmark and German Trizone. In 1949, agreements were signed with Norway, Greece and Hungary. The Swedish agreement of 1948, and agreements with Czechoslovakia, the Netherlands and Austria were amended and renewed. In addition to the trade and payments agreements, a transit agreement was signed with Iran on December 25, providing for through transportation facilities between Tabriz and Teheran to Turkish ports. Iranian exporters are given bonded warehouse facilities to simplify exports through Turkey.

Venezuela Willing to Purchase Sugar from Trinidad

Port-of-Spain, March 31, 1950.—(FTS)—The Venezuelan Consul General in Trinidad stated recently that his government, through the Agricultural Bank of Caracas, is willing to purchase 10,000 to 15,000 tons of Trinidad sugar annually at a price in the neighbourhood of U.S.$700,000.

Jamaican Sugar Industry Employing More Workers

Kingston, April 17, 1950.—(FTS)—During 1949 the sugar industry in Jamaica paid out £2,930,000 to the 41,000 workers employed during the crop season, which represented an increase of £330,000 over the previous year. The 1949 expansion is reflected in the comparable figure for 1948, when only 27,000 workers were employed during the crop season. What is equally noteworthy is the figure of 38,000 workers employed during the out-of-crop season in 1949, as compared with only 25,000 in 1948.

Likewise, the present total wage bill is a tremendous increase over that of 1938 when, it is estimated, less than half a million pounds sterling were paid to workers. Further, an index of the rise is that, on the sugar industry's method of computation, the 1938 shilling now is worth 2s. 7½d.

In spite of the current frequent work stoppages in the sugar industry, it is expected the present year's wage bill will be appreciably greater than during 1949.

Competition Related to Canadian Position as an Exporting Nation

Minister of Trade and Commerce compares experience of western farmer after First World War with that of industries at this time—Salesmanship essential if Canada is to hold its own in a buyer's market—Better balance in exchange of goods between countries sought.

CANADA is dependent for its prosperity upon exports to a greater extent than any other country, the value of its exports on a per capita basis being four times those of the United States and twice those of the United Kingdom. These observations were made by the Right Hon. C. D. Howe, Minister of Trade and Commerce, in the course of an address on May 5, 1950, to a dinner gathering of the Dominion Council of Foremen's Clubs, in Montreal. "I do not see how Canada can continue to prosper unless we can maintain our exports at something like present levels," he continued, "or until our growth in population can absorb a larger proportion of our expanding production.

"I am happy to say that Canadian industry is aware of this situation, and that complaints about competition from abroad in our domestic market are few and far between. Canada is giving leadership in the direction of removal of international trade barriers, and is doing so with the approval of the great majority of our people.

"The position of Canadian trade in competitive markets is largely the result of two world wars. When we look back upon the course of Canada's economic expansion, not only during the past eight or ten years but as far back as the outbreak of the First World War, we find that in this country the immense material costs that war had involved have been offset in part by the enlarging and diversification of our national economy which has resulted from war conditions. There can be no doubt that enlargement of our economy was bound to take place in any event, but probably comparative progress in that direction would have extended over a much longer period, had there been no wars.

Expanded Agricultural Economy Result of First World War

"The First World War resulted in a great expansion of our agricultural economy. The principal task of Canada on the civilian front in that war was to supply food. Prior to the First World War, there had been a great influx of settlers into our Prairie Provinces and the basis had been laid for an expansion of the economy of Western Canada, an economy devoted mainly to grain production, and more especially to wheat. Settlement had fanned out beyond the older areas of Manitoba, into Saskatchewan and Alberta. Settlers were in process of building their pioneer homes and breaking up raw land to be put into wheat and other grain crops. When war broke out in 1914, these settlers were producing more wheat than the markets would absorb, and in consequence a serious depression was affecting all of Canada.

"Disruption of the normal trade in cereals brought about a demand for food from Canada, and the stage had been well set to enable Canada to step into the breach. We have had no greater epic of quick action than that which took place on our Western farms from 1914 on. Prior to the war, the average acreage under wheat in the Prairie Provinces had been less than 9½ million acres. In the five years, 1915-19, that figure was raised to over 15 million acres. During the next five years, 1920-24, when European conditions were still badly upset, it was further increased to 20 million acres. Western Canada's average wheat crop went up from a prewar 175 million bushels to a wartime average of 228 million bushels, into a postwar average of 315 million bushels. Thus, in the ten years after 1914, Western Canada was able to establish itself firmly as a potent factor in the world wheat trade. Later, the time came when Western Canada had to fight, and fight hard, to hold the markets which it had gained, so largely with the aid of a wartime need.

"No industry in Canada has ever had to meet sharper competition than the western wheat growers had to face when the importing countries found themselves again in position to buy their wheat from many different sources. When that time came, our western farmer had to demonstrate his capacity to hold his ground against all-comers as a competitive producer. He had to meet trade barriers of every kind. Despite all that, the western grain grower held his ground. He was quick to adopt every means of improving his farming operations and of keeping his production costs down. He proved, beyond question, that he could compete in any market in the world where his product was given a chance to compete on a price-and-quality basis. My point is that Western Canadian agriculture got its impetus from the war and held that impetus through demonstrating its ability to weather tough competition in markets abroad.

Change in Industrial Structure Parallels that of Agriculture

"You may be wondering why I have dealt at length on the development of western agriculture during World War I and its aftermath. I have done so because there is something in the nature of a parallel with that situation and the story of what has happened to industrial Canada during and since the Second World War. It is difficult to measure the extent of the industrial progress in Canada since 1939. There are statistics that will enable us to make certain comparisons between, say, 1939 and 1949, comparisons of the numbers of persons employed in manufacturing, of the dollar values of the products produced, of the capital investment in manufacturing and so on. Such comparisons are impressive, but they convey little about the real story of what has actually happened in the starting of new industries, the making of new products and the opening up of jobs that call for entirely new skills.

"We have in this country an industrial structure that has been greatly changed and enlarged in recent years. Canada has definitely taken her place among the efficient industrial nations. From now on our ability to maintain a high level of national income will be bound up with our ability to maintain a high level of employment in industry. We have gained this new position as an industrial country largely through our civilian war effort during World War II. Let me repeat, Canadian industry would have made progress during the past ten years in any event, but it is scarcely open to question that that growth would have been on a smaller scale and with less diversification. We must not overlook the fact that we were able to take advantage of the absence of normal competition in the industrial world, and to build up industries in this country, with less resistance in getting a start, and with less difficulty in getting on their feet, than would otherwise have been expected.

"Again returning to our parallel, it may be taken for granted that Canadian industry, like Canadian agriculture in the Prairie Provinces, will be called upon to demonstrate its capacity to hold the ground that it has gained, with the return of more intensive competition. The world shortages of industrial products now have largely disappeared. Many of the countries whose economy suffered the greatest disruption during the war are getting back into production on better than prewar scale. We are coming into a period when the forces of normal peacetime industrial competition will again be asserting themselves. Canadian manufacturers will have to be prepared to meet this competition, both in our own home markets and in export markets. That means that our costs and our quality of product must be competitive with those of other countries. Our costs and quality are competitive now.

"I have no desire to over-emphasize the note of increased competition, or to make a bogey of it. It is only common sense to recognize that the circumstances of the past few years are changing. We are moving from a seller's market to a buyer's market, and better salesmanship is one of the pressing needs of industry today. My recent tour of Europe convinced me that markets are there for Canadian goods. It was evident to me that those Canadian firms that are selling in those markets abroad are the ones which are sending abroad their most capable salesmen. The very fact that selling has not been a problem to Canadian industry for the past ten years should be a warning that sales staffs must be overhauled and augmented if Canadian industry is to hold its own in a buyer's market.

World has Not Yet Completed Reconstruction

"In taking stock of our present situation, we must not side-step the fact that the world has not yet nearly completed its reconstruction. The structure of international trade is being held together by makeshift arangements, makeshift not in the sense that they are not good, practical arrangements, but rather in the sense that they are essentially temporary. Few countries have yet been able to make much headway toward freeing their foreign commerce from import, export and exchange restrictions. Actually, the progress that is being made in some countries in this regard is being largely offset by the increased extent and severity of restrictions in other countries. Not only that, our old aversion, the bilateral agreement, in its many different forms, is very much in the picture. I am afraid that the widespread use of bilateral agreements is not going to disappear, nor be much reduced, until unstable currency values and heavily unbalanced trade between different areas has been corrected to an extent that will assure the many countries using that trading system that they can give it up safely and with something better in sight.

"The only permanent remedy lies in a better balance in the exchange of goods between countries, and particularly between dollar countries and countries using other currencies. The solution rests in no small degree upon British and European success in finding increased markets in North America. How strongly they can compete will depend primarily upon themselves, but it will also depend heavily upon our readiness to open our markets to their production on terms that will give them something not far removed from equality of opportunity to compete with our own producers. In the past, with all our boasted faith in the competitive system, we have been more closely wedded to the principle of competition within our own borders than to the admission of competition from outside sources. If in future we intend to limit closely the degree of genuine competition that we will extend to the countries that are allied and associated with us, we cannot expect them to do otherwise. If in order to pursue protective domestic policies, for one reason or another, we set out to operate economies that are half competitive and half closed, we shall ourselves be shutting the door upon any expectation of achieving a world in which there will be expanding trade and expanding freedom of trade. We cannot go very far with a competitive system in which competition is afraid of its own shadow from abroad.

Five-Year Rehabilitation Plan in Norway Stimulates Industry

Capital investments during first four years estimated at 7,983 million kroner, 40 per cent of which derived from Norwegian balances abroad, 10 per cent from European Recovery Program and 50 per cent from capital accumulated by production —Mechanization on farms and in forests increases.

