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In This Issue

Regular Features

COVER SUBJECT—Headgear of a gold mine on the "Rand", near Johannesburg. Gold production in South Africa last year amounted to 11,708,013 fine ounces, valued at £114,900,000, compared with 11,574,871 fine ounces, valued at £99,900,000, in 1948. Revenue derived from gold was 50 per cent higher during the first four months of 1950 than in the corresponding period last year, due to devaluation of the pound sterling last September, the price having risen from 172s. 6d. an ounce to 248s. 3d. an ounce. At least eighteen gold mines are expected to be in operation in the new gold fields of the Orange Free State within the next few years. A report on the foreign trade and gold position of South Africa appears on page 54 of this issue of Foreign Trade.

Photo by South African Railways.

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United States Export-Import Bank Assists in Mexican Development

Implements policy of raising levels of production and standards of living—Mexico has received credits of $120,000,000 in last sixteen years—Loans of $755,000,000 authorized for all Latin American countries—Despite its inability to grant credits on similar scale, Canada is second source of supply for Mexico.

By Douglas S. Cole, Commercial Counsellor for Canada

MEXICO CITY, June 15, 1950.—Functions of the United States Export-Import Bank, and its contribution to the development of trade between Mexico and the United States were discussed recently by John Fitch, chief of the engineering division of this bank. He, with the Hon. Robert H. Winters, Minister of Resources and Development in the Canadian Government, was a guest speaker at the annual dinner of the Massachusetts Institute of Technology Alumnae, in Mexico City.

The Export-Import Bank is an independent agency of the United States Government, established by Congress to aid in financing and in the exchange of commodities between the United States and any foreign nation, its agencies or its citizens. Mr. Fitch explained that it was capitalized at one billion dollars, and that its lending authority was three and one-half billion dollars. The Secretary of State and four other members appointed by the President comprise its board of directors, and its staff of about 125 persons includes lawyers, economists and engineers, as well as banking experts.

"The bank, through its loans, achieves its purpose of facilitating foreign trade, both directly and indirectly," Mr. Fitch declared. "The direct effects are obvious, since the credits extended by the bank are generally usable only for the purchase of United States products and services. Thus, the immediate and direct effect of loans by the Export-Import Bank is to increase exports from the United States by providing the means of paying for them. The indirect effects of the bank's loans have to do with the consequences of the exports which it finances on the economies of foreign countries, especially the consequences on their ability to produce goods for domestic consumption and for export.

Loans Granted Only for Specific Purposes

"Congress has directed that the bank shall generally make loans only for specific purposes and shall only make loans which offer reasonable assurance of repayment. This injunction makes it incumbent on the bank to consider with deliberation the purposes for which loans are requested and to weigh carefully the effect of these purposes on the economic health and well-being of the borrower. Let me emphasize that, when we speak of repayment, we are talking about repayment in dollars. It follows that the bank's loans should be for constructive purposes, which will contribute to the improvement of the economy of the borrowing country and its ability to earn or save dollars with which to service the credit. Conversely, it is self-evident that no lasting benefit can result from an indiscriminate general extension of credits merely for the purpose of increasing exports from the United States."

He emphasized that the Export-Import Bank, in appraising the prospects of repayment of its loans, considers not merely the effect of the loans themselves, but also the general financial situation in the borrowing country. "It is obvious that, unless there is a healthy financial climate and a sound fiscal policy, the most optimistic anticipations with respect to the effects of a particular loan request may not be strong enough to offset other detrimental factors and the loan must be denied."

Bank Supplements Private Capital

With regard to the direction by Congress that the bank supplement and encourage, rather than compete with, private capital, Mr. Fitch said that the bank desists from making loans where it is obvious that private capital is available and willing to assume the risk involved, and where deemed advisable it has participated with private banks in extending loans. He said: "In many cases it has assisted United States suppliers in financing exports while requiring these suppliers to carry part of the risk themselves. Lastly, it has attempted by its selected loan system to finance those things which in the long run will benefit the economies of other countries in such a way as to make them attractive fields for private investment."

He emphasized that Export-Import Bank loans were generally usable only for United States products and services, and declared it to be the bank's experience that there was rarely justification for loans in local currencies. He said that it was generally possible to tap local sources of capital to cover local currency requirements, and that it was obviously in the borrower's interest to do so in order to avoid an unnecessary amassing of dollar obligations.

Mexico Has Received Large Credits

Turning to the bank's accomplishments, first throughout the world, secondly in Latin America, and finally in Mexico, Mr. Fitch declared that the bank had extended credits in more than fifty countries over a period of sixteen years. Loan authorizations had totalled $3,462,000,000. Twenty Latin-American countries had received loans, with authorizations amounting to $755 million, or 22 per cent of the world total. If loans made to Europe to avert economic collapse in the first postwar years were deducted, loans to Latin America accounted for almost 40 per cent of the bank's normal business.

Mexico had received an important share of the credits extended to Latin America. Net authorizations amounted to $148 million. Disbursements totalled $120 million, leaving $28 million still to be spent. Repayments from Mexico amounted to $42 million, leaving $78 million still outstanding.