By S. G. MacDonald, Commercial Secretary for Canada

(Editor's Note—This is the third in a series of articles on economic conditions in Norway during 1949, prepared for reproduction in *Foreign Trade*. One krone equals $0.1540 Canadian.)

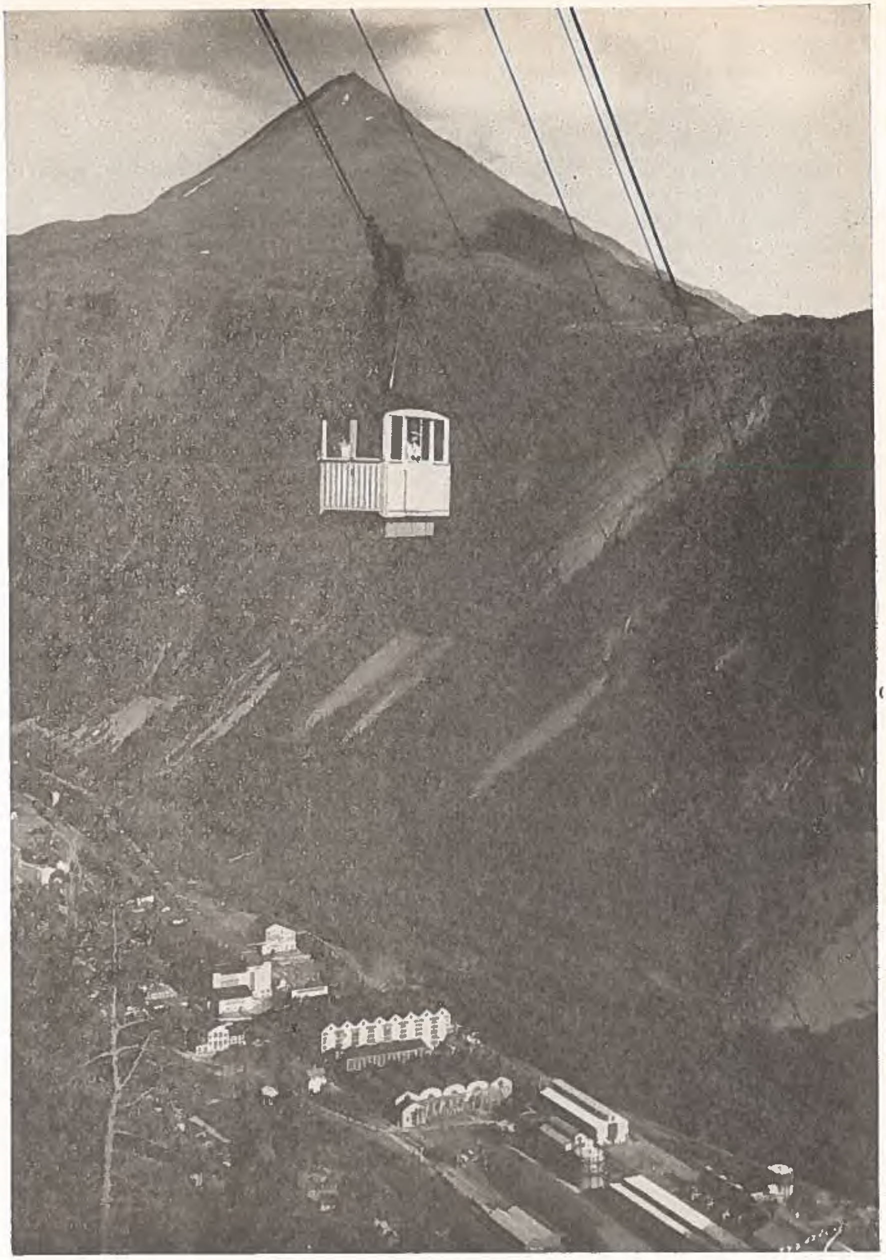
OSLO, March 15, 1950.—Plans for the rehabilitation of Norway, initiated shortly after the conclusion of hostilities in 1945, are being fulfilled. It was estimated that these would involve a net investment over a period of five years of between six and eight billion kroner, based on the value of the krone at that time. Despite many difficulties, including extraordinary expenditures on military preparedness, much progress has been achieved. Based on the present value of the krone, net capital investments during the four years, 1946 to 1949, are estimated at 7,983 million kroner, while gross investments were 15,674 million kroner. Of the net capital investments, 3,221 million kroner were provided from foreign exchange reserves and foreign loans, particularly from Sweden, the United States and Canada, while 816 million kroner were obtained under the European Recovery Program and 3,946 million kroner represented capital created by current production.

These figures indicate that 40 per cent of the total net investments was derived from a reduction in the Norwegian balances abroad, 10 per cent from gifts under the European Recovery Program and 50 per cent from capital accumulated from current production. Some 20 per cent of the gross investments was covered by a net reduction in balances held abroad, five per cent by sums provided under the European Recovery Program, and 75 per cent by domestic production.

The livestock population is lower than in 1939, but the quality of animals is better and the yields are higher, resulting in the provision of adequate supplies of milk and eggs. Meat, butter and cheese production is rapidly approaching prewar levels, although controls at the turn of the year, particularly on meat, remained stringent. The total area under cultivation is smaller than before the war, as a result of the tendency to abandon poor soil with a low yield in favour of more intensive farming operations on better soil. Mechanization is an important factor in this new trend, some 8,000 tractors being in use at the end of 1949, compared with 2,800 in 1938. Much capital has been invested during the postwar period in farm buildings, including cattle barns, silos and manure tanks.

Mechanization of Forest Industry Increases

Mechanization of forestry operations has also progressed rapidly, many of the power saws now in use for felling trees having been obtained from Canada. The construction of roads suitable for heavy motor traffic, thereby facilitating long-hauling operations, has proceeded on an extensive scale, though they are still far from adequate.



Norway—Nitrate factory at Rjukan. Krosso funicular railway rises to mountain plateau.

The fishing fleet is larger than before the war, and most of the new ships are bigger. Much of the fishing equipment has been made available in the last year or two, and the demand continues, especially for nets and winches. Canada has been an important source of supply for twine used in the manufacture of fishing nets. The whaling fleet has been fully restored, and the new factory ships have been provided with equipment that enables them to utilize the whale carcass to better advantage. The whale catchers, which accompany the factory ships, are more numerous and efficient. These factors, and the rise in prices, have brought a period of prosperity to the industry.

Production of Nickel, Aluminum and Ferro-alloys Higher

Heavy investments are being made in the nickel, aluminum and ferro-alloys industries, which showed increases in production last year over figures for 1948, and greatly in excess of those before the war. The production of aluminum at Aardal amounted to 24,000 tons in 1949, and iron production commenced.

The coal mines on Spitzbergen, the reconstruction of which has not been completed, produced an estimated 500,000 tons last year, approximately 25 per cent greater than in 1948. The erection of the new iron works at Mo, in the district of Rana, and the rehabilitation of the iron mines at Sør-Varanger, in the far north, are being actively prosecuted. Some years must elapse before the iron works are in production, and the output at Sør-Varanger reaches prewar levels.

The capacity of the cement industry was increased some 10 per cent in 1949, and it is anticipated that a nearly comparable quantity to prewar years will be available in 1950 for sale abroad. However, because of the extraordinary domestic demands created by the war situation, there is little yet available for export.

The capacity of shipyards in 1949 was also increased from 50,000 to about 60,000 gross tons, in addition to a 10 per cent increase in the capacity of the yards to carry out repair work. In the motor industry, there were expansions in 1949 of 10 per cent for new engines, and 20 per cent for spare parts and repair work. An important capacity increase of between 30 to 40 per cent was noted during the year in plants manufacturing cables and transmission lines. Plants engaged in production of drainage piping, wrought-iron nails, wire nails and special steel were also substantially enlarged, while a comparatively large plant for the manufacture of porcelain sanitary ware began operations during the year. This production will have an important effect on the serious shortages of such goods existing in Norway in the postwar period.

New Superphosphate Plant Completed

The nitrogen industry is now geared to produce 150,000 tons annually, as compared with less than 90,000 tons in 1948. A new superphosphate plant belonging to the Norske Zinkkompani has been completed and is now producing; the urea plant of Norsk Hydro is under construction and production is planned for later in the year; while the Odda Smelteverk is extending its production of carbide. The mineral oil refinery at Vallø, destroyed during the war, is now being rebuilt and should be in operation within a year.

Investments in the herring oil factories have expanded the capacity of the oils and fats industry by about 26,000 hectolitres per 24 hours, which is an increase of from 10 to 15 per cent. Much of this expansion took place in 1949. A new laboratory, dedicated to research in the better utilization of materials derived from the whale, is under construction.

Large investments have been made in the wood-refining industries to rationalize production, and to extend operations to new, more advanced stages of processing. Much new equipment has been purchased by this industry, and during 1949 there was a considerable increase in the installation of such equipment, resulting in a bigger per capita production by workers, as well as a betterment in the quality of the products. Important investments in this industry are expected to be continued for the next year or two at least.

The domestic textile industry has carried out only a modified plant extension in the postwar years, but during 1949 a textile printing plant was erected, which it is estimated will effect an annual saving in imports of some six million kroner. Construction commenced last year on a large Merino spinning mill at Bergen, which is expected to come into production about the middle of 1950.