Mr. Fitch said these figures showed the scope of the bank's activities in a quantitative manner, but that what was more significant was what had been accomplished with them. He spoke of the bank's constant effort to direct its funds towards worthwhile projects, to improve the economies of the borrowing countries, and went on to cite different fields of investment. He said: "The financing of transportation facilities has occupied a prominent place in the bank's lending to Latin America. It has taken the form of loans for highway construction, railroad electrification, railroad materials and equipment in general, buses, aircraft, and ocean vessels. The credits for these purposes have amounted to more than 250 million dollars, or roughly one-third of all loans to Latin America. They have been extended in the belief that good transportation is fundamental to economic development and a basic necessity in the flow of goods and the development of natural resources."

Mexican Transportation Aided

Speaking of highway projects, he stated that the $36 million used for this purpose in Mexico represented nearly 30 per cent of the total highway loans to Latin America, and that they had assisted in defraying the cost of Mexico's excellent primary network of highways, which not only served the internal economic development of the country but also served as a very real source of dollar earnings by reason of the convenience with which United States tourists could travel about the country.

Of the $75 million lent by the bank for railways in Latin America, nearly $40 million were granted to the Mexican National Railways for modern diesel locomotives, shop equipment, steel rails and track material. An additional $5 million was recently made available to assist in rehabilitating the Southern Pacific Railway of Mexico. Mr. Fitch explained: "In making these loans, the bank has been activated by a full realization of the importance of the Mexican railway system in both domestic and international commerce, particularly with respect to providing means for exporting minerals and agricultural products to the United States and for importing manufactured goods into Mexico. At the same time, it was keenly aware of the fact that the mere financing of new equipment on a credit basis would not solve Mexico's railway problems and that the ultimate attainment of a prosperous rail transportation system was dependent on other matters which lie wholly in Mexico's hands."

Loans for Industrial Development Provided

Turning to the industrial field, he asserted that loans made to Latin America had covered a wide range, including power facilities, steel mills, textile plants, food manufactures, chemical plants, etc. They had been financed, because they were fundamental to industrial development, or because they provided a means of utilizing natural resources, or because they either permitted the manufacture of finished goods for export or the utilization of home labour and materials to reduce imports.

On the subject of hydro-electric projects, Mr. Fitch said that in Mexico the bank had financed United States purchases of $20 million made by the Comisión Federal de Electricidad, including equipment for the Ixtapantongo plant of the Miguel Alemán System. This, he said, was doing much to minimize the present shortage of electric power in the Federal District. He also mentioned the financing of equipment for the Colimilla project, which should do much to meet the growing power needs of Guadalajara.

For development in steel manufacturing, the bank had extended credits to all three of Mexico's major steel producers, Fundidora in Monterrey, Altos Hornos in Monclova, and Consolidada in Mexico City. Loans had been made to purchase equipment for Mexican sugar mills, for the beef canning plants recently established to develop new markets for Mexican beef products, and to relieve the economic loss resulting from foot-and-mouth disease, against which Mexico was waging a valiant fight. Another project mentioned was the plant now under construction in Lechería to utilize previously-wasted natural gas to produce synthetic ammonium sulphate fertilizer for the benefit of Mexico's agricultural production.

Project Loan Applications Carefully Studied

Applications for project loans were carefully examined to determine engineering feasibility and economic soundness. The following questions were considered: Are the required raw materials available in sufficient quantity, and are they of satisfactory quality? Are the estimates of construction costs realistic or merely optimistic? Is there a need or market for the project output? Will operating costs be such as to result in real earnings which will repay the loan? Will the results of the project be such as to save or earn dollars for the borrower? The bank's limited staff could not collect all the needed information, but reviewed the material submitted by applicants.

Private Capital Guarantees Proposed

Mr. Fitch referred to point four of President Truman's inaugural address, proposing international co-operation to raise levels of production and standards of living throughout the world. In proposing his program, President Truman emphasized the importance of investment abroad of the capital, skill and initiative of private enterprise as a means of achieving the widest possible benefits, he said. Legislation was now before Congress which would bestow on the Export-Import Bank increased authority to encourage further such private investment. This legislation would permit the bank to guarantee United States private capital invested in productive enterprises abroad by assuring the conversion into dollars of foreign earnings, or compensation in dollars for losses resulting from expropriation, confiscation and seizure by public authorities. The legislation would not authorize the bank to underwrite a foreign investment, and the business risks would remain with the investor. The guarantee would be restricted to investments contributing to economic development.

He concluded: "Assuming the enactment of this proposed legislation there is reason to hope that the Export-Import Bank can make an even greater future contribution to the continued development of the countries of Latin America. The extent to which this hope is realized, however, will depend in no small part on the attitude of these countries themselves. Countries which would enjoy the benefits of growth that can only come through private enterprise must create conditions which will attract the private capital so necessary to their own development. The execution of appropriate international investment treaties is one means of creating such conditions. The Department of State has negotiated such a treaty with Italy, and others are under discussion. The success in arriving at satisfactory understanding by means of such treaties will determine to a large degree the extent to which the proposed guarantee program can be made effective as an instrument for promoting better living for the peace-loving peoples of the world."

Great Advance in Canadian-Mexican Reciprocal Trade

As indicated in previous reports, the development of reciprocal trade between Canada and Mexico has been rather extraordinary. In the past four and a half years, Canada has advanced from fifteenth to second place as chief world supplier to Mexico. Reciprocally, Canada has advanced from twenty-second to second position as the chief world market for Mexican products. United States-Mexican reciprocal trade is in a primary position, and has been aided very considerably by loans from the Export-Import Bank. These make it obligatory for any credits advanced by this bank to be used only for the purchase of United States goods. It would be useless to deny that Canada, through its inability to advance credits on a similar scale and a long term basis, has lost a very considerable volume of orders to the United States, particularly from the Mexican federal railways, and similar government-operated bodies. Within the scope of its authorization, however, the Export Credits Insurance Corporation has done much to assist Canadian trade with Mexico.

South Africa Records Switch in Source of Imports Last Year

Purchases from sterling countries increased in value, while those from non-sterling countries declined—Reduction in adverse balance of trade continues into 1950, indicating healthier trading position—Japan receives substantial orders for consumer goods and raw materials—Agricultural conditions improve—Gold production higher.

By C. Blair Birkett, Canadian Government Trade Commissioner

(Editor's Note—This is the last of three articles by Mr. Birkett on economic conditions in South Africa. Values quoted are in South African pounds.)

CAPE TOWN, May 29, 1950.—South Africa reduced her adverse balance of trade, excluding gold, from £217·2 million in 1948 to £161 million in 1949. The decline has continued into 1950, the adverse balance during the first two months of this year amounting to £4,600,000, as compared with £31,000,000 in the corresponding period last year. This indicates a return this year to a healthier trading position, and reflects the full effect of import restrictions.

Imports of merchandise, which were greatly swollen in 1948, declined to £175,000,000 in the first half of 1949 and to £140,000,000 in the second half, as a result of the imposition during the first six months of controls on the importation of commodities from non-sterling countries, and on the importation of commodities from all countries during the second six months. The value of imports in 1949 was £315,000,000, compared with £352,000,000 in 1948. The two periods were marked by a strong switch in origin of imports from the non-sterling area to the sterling area. Imports from non-sterling countries declined from £210,000,000 in 1948 to £153,000,000 in 1949, while imports from sterling countries increased in value from £142,000,000 in 1948 to £162,000,000 in 1949.

Exports of merchandise, including ships' stores and gold products, amounted to about £154,000,000 in 1949, compared with about £135,-000,000 in 1948. This increase is largely the result of enhanced values

Exports from South Africa

	1949	1948
	£'000	
Total exports, excluding gold	153,694	135,918
Hides	2,766	2,803
Sheepskins	3,990	3,825
Wool, greasy	29,055	27,732
Wool, washed	5,942	4,191
Wattle bark	1,155	1,054
Bark extract	3,797	3,353
Maize	1,659	6,239
Citrus fruit	3,359	1,821
Other fresh fruit	2,134	1,880
Jams	1,433	2,672
Sugar	1,384	324
Preserved vegetables	1,010	295
Manganese ore	1,723	790
Copper	3,525	2,802
Platinum	1,232	891
Asbestos	3,601	1,905
Rough diamonds	5,270	6,211
Cut diamonds	4,860	5,206
Cargo coal	3,236	2,819

South Africa—Skymaster of South African Airways flying over the mine dumps outside Johannesburg.

for wool and gold products. Of the total value for 1949 approximately £80,000,000 went to the sterling area and £74,000,000 to the non-sterling area, as compared with £76,000,000 and £59,000,000, respectively, during 1948.

Japan Received Substantial Orders

Japan is classified under the Union's regulations as a soft-currency country, and with the measure of decontrol achieved this year, she has received substantial orders from South Africa for consumer goods and raw materials, largely textiles. The amount of £500,000 has been mentioned for the period ending April 30. Protective restrictions on such trading are being urged in certain quarters. It is felt, however, by the government and trading associations that, until it is established that

Imports into South Africa

January-November, 1949

	£'000
Woollen piece-goods	6,064
Bags	5,974
Agricultural implements	8,058
Industrial machinery	948
Motor cars	5,493
Motor car parts	2,957
Motor car chassis	7,843
Motor trucks and parts	5,461
Rough diamonds	4,457
Motor spirit	9,201
Other oil products	8,113
Wood	5,297
Private imports	266,557
Imports of government stores	29,281
Total	295,835

dumping or other unfair competition is taking place, no such action should be taken. The promise has been given by the Minister that if trading with Japan proves harmful to South African industry, he will apply the necessary remedy.

Heavy rains during March covering the important farming areas of the Union, which for the past year have had little or no relief from serious drought conditions, have produced a favourable crop outlook, despaired of three months ago. Farmers are busy replacing stock lost during "dry" 1949 and bringing their land capacity back from the ravages of erosion caused by wind and infrequent rains.