Ninety-eight Kilometres of Railway Lines Electrified Last Year

The capacity of generated power in Norway has increased from about 2·15 million kilowatts in 1939 to about 3·04 million kilowatts in 1949, or an increase of about 41 per cent. During the four years 1946-49, new power plants producing a total of 576 thousand kilowatts were put into commission, of which more than one-fourth, including the new Hol Power Project, serving the city of Oslo, was brought into operation in 1949. Ninety-eight kilometres of railway lines were electrified last year, which is about 15 per cent of the total of 850 kilometres of railway lines electrified in this country. This latter amount, in turn, is just under one-fifth of the entire Norwegian railway system. One hundred and forty kilometres of main roads and 245 kilometres of local roads were extended to the road system during the past year, and 183 kilometres were paved during the same period. Despite stringent import restrictions, the number of motor vehicles at the end of 1949 was about the same as ten years earlier, but the majority of the equipment is still made up of prewar types and, consequently, the quality is greatly lessened.

Brazilian Firm to Make Paper from Sugar Cane Waste

Rio de Janeiro, March 22, 1950.—(FTS)—A contract was recently signed by a large sugar mill in Piracicaba, state of São Paulo, with a South African firm for the erection of a bagasse (sugar cane waste) paper mill.

India Receives Loan from International Bank

Washington, April 19, 1950.—(FTS)—The International Bank of Reconstruction and Development has made a further loan of $18,500,000 to India for the development of industrial resources of the Damodar River Valley, in the northeastern section of the country. An organization corresponding to the Tennessee Valley Authority, in the United States, has been established to carry out a unified scheme of projects in this rich mineral and industrial region that will cost an estimated $142,000,000.

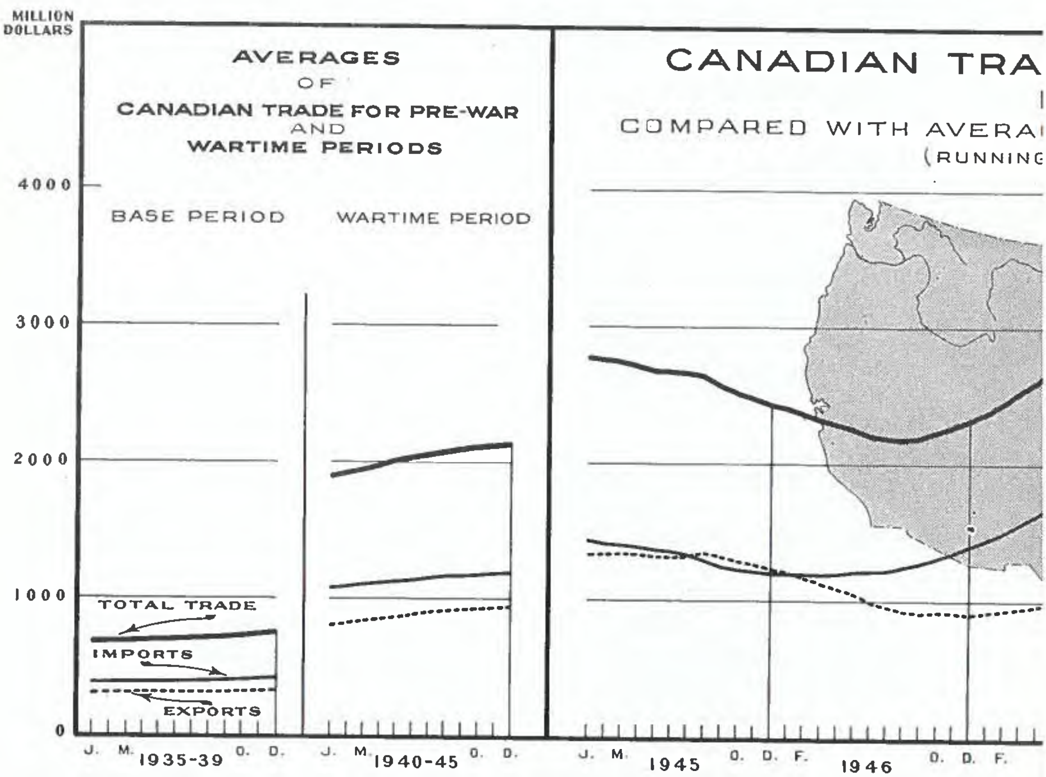
The first project will involve the construction of a large steam electric plant, a dam two miles long and the erection of 470 miles of electric transmission lines, the aggregate cost of which is estimated at the equivalent of $53,000,000. The recent bank loan will provide for the purchase of power house equipment, construction equipment for the dam, accessories for transmission lines and equipment for sub-stations. India will provide the balance required from her own financial resources.

The International Bank of Reconstruction and Development provided a loan of $34,000,000 last August for railway reconstruction and development in India, and in September made a second loan of $10,000,000 for the improvement of agriculture.

CANADIAN TRADE

Imports

Commodity	Twelve Months Ended February					
	1938		1949		1950	
	Value $'000,000	Per Cent	Value $'000,000	Per Cent	Value $'000,000	Per Cent
Agricultural and Vegetable Products	45·3	9·3	116·7	6·4	148·5	7·7
Animals and Animal Products	11·9	2·4	46·6	2·5	50·7	2·6
Fibres, Textiles and Textile Products	37·3	7·6	121·8	6·6	130·3	6·7
Wood, Wood Products and Paper	27·7	5·7	68·6	3·7	81·9	4·2
Iron and Its Products	172·4	35·2	724·2	39·5	783·1	40·4
Non-Ferrous Metals and Products	31·2	6·4	110·8	6·0	123·0	6·4
Non-Metallic Minerals and Products	105·4	21·5	451·5	24·6	379·1	19·6
Chemicals and Allied Products	22·5	4·6	108·7	5·9	115·2	6·0
Miscellaneous Commodities	35·4	7·2	83·6	4·6	124·3	6·4
TOTAL	489·1	100·0	1,832·6	100·0	1,936·0	100·0

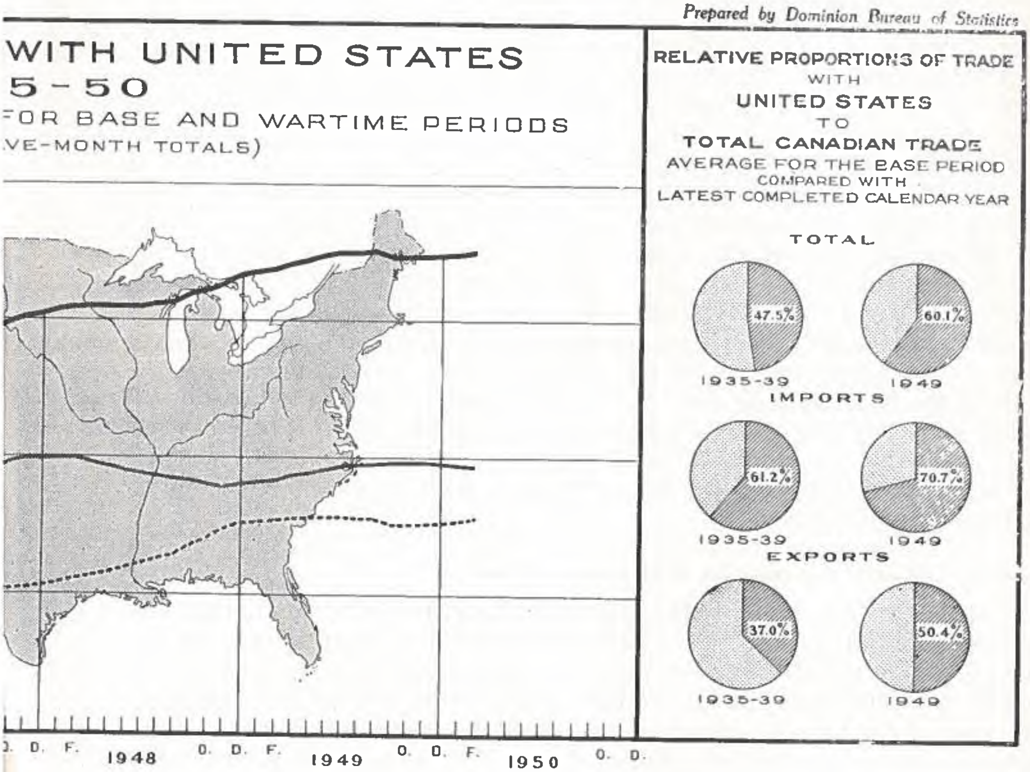


TH UNITED STATES

Exports

Commodity	Twelve Months Ended February					
	1938		1949		1950	
	Value $'000,000	Per Cent	Value $'000,000	Per Cent	Value $'000,000	Per Cent
Agricultural and Vegetable Products	35·2	10·3	143·2	9·4	170·7	11·1
Animals and Animal Products	44·5	13·0	221·9	14·6	210·6	13·7
Fibres, Textiles and Textile Products	2·2	0·6	16·6	1·1	11·2	0·7
Wood, Wood Products and Paper	173·5	50·5	752·3	49·4	731·8	47·5
Iron and Its Products	7·1	2·1	98·4	6·5	106·8	6·9
Non-Ferrous Metals and Products	43·2	12·6	177·2	11·6	198·8	12·9
Non-Metallic Minerals and Products	18·2	5·3	59·1	3·9	53·8	3·5
Chemicals and Allied Products	9·4	2·7	33·5	2·2	37·0	2·4
Miscellaneous Commodities	10·1	2·9	21·7	1·4	19·7	1·3
TOTAL	343·4	100·0	1,523·9	100·0	1,540·4	100·0

Prepared by Dominion Bureau of Statistics



Agricultural Output and Income in Colombia Set Records Last Year

Steady progress maintained throughout 1949—Increase mainly result of government measures to encourage domestic agriculture—Best postwar year experienced by banana industry—Price of coffee reached all-time high—Cattle population has nearly doubled in past decade.

By W. Ross Van, Assistant Canadian Government Trade Commissioner

(Editor's Note—This is the second in a series of articles on economic conditions in Colombia during 1949. One peso equals $0.5641 Canadian.)

BOGOTÁ, April 11, 1950.—Steady progress was recorded by agriculture in Colombia throughout 1949, both production and income establishing new peaks. This increase in local agriculture was mainly the result of two measures adopted by the government. Law 90, which was further defined by Decree 206 of February 4, 1949, named some sixty domestic raw materials which manufacturers in this country were required to use before import licences were issued to purchase such materials abroad. Local productions are to be fostered and increased from the proceeds of a new tax on imports of raw materials and exports of bananas, rice, potatoes, etc.

The government actually tried to expand its exports as a means of increasing her purchasing power in foreign exchange and, as a consequence, make the country less dependent upon its principal export, coffee. However, it was difficult to find markets for surplus crops owing to the lack of uniformity of quality, to the high cost of internal transport, and to the high prices demanded which were out of proportion to those of world market prices. Surplus products include bananas, potatoes, rice, corn and sugar.

Colombia fortunately had a very good year as far as weather was concerned, and consequently had an excellent harvest. Acreage, as well as production capacity per acre, was increased due to the use of new methods, including mechanized equipment and fertilizers. The government has done a great deal along these lines by encouraging and assisting the farmer in obtaining a better productive capacity, not only by instruction but by placing machinery at his disposal at prices very near to cost. During the latter part of 1949 a loan was obtained from the International Bank for Reconstruction and Development amounting to some US$5,000,000. This loan is to be administered by the Caja de Crédito Agrario, and is to be used mainly for tractors, combines, and other complementary agricultural implements.

Banana Industry Experienced Best Postwar Year

Bananas—Regardless of the fact of falling prices in the United States market, coupled with the increased cost factor in Colombia, principally due to the combating of the sigotoka disease, and the destruction of nearly 2,000,000 stems during the latter part of this year by bad weather, the Colombian banana industry experienced its best postwar year. Six million stems were produced during the year, in comparison to approximately four-and-a-half million in 1948. The bulk of exports were destined for the United States and were handled by the United Fruit Company. Other principal shipments were made during the year to Sweden, Belgium and Germany.

There was a notable increase in the banana acreage in the principal growing area surrounding Santa Marta on the Caribbean Coast of roughly 2,000 acres, bringing the overall cultivation to approximately 40,000 acres. There is a definite interest in the further expansion of the banana acreage, not only in the Santa Marta area but in other areas capable of producing, but again it will be necessary to seek foreign financial assistance to do so. The United Fruit Company is the principal foreign producer in the Colombian market. There are some independent exporters, many of whom, during the previous banana shortage, took advantage of the situation and were exporting bananas of a low grade. These people are gradually being weeded out with the increased production of bananas and lower prices.

Price of Coffee Reached All-time High

Coffee—During 1949 the price of coffee reached an all-time high. This was brought about principally by the poor coffee crop in Brazil, as well as diminishing stocks in coffee-growing countries, which, as a consequence, led to a slight panic. A steady increase in world consumption of coffee, together with the fear of shortage, was also a reason for the actual price rise. The National Federation of Coffee Growers' figures gave the total value of Colombia's coffee exports during the year 1949 as 472,438,340 pesos, as against 412,128,028 pesos during 1948. During 1948, Colombia exported 5,587,535 sixty-kilo sacks of coffee, as opposed to 5,409,653 sacks during 1949. However, in spite of this decrease in actual exports, the peso increase over the previous year amounted to sixty millions. The average dollar price per pound for the years 1947, 1948 and 1949 was approximately $0.30, $0.32 and $0.37 respectively. The highest point coffee reached during 1949 was US$0.56 per pound. In so far as Colombia was concerned, the actual decrease in exports for 1949 over the previous year could be attributed to transportation difficulties. During the latter part of 1949 bad climatic conditions clogged up normal road transport from the interior and coffee producing areas. Precedence was given to the sugar producers as soon as transportation returned to normal. The sugar producers had a time contract to fill, and as a consequence managed to secure preference. Information available would indicate that the production of coffee over the next several years will increase by approximately 3 per cent per year, assuming climatic conditions to be favourable.

Corn—The estimated yield for 1949 was stated to be approximately 645,000 metric tons, as opposed to 635,000 metric tons during 1948.

Increased Cotton Production Encouraged

Cotton—Colombia still is an importer of cotton, mainly owing to the fact that the cotton production has as yet not been able to keep pace with the rapidly expanding textile industry of this country. However, under the auspices of the National Cotton Institute it is anticipated that production will be increased. During the year 1949, approximately 6,500 metric tons were imported, as opposed to 6,000 metric tons during 1948. This increase was principally due to severe insect damage in a portion of the cotton growing areas. New cotton planting is under way in the departments of Bolivar and Tolima, and farmers are now being encouraged to grow cotton as the result of a government guarantee of 2·30 pesos per kilo for high grade. As a consequence, these farmers, who formerly considered the growing of cotton as a non-profitable risk, are now encouraged to produce it.

Fique Fibre—Although production figures are not available, it is considered as one of the substantial agricultural yields of Colombia and at the moment demands a very good price in the domestic market, which will undoubtedly result in further expansion in production. Much of it is used for making sacks for coffee exports.

Cattle Population Has Nearly Doubled in Decade

Livestock—Over a period of ten years the cattle population has practically doubled, although the number of head of cattle in 1948 was approximately 14,500,000, with little increase for 1949. Actually in some areas in Colombia the number of cattle is decreasing, but this is counter-balanced by an increase in the areas of central Colombia. Slaughter and consumption show only a slight edge over 1948, the approximate figures being: 1948, 1,375,000 head; 1949, 1,400,000 head.

Small numbers of cattle have been imported from Europe and the United States during 1949 for breeding purposes, but none from Canada. In all, the importations of cattle for breeding purposes during the year were far below normal, owing principally to Colombia's difficult exchange position.

The official figures given for the export of livestock during 1949 amounted to 40,000 head, and exports were directed to Venezuela, Panama and the Caribbean Islands. On the other hand, legal exports were reported by the Livestock Association as being only 6,523 head. The difference between the official and legal figures consists of contraband, particularly to Venezuela. It would appear the reason for this is that cattle sold and exported legally yield dollars at the official exchange rate, whereas contraband cattle yield dollars at the unofficial rate, considerably higher than the official rate.

Potatoes—Owing to a frost blight in the higher altitudes there was no noticeable increase in the potato crop of 1948, which amounted to approximately 480,000 metric tons.

Rice—Unofficial estimates give the production of rice for the year 1949 as approximately 130,000 metric tons, giving a small exportable surplus. A total of 1,200 metric tons was sold during the course of the year to Venezuela and Jamaica.

Production of Rubber Encouraged by the Government

Rubber—The rubber yield in this country is now estimated at about 200 metric tons per year. As a result of a national government program which guarantees the market for domestic rubber yield at relatively high prices, it is estimated that during the year 1950 an increase of approximately 50 per cent will be made in the output. Even with the production increased to this extent, Colombia will still have to import about 90 per cent of the rubber required by domestic manufacturers of rubber products. The cost of producing rubber here is, of course, out of proportion to the actual cost of importing rubber, especially from the Far East. As another means of encouraging local production, the Government of Colombia has entered into agreement with the various national manufacturers of rubber products whereby all consumers of raw rubber will pay to the Ministry of Commerce and Industries a special tax of three centavos for each kilo of rubber imported. The proceeds are to be turned over to the Agricultural Credit Bank which is the administering agency for the rubber development program. As a rough estimate, it is considered that 80,000 pesos per year will be made available to provide financial support necessary for the rubber plantation program. Owing to the rapid increase in the rubber industry over the past several years, the government realizes the necessity of protecting and building up the production of rubber in this country in order to conserve foreign exchange which would otherwise have to be used for imports in order to keep the industry going.

The approximate amounts of rubber consumed during 1949 were as follows: 200 metric tons of domestic wild rubber, 100 metric tons of reclaimed rubber from United States, 50 metric tons of synthetic rubber from United States, 2,500 metric tons of imported natural rubber, 150 metric tons of liquid latex, of which about 80 per cent comes from the United States, the remainder being of domestic production.

Sugar (Granulated)—An increase of 30 per cent over the year 1948 was shown as the estimated sugar production. It is estimated that approximately 108,580 metric tons was the yield for the 1949 crop. It is believed that the exportable surplus will be in the vicinity of 10,000 metric tons, and it is reported that a shipment of 9,000 metric tons has already been sold to the Western Zone of Germany.

Tobacco—Colombia's production of dark leaf tobacco is sufficient to meet the heavy demands of the local tobacco manufacturers and at the same time leave a small exportable surplus. The only types of tobacco imported into Colombia are some special types for blended cigarettes and cigars, but only in small quantities. Although the actual figures for tobacco production in 1949 are not yet available, it is estimated that there will be an increase of 5 per cent over the 19,800 metric tons yielded in 1948.

Tobacco is principally grown on small farms in the Departments of Santander, Bolivar, Tolima and Valle de Cauca. Principal export markets, for which figures are not available, are mainly to Northern Europe.

Output of Wheat Establishes Record

Wheat—The year 1949 apparently proved to be a record year in the production of wheat, with preliminary harvest figures at 120,000 metric tons, roughly opposed to 118,000 metric tons the previous year. A substantial drop from 1948 was shown in the importation of wheat and flour as indicated:

Imports into Colombia of Wheat and Flour

	Wheat	Flour
	(Metric tons)	
1949	6,700	6,600
1948	26,000	13,400

However, reduction in imports of wheat and flour during this period cannot in any way be laid to the lack of demand but rather to the government restrictions on importation requiring the approval of the Minister of Commerce and Industry.