The 1949-50 maize crop, of great importance to the Union, is estimated at 24,600,000 bags of 200 pounds, which is an improvement over the previous crop of 20,000,000 bags. The record crop of 1947-48 amounted to 32,256,000 bags. The relatively low estimates for this year will not permit any exports, which in former years had been beneficial to the farmers.

Wheat Will be Required from Canada

Favourable conditions for winter sowings of wheat and other cereals give promise of good crops for the 1950-51 season. The season just finished was disappointing, the crop realized being below estimates. Thus, South Africa again will require substantial supplies from abroad to supplement her own production. The amount required is put at between three to four million bags (200 pounds) of which Canada will share in the supply to a large extent.

Crops of both deciduous and citrus fruits have exceeded estimates and have resulted in substantial exports of grapes, peaches, pears, apricots and plums. The harvest of oranges, grapefruit, etc., is estimated to be about the same as that for last season, not impressive.

During 1949-50, Natal sugar production fell from 607,845 tons in the previous year to 561,122 tons. Prospects for the 1950-51 season, however, point to a record production, well over 600,000 tons, the result of good rains during the first quarter of the year.

Because of sheep losses in the recent drought, the South African wool clip for the season ending in May is expected to show a reduction of some 40,000 bales from the 675,000 bale clip last season. The high prices established in January last, however, have fallen only very slightly and, as a result of strong demand, the value of production this year will be appreciably higher than last, about £38,000,000 as compared with £30,787,755 last year.

Gold Production Substantially Increased

The production of gold in 1949 showed an increase of 133,142 ounces over the previous year, the total being 11,708,013 fine ounces. In terms of value this production represents £114,900,000 as compared with £99,900,000 in 1948. This substantial increase in physical volume together with the higher price realized after devaluation caused the Union's total value of mineral production to rise from £126·8 million in 1948 to £146 million in 1949. Working costs in the gold mines average today 28s. 11d. per ton, whereas a year ago the average stood at 26s. 6d. per ton. The native force during March of this year totalled 313,538 persons compared with 282,730 in March, 1949.

Production of gold for the first quarter of this year amounted to 2,899,554 fine ounces valued at £35,990,664 compared with 2,813,147 fine ounces worth £24,263,394 at the pre-devaluation price for the same period in 1949.

The greatly increased revenue from gold as a result of devaluation is shown in the monthly statement issued by the Transvaal Chamber of Mines, which contains figures for the first four months of this year. Revenue for that period has increased by 50 per cent compared with the first four months of 1949, when gold was still bringing 172s. 6d. an ounce compared with 248s. 3d. an ounce from September 19, 1949. Estimated profit for the four months totalled £17,769,546, which was £10,300,000 more than for the similar period of 1949. Revenue from sales of gold for industrial purposes was £1,497,429 for the six months ended March 30.

A recent report by the Natural Resources Council states that at least eighteen gold mines may be expected to be in operation in the new gold fields in the Orange Free State within the next few years. The position at present is that there are eleven mines in the controlled area in various stages of development and that the total number of gold mines in the Orange Free State is twenty-two in all. This number compares with forty-five in the Transvaal. The Council estimates that by 1966 the total population of the Free State gold fields will be 146,000 Europeans and 277,000 natives, which compares with the present population of 5,500 Europeans and 18,000 natives.

Output of Diamond Industry Declined

Production of diamonds during 1949 amounted to £7·6 million, representing an appreciable decline from the figure of £8·7 million for 1948. Of interest are the regulations gazetted in April which require that all exports of diamonds, rough or cut, except to the United Kingdom, be paid for in United States dollars. This will stop the loss of dollar income that the Union has been suffering through the use of so-called cheap sterling and the shipment of consignments to intermediaries in sterling and other soft-currency areas whence they have been redirected to the true buyers in the United States.

Benefiting from devaluation, diamond sales for the year 1949 reached the value of £28,444,186, which is only about £1,200,000 below the 1946 total of £29,610,000, though much below the all-time record of £38,058,000 in 1948, which record, it is reported, was the result of stock-piling purchases in the United States. The consolidation of the diamond business by agreement between the producers is reflected in the value represented by industrial diamonds, which increased from £3,462,000 in 1946 to £8,468,486 in 1949.

Mineral Production in South Africa, 1949*

	Output	
	Short tons	
Coal	28,104,585	£10,157,869
Chrome ore	445,723	995,241
Copper	34,519	3,683,185
Iron ore	1,369,114	603,365
Manganese ore	722,211	2,280,508
Tin ore	774	285,663
Asbestos:		
Amosite	42,129	1,302,091
Blue	20,922	1,077,830
Chrysotile	7,674	390,207
	Fine ounces	
Silver	1,164,454	240,879
	Ounces	
Osmiridium	6,031	122,365
Platinum metals	......	1,343,589

* Excluding gold and diamonds.