Importations of wheat and flour were not made in the majority of cases until shortages became so acute that mills in the coastal areas would otherwise have had to cease operations. These mills rely almost entirely on imports due to the high costs and difficulties of transportation from the interior, whereas the greater part of wheat milling in the central areas is supplied by domestic production.

The prices of both domestic wheat and milled flour were maintained abnormally high in comparison to world levels due to the shortage, particularly in the interior. During the last quarter of 1949 the onus of importing wheat was given to a newly organized body called the "Federation of Millers".

From the approximate import figures given for the year 1949, it can readily be seen that the actual domestic production, together with importations of both wheat and flour, were not adequate to meet the estimated consumpion. A small tax was levied on wheat and flour for the purpose of using the proceeds for the improvement and increase of local wheat production. The whole question has arisen again as to the handling of importations of wheat and flour, and it would appear that Instituto Nacional de Abastecimientos, which was formerly responsible prior to the taking over by the Federation of Millers, may now share the privilege of importations of foreign wheat, among which Canadian No. 1 Northern enjoys a strong preference.

Barley—From unofficial sources, increase in production of barley for the year 1949 was approximately 1,000 metric tons. The harvest figures obtained for 1949 amounted to some 30,000 metric tons. The bulk of barley is used in the brewing industry in Colombia, which in itself is a tremendous industry. Beer in Colombia is consumed by the majority of the population. There was a notable increase of 60,000,000 litres in the approximate production figures as shown: 1949, 250,000,000 litres; 1948, 190,000,000 litres.

Western Germany Had Increased Deficit Of Commodity Foreign Trade Last Year

Adverse balance totalled $1,114 million, an increase of $252 million or 29 per cent over the deficit in 1948—Increased purchases from OEEC countries and large receipts of grain and foodstuffs from United States account for abnormally high deficits.

FRANKFURT AM MAIN, March 9, 1950.—(FTS)—Western Germany had a commodity foreign trade deficit last year of $1,114 million, which is an increase of $252 million or 29 per cent over the deficit in 1948. The heaviest deficit period was in the fourth quarter of 1949, with that in December being particularly large. These abnormally high deficits are attributed to an increase in imports from the OEEC countries, and to large receipts of grain and other foodstuffs from the United States. Imports last year had a value of $2,237 million, while exports were valued at $1,123 million. The import total represents an increase of 43 per cent over that of the previous year, while the export total was 60 per cent higher.

Although the year's trade statistics reveal considerable changes in Western Germany's trade relationship, progress toward the long-term objectives was unsatisfactory. In common with other Western European nations, the Federal Republic must achieve a substantial expansion of exports to the dollar area, and to the United States in particular, over the next three years. There has been no marked improvement in this direction during the year.

There was only a slight reduction in Western Germany's dependence on foreign aid to maintain its living standards. More than 90 per cent of imports from the United States were paid from ECA and other foreign funds. The cost of imports from the United States reached approximately $825 million, and was mainly expended on wheat, maize, raw cotton, edible fats and oils, tobacco, non-ferrous metals and a wide range of essential miscellaneous products.

On the other hand, commodity exports to the United States amounted to only $47·4 million, and included $11·7 million for non-recurring exports of steel scrap. To be added to the total United States export figure, however, are invisible exports such as charges for port services, tourist and businessmen's expenditures, services for occupation personnel and remittances from the United States. The total for invisible exports is not yet available.

Trade with the total sterling area in the past year resulted in a $20 million deficit with that area. West German exports to the United Kingdom reached $102 million, while imports amounted to only $53 million. West German exports to Great Britain consisted mainly of ferrous and non-ferrous metals, timber, cement and cotton cloth. Considerable adverse balances were recorded with such sterling-area countries as Australia, New Zealand and Ceylon, these countries being sources of raw materials.

Trade with Eastern Europe and South America Increased

Large increases in trade occurred over the past year in West German trade with Eastern Europe and South America. Exports to Eastern European countries from Western Germany increased from $10·2 million in the year's first quarter to $26·8 million in the fourth quarter. During the year, imports from Eastern Europe rose from $20·2 million to $38·8 million. Particularly striking was the increased trade with Yugoslavia and Hungary.

The value of foreign aid imports reached $975 million (preliminary estimate) in 1949, against approximately $1,051 million in 1948.

The 60 per cent rise in Western Germany's exports was accompanied by a trend toward the prewar commodity pattern of export trade. Solid fuels (coal and coke) remained an important part of the country's exports, but dropped, however, from 41 per cent of the total 1948 exports to 30·7 per cent, or 22,675,800 tons, valued at $344·5 million, in 1949. Exports of manufactured goods rose sharply during the year, but are, according to Office of Economic Affairs of the High Commissioner for Germany, "still unsatisfactory in relation to the productive capacity of the country and the predominant role these goods played in the prewar composition of exports". The monthly rate of exports of machine tools, machinery, electrical products, vehicles, and iron and steel manufactured goods rose 100 per cent in the United States and United Kingdom zones. Although there was an appreciable drop during the last three months of 1949 in exports of cotton cloth, the year's exports of this commodity alone amounted to $47·6 million.

Western Germany's increased imports from neighbouring countries provided a wide new variety of goods for sale in the country, and also was an important stimulant to intra-European trade. Germany's exports to European countries did not increase as much as imports, however. This is attributed to import licensing restrictions still existing in other countries, the German demand for various consumer goods available only by importing and the normal delay in filling orders for German manufactured goods for export compared with the immediate availability of raw materials from abroad.

Trade Fair Planned in Elizabethville

Leopoldville, April 8, 1950.—(FTS)—The Chamber of Commerce and Industry of Katanga is organizing an International Agricultural, Commercial and Industrial Fair, which will be held in Elizabethville, Belgian Congo, from August 12 to 21. The occasion will be the 50th anniversary of the founding of the Comité Spécial du Katanga.

Philippines Introduce Long-Term Agricultural Development Plan

Aim is to augment production of foodstuffs and to reduce adverse balance of trade—Estimated that $83·6 million will be spent overseas for fertilizers and equipment—"Production targets" set for 1954.

By F. H. Palmer, Canadian Government Trade Commissioner

(One peso equals 55 cents Canadian)

MANILA, March 15, 1950.—Long-term plans for the development of agriculture in the Philippines are being introduced to augment the country's food supplies and to assist in reducing the adverse balance of trade. It is estimated that an expenditure of 536·7 million pesos will be involved, and that a sum equivalent to $83·6 million will be spent overseas for the purchase of fertilizers and equipment. Consideration has been given to the financial requirements, and it appears likely that the government will approach the World Bank with respect to the dollar component. Local bond issues will probably be floated to raise the pesos necessary to implement the plan.

The master agricultural plan, which bulks large in the overall economic development program of the Philippine Government presents a dual objective. The first is to increase the production of food crops, principally rice and corn, livestock and fish, to the point where domestic needs can be more adequately met through local production, thereby reducing the expenditure of dollars for imported foodstuffs. The second objective of the agricultural plan is to rehabilitate and stabilize the production of

Production Targets

	*Quantity	Per cent increase over 1949
	Cavans	
Rice, rough	65,454,600	15.6
Corn	12,226,300	30.5
	Metric Tons	
Fruits and nuts	408,500	51.4
Root crops	626,100	18.5
Beans and vegetables	70,900	18.8
Coffee and cacao	7,000	57.0
Peanuts	12,000	25.4
Copra	721,200	3.3
Coconut oil (home-made)	3,900	30.1
Desiccated coconut	65,000	10.6
	Piculs	
Sugar	18,181,800	66.0
Abaca	2,826,900	84.8
Ramie	69,600	780.0
	Quintals	
Tobacco	810,000	84.8
	Head	
Carabaos	3,386,100	97.0
Cattle	1,057,200	72.4
Horses	324,730	77.0
Hogs	5,687,700	116.0
Goats	492,490	77.0
Sheep	36,880	42.0
Chickens	34,844,400	131.0
Other poultry	1,310,200	69.0

* 1 cavan equals 94.77 lbs.; 1 picul equals 139.40 lbs.; 1 quintal equals 101.38 lbs.; 1 metric tons equals 2,204 lbs.

"technical" or export crops, and to increase the inflow of dollars and other foreign currencies. These "technical" products include sugar, coconut and abaca.

The plan is a "long-range" scheme, and in it are set "production targets" which the experts hope can be attained by 1954.

Agricultural Areas to be Expanded

Experts in the Philippines apparently agree that the quickest route to increased production is through an extension of the utilization of suitable land for agriculture, particularly of such foodstuffs as rice and corn. While there generally is a slow increase of agricultural land under cultivation, this so-called "normal" rate of expansion is to be greatly accelerated. The rate will be expanded by the use of mechanized farming equipment and of modern methods of opening up and cultivating virgin areas, especially for rice and corn crops. An intensified campaign is also to be introduced in an effort to increase planting of fruits, root and other vegetables, as well as of "beverage" crops. The following table shows the crop areas it is hoped can be harvested in 1954 and the percentage increases over 1949 production:

Crop Area Targets

	Quantity Hectares	Per cent increase over 1949
Rice	2,380,000	10.0
Corn	1,018,900	11.8
Fruits and nuts	215,000	5.9
Root crops	180,000	4.4
Beans and vegetables	56,000	14.6
Coffee and cacao	56,000	6.4
Peanuts	21,500	15.6
Coconut	967,000	1.6
Sugar cane	230,000	78.3
Abaca	305,000	7.9
Tobacco	60,000	54.9
Ramie	2,000	326.0

Note—1 hectare equals 2½ acres approximately.

Methods Proposed to Increase Production

While the setting of the sights towards higher targets for agricultural production by 1954 is a necessary part of the plan, with the calculation of the new acreages required, the plan delves further into the additional steps which will have to be taken to ensure the achievement of the objectives. These additional steps aim principally at raising the yield per hectare, and improving the efficiency of individual farmers. The measures through which these objectives are to be reached include an improvement of existing irrigation systems, and the installation of portable irrigation pumps.

Attempts will be made to persuade farmers, especially those raising corn and rice, to replace inferior varieties of seed with newer, more prolific and more satisfactory types.

The wider and more efficient application and use of fertilizers is to be encouraged. Consideration is already being given to the establishment of a fertilizer factory in the Philippines. Attempts will be made to introduce crop rotation practices and green manuring.

The Philippines, like most tropical countries, always seem to have especially destructive insect pests. Such pests include locusts, the "army worms" and other pests which raise such havoc in rice and corn fields; the "cadangcadang" and bud rot disease that seriously threaten the entire coconut industry; and the "mosaic" disease which is a constant threat to the abaca industry. The new agricultural plan, therefore, includes measures to combat pests and diseases through more effective control schemes and methods.

During the course of centuries, certain areas of the Philippines have been more crowded than others. This has resulted, in good times, in bringing under the plough poor areas, marginal and sub-marginal. The plan advances a proposal to replace gradually such marginal and sub-marginal areas. The planned effect of these proposals will be to increase the overall production without necessarily increasing the area actually under cultivation. The plan recommends this proposal as having particular application to the production of sugar cane and abaca.

Since abaca is such an important export commodity, special plans are included regarding this product. Before the war, the Japanese had succeeded in operating large abaca plantations, especially in Mindanao, in the south. These plantations, together with others in the Bicol areas, Samar and Leyte, are reported to be in varied degrees of neglect and consequent deterioration. The plan includes recommendations concerning the rapid renovation and rehabilitation of such damaged plantations.

Increased Industrialization for Home Production Urged

The plan recommends the introduction of more modern driers to improve the quality of copra, and more efficient stripping machinery to improve abaca production. Finally, the agricultural plan of the Philippines urges industrialization for an increased utilization within the Philippines of the principal by-products of coconut, sugar and abaca. The desirability of opening paper and wallboard mills has already been studied.

Although the necessity for and the desirability of an aggressive and modern agricultural policy has long been recognized in the Philippines, there has been a noticeable tendency recently to advance the merits of industrialization. This has particularly been observed since the introduction of stricter import and foreign exchange controls in December, 1949. However, there is an important school of thought in the republic which believed that "industrialization" of itself would have no particular application in the Philippines, since the country basically is agricultural, and therefore its economic program must necessarily be planned from the agricultural base. From agricultural development and progress, principally, will come a natural industrialization. An increasing production of soap from the coconut oil, a weaving industry based on abaca and ramie, could develop from a rational rehabilitation of agriculture.

The National Economic Council recently stressed as prerequisites to agricultural rehabilitation and further development:

1. The provision of liberal credit facilities for farmers.
2. Co-ordination of existing organizations created to assist agriculture.
3. Development of a program, with the provision of adequate facilities to train agricultural fieldmen, who would try to solve or at least ameliorate ancient deficiencies in agricultural production and farm family living conditions.

The Council feels certain that the adoption of these three major aspects would form a policy which would facilitate the attainment of the five-year program.

It was recently announced that the Philippine Government had requested the United States to assign to the Philippines an agricultural adviser. This appointment was requested as a contribution by the United States to their program of co-operation in technical agriculture, similar to appointments made during the past two years to countries in the Western Hemisphere. The Philippine Government has also requested assistance of an advisory or technical character to combat plant diseases, analyse basic agricultural problems, and appraise the adequacy of present or contemplated agricultural services. It was also reported that these questions, with others, relating to the agricultural needs of the Philippines, would be discussed in conferences, to be held in April, between agricultural officers of the Philippines and the United States.

Two-Way Trade Featured by Canadian Exhibit at the British Industries Fair

Display illustrates important factors that should be considered in merchandising products in Canada—Establishment of branch plants in this country encouraged.

"CANADA—Your Market", is the invitation that will be extended to United Kingdom traders and manufacturers by the Canadian exhibit at the 1950 British Industries Fair, from May 8-19, in London. Emphasizing the theme, "Exports Pay for Imports", the Canadian display employs eye-catching animation and humourous three-dimensional drawings to tell the British exporter about the selling opportunities for him in Canada.

Two, six foot spirals of plexiglass, at the approach to the display, move upwards and downwards carrying miniature models of the products which Britain exports to Canada, and Canada exports to Britain. Carrying out this two-way trade theme, cables carrying symbolic packing cases reach from the plexiglass spirals, through maps of the world and of Britain, to the figure of a constable of the Royal Canadian Mounted Police, who straddles an outline map of Canada.

The ready markets in Canada for British exports of component parts, heavy engineering equipment, steel, primary products, coffee, spices, and citrus juices, among other commodities, are illustrated in a cartoon-style street scene which forms the back panel of the display. In phosphorescent paint on a black ground, the Canadian street has three dimensional cut-outs of a factory, a restaurant, a modern groceteria, and a department store. Arrows point out the products in daily use, which Canada would welcome from Britain, and figures show the total Canadian imports of the products and the degree of British penetration into the market. In the restaurant, people can be seen drinking coffee, rum and citrus juices, and eating food containing spices and coconut; and in the department store the shoppers ride an escalator. On the groceteria's shelves are imported foodstuffs; and in the factory cylinders, cogs and other parts are being used on the assembly line. In the street, a child eats a banana, and an automobile illustrates the market for tires. Steel constructs a new building in the background, and diesel engines pump oil.

Good Marketing Methods in Canada Illustrated

Six points on good marketing methods in Canada are humourously illustrated on another panel. The British manufacturer who plans to enter the Canadian market is advised to consult market surveys; to concentrate his advertising in the area where his market lies, rather than spread it thinly on a national basis; to package his product attractively and to select reliable agents for its distribution; to ensure prompt delivery of the orders he receives; and to maintain adequate stocks of repair parts and efficient servicemen in Canada.

The display, designed and prefabricated by the Canadian Government Exhibition Commission, in Ottawa, is 80 feet long and 18 feet deep, and includes a comfortable lounge and a private office.

"Expand With Canada", a new brochure for distribution at the exhibit, invites industrialists to open branch plants in Canada and describes the advantages of manufacturing in this country. It lists the various official and private agencies that can assist businessmen contemplating branch plant expansion or manufacturing under licence in Canada. A companion piece, "The Canadian Industrial Development Manual", contains more detailed information on this subject.

Large Attendance Expected at B.I.F.

London, April 15, 1950.—(FTS)—Over 3,000 firms will be represented at the twenty-ninth British Industries Fair, which will be held this year from May 8 to 19 at Olympia and Earls Court, London, and at Castle Bromwich, Birmingham. Products of ninety industries will be grouped in thirty-two sections.

Preparations have been made for a greater attendance of Canadian and United States trade buyers than ever before. Last year there were 784 from the United States and 424 from Canada; this year a 50 per cent increase is expected from both countries. It is thought that the number of trade buyers from more than 100 other countries will again be about 15,000, although in the light of world trade conditions the abnormally high attendance of overseas visitors at the postwar fairs, which has averaged three to four times the prewar figures, cannot be expected to be maintained indefinitely.

As part of the national drive to promote dollar sales of British goods, a special publicity campaign has this year been undertaken for the B.I.F. in North America. Insurance and banking houses, shipping companies, airlines and travel agents have helped in distributing information.

Manufacturers' own efforts to reduce export prices, and in many cases the effect of the devaluation of the pound sterling in making British goods a more economic proposition for transatlantic buyers, together provide an additional inducement to shop in Britain. The benefits are not limited to North America; lowering of prices as a result of more efficient production methods has placed British goods in a more favourable position generally, and is of special importance to those countries which are finding it hard to maintaining their purchases from hard-currency areas. They will see at the B.I.F. a full range of goods at highly competitive prices.

Overseas trade buyers will benefit from four years' intensive market research. The fair this year will reflect the country's industry, geared almost exclusively to producing the goods which overseas markets most urgently need.

Britain Plans Plastics Exhibition in London

London, April 15, 1950.—(FTS)—The first trade exhibition to represent the entire plastic industry, a British Plastics Exhibition and Convention, will be held in London in June, 1951, to coincide with the festival of Britain.

The exhibition will be open to all British firms who produce, mould and fabricate plastic materials or supply raw material and equipment to the industry. Primarily intended for the trade, the exhibition will also be open to the public.

Inflation and High Cost of Living Serious Problems in Iceland

Higher cost of imports, following devaluation of krona, partly responsible for most recent increases—Cost of living climbed to 340 at end of 1949—Herring catch considered failure for past five years, and state herring plants have suffered heavy losses—Wheat flour and fertilizers principal imports from Canada.

By J. L. Mutter, Canadian Government Trade Commissioner in Glasgow

(One Icelandic krona equals $0.0675 Canadian. It equalled $0.1538 from January 1 to September 18, 1949, and $0.1174 thereafter to December 31, 1949.)

GLASGOW, April 19, 1950.—Inflation is recognized as the most serious problem confronting Iceland at the present time, though it is not new, the purchasing value of money having been on the decline during recent years. Prices in 1920 were 350 per cent of the level before World War I, but dropped to 160 per cent of the 1914 level by 1939. A phenomenal rise occurred during World War II, being attributed to spending by Allied forces in Iceland and to the higher prices obtained for exports during the period of conflict. It was also due to the shortage of goods available to meet the resulting increase in purchasing power. By the end of 1948, the cost of living index was 326, compared with a base figure of 100 for 1939, despite the fact that the government had been subsidizing for some years various products of the agricultural and fishing industries. The index climbed to 340 by last December, that for food alone being 382. The higher cost of imports, following the devaluation of the krona last September, is said to be partly responsible for the most recent increases.