Further figures recently published by the Department of Mines show a big improvement in exports during 1949 of leading base minerals produced in South Africa. Outstanding were those of manganese, which increased from 355,000 tons in 1948 to 764,000 tons in 1949, representing values of £877,000 and £2,212,000 respectively. An increase in United States purchases explains about half the increase. Importers in Europe accounted for the remainder. Other notable increases were copper 33,081 tons (25,880 tons in 1948), platinum metals 94,094 ounces (64,574 ounces), and asbestos 39,269 tons (27,635 tons), chrome 343,768 tons (327,800 tons).

There being no up-to-date figures available on the make up or production of South African industry, a monthly index of employment provides the only indication of activity. Compared with 100 in 1938, the overall index rose to 165 in December, 1947, to 177 in December, 1948, and to 180 in February, 1949. It declined slightly during 1949, reaching 173 in December. Durable goods industries activities are responsible for the net decline. Non-durable products industries maintained their level of work, and even raised it appreciably.

Great Industrial Development Occurred in Recent Years

It can be seen, therefore, that recent years have witnessed great industrial development. It is today the most important factor in South Africa's economy, taking pride of place over mining, commerce and agriculture in employment and value of production. The vital problem of maintaining supplies of raw materials has been given special attention by the control authorities with the result that the position is reported to be reasonably healthy. The recent relaxations in import restrictions, mainly on supplies from soft-currency areas with the permission to convert a fair percentage of the allocation to hard-currency sources, are being of distinct benefit.

Recent outside capital support is both from Great Britain and the United States, the main American capital being directed to mining developments in the Orange Free State. British concerns have invested chiefly in engineering firms by floating subsidiary companies or taking up large shareholdings. Others, on a smaller scale, are considering or actually establishing factories or granting licences to local companies to manufacture their products.

There have been notable British investments in lead and non-ferrous manufactures, light and heavy electrical equipment, sheet glass, cycles, locomotives, batteries, boilers and other power station equipment. American capital has gone into abrasives manufacture and tractor components.

A German firm is to make locomotives for railways, mining and industrial use, while Canadian money has been invested in paper manufacture, paint brushes, biscuits and electric stoves. There are also enterprises financed by Swiss and Italian money. Of note also are the well-established British and American food brands that are appearing from local plants made from local raw materials.

According to the Federal Chamber of Industries, secondary industry employed nearly 500,000 people and in 1949 contributed £195,000,000 to the national income or 23·5 per cent of the total. During 1949, £27,750,000 of new capital was invested in manufacturing and processing enterprises. This was 35 per cent of the total new capital invested in all undertakings.

Figures supplied by the Department of Labour on applications by unemployed persons for work and the numbers unplaced at the end of each month indicate that there has been an increase in unemployment. Overall statistics of employment are not available. Between June, 1949, and February, 1950, the number of applications to labour bureaux for employment increased from 21,000 to 30,000, and the number unplaced was 20,000 as against 15,000.

It is known that there was a slight decline in secondary industry and on the railways during the second half of the year. On the other hand, employment in the mines showed a substantial increase both among Europeans and others, though not sufficient to affect the declines in other spheres of activity.

Financial Aid Provided for Improving Port Facilities in Greek Territory

Agreement between Government and E.C.A. Mission in Greece authorizes expenditure of equivalent of $337,000 in counterpart funds for construction, repair and extension of piers, and for dredging operations.

ATHENS, June 14, 1950.—(FTS)—Provision has been made for the improvement of port facilities in this country and adjacent islands under an agreement between the Government of Greece and the Economic Co-operation Administration mission in this country. It is estimated that the expenditure for harbour works and dredging will amount to 5,060 million drachmas, or the equivalent of $337,333. Counterpart funds, under the European Recovery Program, will be made available to defray the cost of new construction and necessary repairs.

The largest project affects the Port of Suda, on the island of Crete, which serves Chania, the capital, and the productive adjacent agricultural area. The port's present pier will be extended and widened, thereby enabling two holds of a Liberty class ship to be serviced simultaneously. The work will be under the supervision of the Greek Ministry of Public Works, and the cost will be about $300,000.

The repair and rehabilitation of 200 metres of quay at Hastings Pier, in the port of Patras, in the Peloponnesus, will be undertaken. The port serves a large agricultural and industrial area, and is the only one in Western Greece able to accommodate ocean-going ships. Patras was badly damaged during the war and a number of vessels were sunk along its quays. A sum not to exceed $9,333 has been provided for this work, which will be under the supervision of the Greek Ministry of Public Works.

Another $4,666 has been authorized for the repair and extension of the pier at the port of Kamares, which serves the island of Sifnos, in the Cyclades group. Repairs and the extension of piers will be undertaken at the port of Katapolon, on the island of Amorgos, also in the Cyclades, at a cost of approximately $10,000.

The amount to be spent for dredging the harbour of Tenos is $12,000. Funds authorized for dredging the Lefkas Channel are $62,000. The Lefkas Channel is on the west coast of Greece, south of Preveza.

Spain Releases Chocolate from Control

Madrid, May 13, 1950.—(FTS)—Prices, trade and distribution of chocolate will be free in Spain, according to a decree published May 4, 1950.