The Icelandic krona was devalued immediately after Great Britain devalued the pound sterling. This caused much concern, as a general election was in the offing and devaluation one of the major issues. The Progressive Party favoured such a step, the Conservatives were non-committal, while the measure was opposed by the Social Democrats and the Communists. However, as the Minister of Commerce explained, Iceland had no choice but to follow the British course, as the United Kingdom had purchased more than 50 per cent of Icelandic exports in 1948, and a large proportion of the remainder, sold to European countries, were paid for in pounds sterling. At the same time, the Minister admitted that imports from the dollar area, including such essentials as wheat, wheat flour, machinery, iron and steel, gasoline, fuel oil and lubricating oil, would undoubtedly go up in terms of Icelandic currency. It was his hope that, as time passed, devaluation would result in an increase in exports to the United States, and his expectation that imports from that source would decline.

Fisheries Industry Seeks New Markets

During World War II, Iceland was cut off from many of her former valuable markets, in particular Germany and the Mediterranean countries. The needs of the Allies, which were sufficient to absorb the Icelandic fisheries output, compensated for the loss of these markets. However, when the war ended and British and other fishing fleets were rebuilt and recommenced their activities, there was every evidence that the ability of the British market to absorb a substantial proportion of the Icelandic fish catch would diminish. At the same time, the Mediterranean countries were not in a position to recommence their purchases. The outlook was indeed grim, but the situation was saved by the renewal in December, 1948, for a further year, of a trade agreement between Iceland and the Anglo-American Zone of Germany, whereby West Germany contracted to accept 67,000 tons of iced fish.

As 1949 ended, negotiations were under way for a new agreement, in the full realization that Western Germany was Iceland's best customer at that time. Formidable obstacles in the way of the negotiators were the high Icelandic production costs, due to the high level of wages paid to fishermen, a trawler captain receiving considerably more than the President of Iceland, and the opposition to a renewal of the agreement by the reconstructed German trawler industry. The Icelandic authorities appear to be fully aware of the need for wider markets, and during the year negotiated trade agreements with Poland, France, Denmark and Spain. On September 5, an agreement concerning the landing of fish by Icelandic vessels in Britain during the six months ending February 28, 1950, was signed in London.

Failure of Herring Catch Endangers Fisheries Industry

For the past five years, the Icelandic herring catch has been regarded as a failure, and it is reported that only three or four vessels, out of a herring fleet of thirty, showed any profit at the termination of the summer herring fishing season of 1949. In consequence, some of the state herring plants received negligible quantities of fish for processing. It is usually necessary for these plants to hire labour in advance and to enter into firm wage agreements, and as a result the losses suffered by them have been heavy.

A Fisheries Conference was held in Reykjavik in December, and shortly thereafter the Union of Icelandic Fishing Vessel Owners held its annual meeting. Reports from both these gatherings suggested there was serious danger that fishing operations would be suspended at the end of the year. It was stated that, as the result of successive failures, the herring fleet was on the point of collapse and that, in consequence, the loan departments of Icelandic banks faced serious difficulties. Press reports at that time anticipated the seeking of increased subsidies by fish producers and vessel owners. Some newspapers, notably those with conservative sympathies, blamed the parlous situation of the industry on (*a*) competition in foreign markets; (*b*) the failure of the herring season; and (*c*) the excessive cost of operation and maintenance of vessels and fishing gear, but declared that the national treasury was unable to support any further subsidization.

When the new Icelandic Government took office on December 16, 1949, following the general election of November, the Prime Minister admitted the troubled economic and financial state of the country, and warned that the Treasury position was much more unfavourable than was expected. He pointed out that, even if only half of the demands of the fishing industry were granted, it would be difficult to indicate new taxes to meet the costs involved.

Exports Lower Last Year

Total Icelandic exports in 1949 were valued at 289,224,000 kr., as compared with 395,678,000 kr. in 1948. This decline is attributed to the failure of the herring fishing, and a decrease in the prices received for fish and other export products. Total imports for 1949 were valued at

Principal Destinations of Icelandic Exports

	1949	1948
	1,000 krona	
Great Britain	104,227	118,748
Germany	66,114	67,574
United States	17,826	26,349
Italy	15,654	13,004
Czechoslovakia	13,361	29,751
Netherlands	12,214	34,694
Poland	8,203	8,924
Denmark	7,680	15,662
Finland	7,451	17,630
Portugal	6,542	......
Sweden	5,165	14,808
France	3,568	16,836
Total (all destinations)	289,224	395,678

Principal Icelandic Exports

	1949		1948	
	Quantity 100 kg.	Value 1,000 kr.	Quantity 100 kg.	Value 1,000 kr.
Frozen fish	363,584	95,423	224,643	64,009
Fresh fish, on ice	1,197,757	75,676	1,249,015	90,347
Salted fish, uncured	178,822	36,252	147,517	26,681
Herring, cured	94,712	20,758	105,805	21,794
Cod liver oil	58,182	18,272	80,357	33,666
Herring oil	70,988	16,962	283,356	74,313
Herring and fish meal	69,504	7,809	391,847	40,671
Whale oil	24,986	5,894	7,730	2,144

Origin of Icelandic Imports

	1949	1948
	1,000 krona	
Great Britain	113,953	137,613
United States	71,475	86,521
Denmark	44,269	41,536
West Indies	27,018	26,734
Italy	20,443	12,925
Czechoslovakia	20,185	23,217
Netherlands	19,711	25,083
Sweden	19,413	22,301
Finland	18,676	11,842
Poland	16,392	14,761
Belgium	11,053	11,390
CANADA	9,733	19,749
Total (all sources)	423,945	457,324

Principal Icelandic Imports

	1949		1948	
	Quantity 100 kg.	Value 1,000 kr.	Quantity 100 kg.	Value 1,000 kr.
1. Fuel oil	1,848,958	41,941	1,247,159	28,197
2. Ships	105,602	41,329	223,545	65,607
3. Machinery and appliances, other than electric	34,339	33,801	36,749	33,998
4. Electrical machinery and appliances	22,483	23,839	25,886	26,303
5. Cereals	257,935	22,412	213,876	21,213
6. Wood and wood products	241,998	20,857	235,020	22,195
7. Hardware	42,403	20,229	56,244	21,467
8. Textiles (clothing)	7,355	19,261	6,706	15,127
9. Iron and steel	111,885	16,980	127,172	18,234
10. Vehicles and aircraft	17,647	16,101	14,428	16,002
11. Coal and coke	986,532	16,066	1,282,374	21,594
12. Paper and products	63,620	13,122	43,505	9,617
13. Textiles (fabrics)	16,044	11,583	20,884	17,644
14. Fats, oils and waxes (animal and vegetable)	23,098	8,483	25,376	10,446
15. Cement	144,270	8,415	589,545	11,765
Total	......	314,419	......	339,409
Total (all imports)	......	423,945	......	457,324

Items in the fifteen commodity groups, listed in the above table, make up approximately 75 per cent of Iceland's total merchandise imports.

423,945,000 kr., as compared with 457,324,000 in 1948. The country was left, therefore, with an adverse trade balance of 134,721,000 kr., an increase of about 73,000,000 kr. over the adverse balance at the end of 1948. The shrinkage of the British, Czechoslovakia, United States, and Dutch markets, and the importance of the German market; and the falling off in quantities, and values, of exports of cured herring, herring oil, and herring meal, are noteworthy.

Wheat Flour and Fertilizers Principal Imports from Canada

Canadian exports to Iceland in 1949 had a total value of $743,066, according to the Canadian Dominion Bureau of Statistics. Exports of 25,542 barrels of wheat flour accounted for $286,872 of the total, and 54,599 cwt. of manufactured fertilizers for $235,459. Quantities and values of other principal items were:

Bran shorts and middlings	$35,228	11,500 cwts.
Paper board	31,804	2,760 cwts.
Linseed and flaxseed oil	28,376	14,265 gals.
Grass and clover seed	22,558	39,346 lbs.
Farm implements and parts	22,495	
Oats	16,349	9,726 bu.
Whisky	11,451	1,350 P. gals.
Washing machines	6,684	83

Canadian imports from Iceland last year were valued at a mere $52,398, of which no less than $38,675 represented Canadian goods returned, because Icelandic importers had failed to secure exchange permits and import licences covering their Canadian purchases. Salted cod, haddock and pollock accounted for $11,417 of the total imports.

Despite Iceland's serious post-war inflation and foreign trade problems, there are certain factors which suggest that the country is making definite progress toward the readjustment of dislocations in its economy. With the cessation of hostilities, Iceland commenced an ambitious reconstruction program to double the size of her fishing fleet. A large scale development of fish processing industries was begun, as well as extensive construction of new housing, and the expansion of small light industries manufacturing consumer goods and fishing materials for use by the home market.

"Iceland has been undergoing rapid economic development since the end of the war," the Icelandic Minister of Commerce recently said. "Production has exceeded by far prewar levels. The average annual fish production during 1935-39 amounted to 257,000 metric tons, while in 1948 it reached 409,000 metric tons and in 1949, 337,000 metric tons. The volume of exports has also about doubled since the prewar years. These results have been possible due to the modernization and expansion of the fishing industry, and the favourable export markets for Icelandic products throughout the forties. Iceland has never been more favourably placed in so far as production equipment is concerned."

ERP Funds Spark Rapid Economic Development

To a very large extent, European Recovery Program funds have been the mainspring behind this gratifying trend. During the first two years of the European Recovery Program, commencing April 3, 1948, authorizations for goods and services to the value of $10,893,000 in favour of Iceland have been approved. The first ERP funds, a $2,300,000 loan, were utilized for expansion of herring processing capacity, which had proved very short during the big winter herring seasons of 1946-47 and 1947-48, and for aiding the construction of the new fish meal factories.

The herring processing investment has been largely unused to date because of failures in the catch. However, research into new fishing methods is now going on, since it is known that herring is still running in abundant quantities in Icelandic waters, but at depths too great to be caught by fishing gear presently in use.

Further ECA funds which have been made available have helped to maintain essential consumer and raw material imports, including foodstuffs, feeding stuffs and petroleum products, and have enabled Iceland to devote part of her own foreign exchange receipts to the continued execution of the production development program. One aspect of this program is the diversification of the country's economy to cushion the effects of periodic poor fishing seasons. Increased agricultural production is one of the aims, and land reclamation, through drainage, clearing and levelling, is being accelerated with ECA-financed equipment. Imports under ERP of feedstuffs for livestock, fertilizers and agricultural machinery are contributing towards increased farm output, particularly of dairy products.

In spite of inflation, herring failures and other economic difficulties, which have plagued the country during its "reconstruction" period, officials of the present administration are optimistic about the future. Early this month the Minister of Commerce said: "With the recent devaluation of Icelandic currency and the determined stabilization policy of the Icelandic Government, a new start is being made for Icelandic recovery. The second instalment of Marshall Aid will undoubtedly have even greater importance than the first."

The principal projects for which Iceland hopes to obtain ERP assistance during the next two years are hydro-electric developments, and a nitrogen fertilizer plant. Plans have been developed to double electric power capacity by further harnessing of the abundant, now unutilized, hydro-electric resources. All chemical fertilizer is currently imported, but it is hoped that it may be possible to commence domestic production of nitrogen fertilizer, large quantities of which are necessary to bring reclaimed land under cultivation.

New Zealand Developing Airports

Wellington, April 4, 1950.—(FTS)—Provision has been made for the further development of the international airport at Harewood, near Christchurch, an expenditure of £4,000 having been authorized for extensions to runways. It is expected that a commercial service will soon be inaugurated between Harewood and Australia.

Consideration is also being given to the development of Rongotai Airport, at Wellington, for a domestic service, the only alternative landing field being 35 miles away, at Paraparaumu. It is estimated that £3,000,000 will be involved, as the work will include a large-scale reclamation project and moving a number of buildings. The establishment of a flying boat base at Evans Bay, Wellington, is also under consideration.

Nearly Half of Cocoa Crop Destroyed in Trinidad

Port-of-Spain, March 31, 1950.—(FTS)—Recent bad weather in Trinidad has destroyed an estimated 10,000,000 pounds of cocoa, almost half the anticipated crop, valued at approximately $4,000,000. Heavy rains since the new year are blamed for the damage. At that time it was estimated that some 30,000,000 pounds of cocoa were on the trees.

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

J. M. Boyer, Canadian Government Trade Commissioner in Cairo since October, 1947, has returned home on leave, and will commence a tour of Canada on May 22, in Windsor, Ont.

Windsor—May 22.
London—May 23.
Welland-St. Catharines—May 25.
Hamilton—May 26.
Toronto—May 29-June 15.
Saint John—July 25-26.
Halifax—July 28.
Chicago—August 7-12.
Vancouver—August 21-26.
Winnipeg—September 5.
Ottawa—September 8-12.
Kingston—September 13.
Gananoque-Brockville—September 14.
Montreal—September 15-30.

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.

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.

S. V. Allen, Canadian Government Trade Commissioner in Johannesburg since April, 1948, has returned home on leave, and commenced a tour of this country on April 6 in Montreal.

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

J. P. Sykes Returns from Singapore

J. P. Sykes

John Paul Sykes, Canadian Government Trade Commissioner in Singapore since March, 1947, has returned home on leave, and will undertake a tour of Canada, discussing with businessmen conditions in his territory. This includes Brunei, the Federation of Malaya, Indonesia, North Borneo, Sarawak and Thailand. Mr. Sykes was born in Ottawa and educated at the Ottawa Normal Model School, the Ottawa Collegiate Institute, the University of Toronto and Queen's University, from which he graduated in 1923 with a Bachelor of Commerce degree. He joined the Canadian Trade Commissioner Service in November, 1926, and was posted to Auckland, New Zealand, the following year as Assistant Trade Commissioner. He was transferred to Hong Kong in 1929 as Canadian Government Trade Commissioner, to Dairen in 1931, to Tientsin in 1933, to Hamburg in 1934, to Calcutta in 1937, and to Bombay in 1939, remaining there until 1946. Mr. Sykes served overseas in the First World War with the 50th and 52nd Batteries, Canadian Field Artillery, and was awarded the Military Medal.

Brockville-Gananoque—May 4.
Kingston—May 5.
Calgary—May 10.
Kelowna—May 11.
Vancouver—May 12-20.
Edmonton—May 22.
Ottawa—May 25-26.
Hamilton—May 29-30.
Brantford—May 31.
St. Catharines—June 1.
Windsor—June 2-3.
Montreal—June 8-17.
Toronto—June 19-27.
Ottawa—June 29-30.

Surcharge on Freight Rates to Auckland Announced

Owing to serious delays in discharging vessels in Auckland, New Zealand, the Montreal-Australia-New Zealand Line has announced a surcharge of 7½ per cent on rates assessed on cargo shipped to that port aboard its vessels commencing to load on or after July 1, 1950.

Philippine Imports from Japan Steadily Increased

Manila, April 22, 1950.—(FTS)—Philippine imports of Japanese goods steadily increased last year. Some of the most prominent items were bicycles, electric insulators, nails, bolts, clocks, porcelain ware, aluminum ware, sewing machines, aluminum sheets, galvanized iron sheets, rods and bars, fresh pears, fresh garlic, fresh onions, fresh potatoes, dried fish, cigarette paper, toys, "chucheria", cotton goods, cotton knit goods, and fish nets.

Consumer prejudice against goods of Japanese origin, which was prevalent during the early months of 1949, rapidly diminished during the latter part of the year. This change of feeling was largely due to the low cost of the Japanese articles, which more comfortably meet the relatively small pocketbook of the average individual Filipino consumer.

Recently, the Philippine Government has adopted a policy of not permitting dollar exchange for Japanese imports, in an attempt to develop some sort of barter arrangement or trade agreement. There has been no definite accomplishment in this direction up to this time.

Trade and Tariff Regulations

Chilean Customs Co-efficient Reduced

Santiago, April 21, 1950.—(FTS)—By a decree of April 20, the co-efficient for conversion of gold pesos, in which Chilean customs duties are expressed, to paper pesos, with which the importer pays the duty, has been reduced from 12·4 to 5. In other words, the importer in Chile, instead of paying 12·4 paper pesos for every gold peso of duty, will now pay only 5 paper pesos. A few essential products had previously been subject to reduced coefficients of 8·9 and 6·4 and the new coefficient of 5 will now apply to these products also.

German Duties Affect Dutch Vegetable and Fruit Exports

The Hague, April 12, 1950.—(FTS)—The Dutch vegetable export business is faced with a serious situation as a result of German import duties imposed on Dutch vegetables and fruits, effective April 10. It is stated here that, if these duties remain in effect, it will mean that exports to Germany will no longer be possible and that large quantities of vegetables and fruit will have to be destroyed during the summer. It is argued by the Dutch exporters that the imposition of these duties is "in flagrant conflict" with the trade agreement of November, 1949.

The duties immediately levied are per 100 pounds: Cauliflower, 59 cents; cucumber, $5.90; strawberries, $1.18; cherries, 94 cents; peaches, $2.37. As from June 1 a duty of 36 cents per 100 pounds will be imposed on cabbage-lettuce and of 71 cents on cabbage. After June 15 the duty of $4.74 per 100 pounds on tomatoes will be reduced to $2.37.

Guatemala Suspends the Import of Shoes

Guatemala, April 21, 1950.—(FTS)—Under a decree of April 17, 1950, the importation of shoes into Guatemala is suspended, with the reservation that the Ministry of Economy is authorized to permit some imports when it can be proved that they are of a type not made in Guatemala. This action was taken in accordance with the policy to promote development of the natural resources and industry of the country, the shoe industry being one which, it is considered, can be developed to supply local demand.

Pakistan Will Issue Licences for Certain Dollar Imports

Karachi, April 28, 1949.—(FTS)—Pakistan proposes to issue import licences freely up to the balance of the monetary ceilings for certain commodities from dollar countries. Shipment must be made before June 30, and the import licences will not be revalidated after that date. The commodities for which licences will be granted are: paper and paper board, automobile parts and accessories; linseed oil; electro-medical apparatus; books; cotton twist and yarn fents; second-hand clothing.

Interested exporters should air mail quotations (c.i.f. Karachi) to their local agents or the Commercial Secretary, Office of the High Commissioner for Canada, Karachi; the offers of supply must be firm and pro forma invoices must be enclosed with quotations.

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.

Foreign Trade Service Abroad—Continued

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 Afghanstan 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 de 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 Borneo, 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 Natal, Transvaal, Southern Rhodesia, Northern Rhodesia, Mozambique, Kenya, Tanganyika, Uganda and Nyasaland.

Cable address, Cantracom

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 1949	Nominal Quotations April 25	Nominal Quotations May 1
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 Belgium Congo	Franc	....	·0228	·0220	·0220
Bolivia	Boliviano	....	·0238	·0262	·0183
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	·0262	·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	·0675	·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	·0715	·0693
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	·2562	·2563
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	....	....