64161—2½

Argentina and Great Britain Discuss New Meat Contract

Increased price of £140·379 per long ton asked for in current contract as compared with £97·536 in former—Nearly 400,000 long tons supplied under old agreement—Reduced supplies available due to heavy slaughterings during drought period—Significant change evident in destinations of meat exports.

By W. B. McCullough, Commercial Secretary for Canada (Agriculture)

(Editor's Note—This is the second of two articles on agricultural conditions in Argentina in the first quarter of 1950, prepared by Mr. McCullough.)

BUENOS AIRES, May 24, 1950.—Renewal of the meat contract between Argentina and Great Britain has been the subject of preliminary discussions. This country undertook to supply a minimum of 300,000 long tons of meat at an average price of £97·536 per ton, and it is expected that shipments by the end of the contract period will total nearly 400,000 tons. However, in the opinion of packers and representatives of the British Ministry of Food in Buenos Aires, Argentina may be unable to supply more than 250,000 tons of meat during the next contract year. This is due to heavy slaughterings of unfinished cattle during the drought in November, December and January, and to the general setback experienced by the livestock industry. Some feel this figure is too low, but agree that the maximum will not be 300,000 tons.

An indication of the reduced supply of meat available from Argentina is provided by the decline in the export quotas to the United Kingdom established for the packing plants during the first half of the year. For January and February, it was 40,000 tons; for March, 37,000 tons; for April, 25,000 tons; and for May, 15,000 tons, though it would appear that shipments will be only slightly more than 10,000 tons. For June, the quota is tentatively set at 10,000 tons.

It is reported that Argentina is asking for a substantial increase in the average price of meat, or £140·379 per long ton, as against £97·536 in the current contract, and that Great Britain will not pay a higher price. Recent negotiations between Argentina and the United States for a credit have delayed discussions with the United Kingdom.

During the first three months of 1950, three decrees were issued establishing export quotas for cattle, sheep and hogs to the neighbouring republics for the current year. These quotas, compared with those for 1949, are as follows:

	1950	1949
Chile—		
Cattle	140,000	70,000
Sheep—via Las Cuevas	10,000	150,000
N. & S. Mendoza	No limit	......
Patagonia	371,000	......
Hogs	8,500	26,000
Paraguay—		
Cattle	80,000	77,000
Sheep	2,000	......
Hogs	500	......
Bolivia—		
Cattle	37,000	37,000
Sheep	2,000	2,000
Hogs	3,400	3,400

Destinations of Meat Exports Changed

Although the total exports of meat from Argentina for the first four months of 1950 were about the same as for the same period last year, there is a significant change in the destinations. Shipments to the United Kingdom are substantially higher this year, especially beef, which are 60 per cent above last year. Shipments to countries other than the United Kingdom have decreased 99·8 per cent for mutton, 99·7 per cent for lamb and 71·1 per cent for beef. April meat shipments show a marked drop from the previous three months: beef shipments were only 280,667 quarters as against the average for the first quarter of 396,170 and 451,779 for April last year. Meat shipments for the first four months, according to trade sources, were as follows:

Argentine Meat Shipments

(January-April)

	Beef (Quarters)		Mutton (Carcases)		Lamb (Carcases)	
	1950	1949	1950	1949	1950	1949
United Kingdom	1,307,442	809,115	164,306	135,926	903,943	730,872
Continent	71,415	574,671	......	75,573	625	198,593
Others	90,322	194,844	101	26,734	631	47,283
Total	1,469,179	1,578,630	164,407	238,233	905,199	976,748

At the end of the first four months of 1950, pasture conditions varied considerably throughout the country. Following the drought, the pastures improved rapidly in some areas, but in others, particularly in the west of the province of Buenos Aires, rainfall is still not adequate. In the main pastoral zones, livestock producers fear that an early frost will damage the new growth. In the northern zone, ranchers were able to sow their coarse grains for winter pasture, but in most of the province of Buenos Aires many could sow only about half their requirements. The grains came along quickly, but further rain is still required to provide good growth before the arrival of cold weather. Most livestock men take a pessimistic outlook on feed conditions for the next few months.

Argentina—Loading steers for the packing plant, cars are loaded from the end, thus enabling an entire train to be completed without shunting.

Cattle receipts at Liniers market for the first four months of 1950 were slightly above those for the same period last year. Owing to the short pastures, receipts were heavy during the first three months but fell off in April, being only 282,180 head as against 344,709 in March. The lower entries in April were due to improved pasture conditions which allowed producers to hold their animals for increased weights.

Cattle prices at Liniers improved in February, continued firm through March and April, and were generally higher than during last December and January. The top prices for export steers in April were from ·74 to ·78 pesos per kilo liveweight as compared with ·68 to ·70 pesos in January.

In the Avellaneda market, entries of sheep and lambs for the first four months at 1,180,401 head were down from the 1,558,047 head for the same period in 1949. The trend to hold back breeding lambs for wool production has continued in 1950 and is largely responsible for the reduced marketings. Sheep and lamb prices continue firm with maximum prices of from 33·00 to 39·00 pesos per head for good lambs.

During the first four months of 1950 entries of hogs at the Liniers market were 330,660 head as compared with 248,503 head for the same period in 1949. This increase is attributed to the improvement in the hog situation during 1949 and also to the fact that owing to the low corn crop this season and higher prices for local feed, breeders liquidated some of their stock.

Hog prices at Liniers market have improved each month of 1950. Top prices in April were from 1·55 to 1·65 pesos per kilo liveweight as against 1·42 to 1·45 in January. It is generally expected in the trade that prices for hogs will continue firm during 1950 but that they will not reach the point where the corn-hog ratio will be in favour of the hog producer.

The Argentine Rural Society and other rural organizations have addressed letters to the President, pointing out the increased cost of production of livestock and requesting that prices to the producer be raised. According to studies made by these entities last year, a 2½-year-old steer, weighing 530 kilos, delivered at the packing plant, cost ·9656 pesos per kilo liveweight to produce. At the same time, the cost of mutton was calculated at 1·0253 pesos per kilo and pork at 1·5445 pesos per kilo. The memorandum points out that these details were submitted to the Minister of Agriculture, but so far no observation of any kind has been forthcoming.

Liniers Market and Municipal Abattoir Nationalized

The Liniers market and the municipal abattoir, both of which have hitherto been under the jurisdiction of the municipality of Buenos Aires, were transferred to the federal Ministry of Economic Affairs by a decree dated April 24. Under a previous decree issued in 1946, the municipal authorities held a monopoly on the supply of meat to the city of Buenos Aires. This was later modified to permit the packing plants to supply small quotas of fresh meat to the city. In the preamble to the decree, the nationalization of the market and abattoir was described as necessary in view of the fact that both entities, despite their municipal character, have a strong influence on the country's meat trade in general, which is already under the control of the national authorities, especially as regards prices. Moreover, the constant increase in domestic meat consumption rendered it desirable that all packing firms should contribute to the supply of both city and suburbs. The Ministry of Economic Affairs has been instructed to submit within 90 days a plan for the operation of both Liniers market and the municipal abattoir. In the meantime, the administration of the municipal abattoir has been placed with C.A.P. (Corporacion Argentina de Productores de Carne), which is a government-controlled packing plant.

Plans are now under discussion to modify the present system of subsidizing the meat packing plants. A recent decree extended until June 30 the present system whereby the packers submit a statement to the government and receive at least partial payment on their operational losses. It is now proposed that IAPI pay the packers a fixed price for dressed meat for export and it will be up to them to acquire the livestock in the markets and to prepare meat at that price. One difficulty in this connection has been that the municipal abattoir, which supplies meat to the city of Buenos Aires was also working under a government subsidy and has competed with the packing plants for live animals, which has run prices above the official minimums established. Now that the municipal abattoir has been nationalized and will be operated by C.A.P., this competition can be eliminated.

Sales of Hides Continued at High Level

Sales of Argentine hides continued at a high level and during the first quarter of the year IAPI disposed of approximately 2·8 million units. The principal customer was the United Kingdom, although fears had been expressed locally as to whether such would be the case when the importation of hides was returned to private trade in the United Kingdom at the beginning of the year. Rumania was reported to have bought 400,000 units and Sweden 24,000 heavy steer hides at 304·47 pesos per 100 kilos and another 20,000 to 30,000 dry hides. It was reported by the Ministry of Economic Affairs that Italy bought fair quantities and that some 80,000 hides were acquired by United States importers. It is understood that the supply position in the country is now very low, particularly for the packing plant and municipal abattoir types. Shipments, according to trade sources, were the following during the first four months:

Argentine Shipments of Hides

	January-April	
	1950	1949
Salted cattle hides	2,303,219	1,891,652
Dried cattle hides	280,689	258,570
Salted calf skins	700,396	763,909
Dried calf skins	116,923	151,467

The price conflicts which had harassed the dairy industry throughout 1949 continued unabated into 1950. On this occasion they were aggravated by the drought in January and February which cut milk production to from 50 to 90 per cent of normal, depending upon the zone. Production improved following the rains in late February and March, but in the western zones it has remained consistently below normal.

In the meantime, the bulk of distribution was tied up by a strike in the pasteurization plants throughout the country which began in mid-February and lasted for seventy days. All the leading cities and towns were affected to a lesser or greater extent. Supplies of milk were very limited and butter was scarce. The loss sustained by the dairy industry is beyond calculation as, with the plants idle, the market for raw milk all but disappeared, and the small dairy establishments were particularly hard hit. A trade paper reports the loss of two million litres of milk daily in the main production zones and 40,000 litres in the less important areas. One cheese factory lost an estimated 200 tons of cheese intended for export during the strike.

After seventy days inactivity, the strike was settled on April 19 with wage increases of from 4 to 7 pesos daily and the plants agreeing to pay workers for 29 days out of the 70. However, most of the plants in Buenos Aires remained closed as they were unable to absorb the rise in costs in the face of a fixed price for the sale of milk. Petitions were presented to the government for authorization to increase the retail price of milk which had been fixed at ·50 pesos per litre, pasteurized, bottled and delivered, by the general price freezing regulations last October. In the interior, such authorizations were granted, increasing the price to ·75 pesos per litre, and the Confederación de Entidades de Productores de Leche and other associate entities requested a price of ·70 pesos for the city of Buenos Aires.

Dairy Products Removed from Price Freezing Regulations

On May 15, the authorities removed dairy products from the general price freezing regulations, stating that they would later set margins of profit applicable at different stages of production of processed milk products. In the meanwhile, the distributors resumed deliveries in Buenos Aires at a price of .60 pesos per litre of milk and 6.00 pesos per kilo for butter, as compared with the former prices of .50 and 5.00, respectively. The government has established a price of .30 pesos per litre to the producer, delivered at station, which is very close to the price of .307 which they have been demanding since last January. On a butterfat basis, there is established a minimum price of 4.50 pesos per kilo for first quality, 4.30 for second and 4.00 for third.

Despite internal disturbances in the dairy industry, exports of dairy products, except powdered milk, during the first quarter of the year show an improvement over the same period last year; a drop in exports may be expected subsequently as a result of the drought and the strike.

Argentine Dairy Exports

	January-April	
	1950	1949
Powdered milk	85.3	219.9
Butter	1,484.2	31.2
Cheese	1,320.2	1,174.5
Casein	7,297.0	4,713.7

The casein market opened the year at the very low figure of 1,350 pesos per ton for extra quality. However, the market soon strengthened and rose to 1,500 by the end of January. At the end of March it was selling for 1,650 pesos per ton and at the end of April had modified only slightly to 1,610 pesos.

Wool Market Very Active

During the past seven months the Argentine wool market has been very active with steadily rising prices. Two factors were responsible for the increased turnover: (1) as United States reserves became depleted last year, buyers bought heavily from Argentine stocks and (2) the general exchange revision accorded wool a more favourable rate in terms of dollars and reduced prices on sales to the United States, the chief customer for coarser wools. During the first two months of the year, wool accounted for U.S.$21·3 million or 57·5 per cent of Argentine exports to the United States. Latterly, turnover in this line has become somewhat reduced, due to lack of wool entries in the local market.

The chief outlet for the fine wools is the Argentine textile industry, although a fair amount has been exported to Italy and France. It is in this grade that demand is strongest and record prices have been achieved.

Argentina—Pastoral scene near Mendoza, at the foot of the Andes.

Prices are firm and are slowly ascending, as will be noted from the following table of prices for the first four months of 1950:

Argentine Wool Prices

	Fine	Fine crossbred	Medium crossbred	Coarse crossbred
		(Per 10 kilos)		
January	32-55	29-45	29-39	30-41
February	32-87.50	32-43	-36	33-42
March	33-52	32-46	30-36	37-43
April	45-55	28-70	30-50	39-45

The record price of 87·50 pesos per 10 kilos on February 10 covered a sale of 88 tons of Merino wool, top grade, from the Territory of Rio Negro. The marked gain in wool exports over the previous year is shown in the following table of shipments from October 1 to May 5:

Argentine Wool Exports

	Oct. 1, 1949-May 5, 1950	Oct. 1, 1948-May 5, 1949
	(Bales)	
United Kingdom	10,236	2,758
United States	162,809	57,635
France	38,158	8,646
Belgium	8,657	6,616
Italy	9,531	6,135
Holland	2,655	2,993
Sweden	2,752	773
Switzerland	1,153	442
South American republics	2,445	1,980
Others	21,261	17,595
Total	259,657	105,573

Spanish Exports of Mercury to United States Increased

Madrid, May 13, 1950.—(FTS)—Spanish mercury exports to the United States in 1948 amounted to 27,140 flasks, against 4,994 Italian: while last year Italy exported 85,949 flasks against 2,527 by Spain. The fact that Italy and not Spain is a member of the OEEC group and exported with counterpart E.C.A. funds accounts for the change-over.

Favourable Conditions Prevail in Western United States This Year

Retail sales higher, unemployment declined, production in most industrial lines increased, and high rate of construction activity noted—Situation during the first part of this year is in contrast with decline in business in same period of 1949.

By Harry A. Scott, Consul General of Canada

Editor's Note—The Twelfth District of the Federal Banking System, to which this report refers, comprises Arizona, California, Idaho, Oregon, Nevada, Utah and Washington.)

SAN FRANCISCO, June 19, 1950.—Favourable conditions in the Western United States during the first few months of this year, contrasting with the decline in business early last year, are reflected in a recent report of the Federal Reserve Bank of San Francisco for the Twelfth District. Retail sales are larger, unemployment has declined, production in most industrial lines has increased, and a very high rate of construction activity is noted.

Gains in retail sales have been concentrated in the durable goods field. Furniture stores reported sales for the first quarter of 1950 were eight per cent ahead of those in the same period last year. The Department of Commerce reported first quarter automobile sales from 25 to 50 per cent higher than a year ago for a number of the metropolitan areas of the district. Lumber and building material sales in these areas increased from 15 to 30 per cent during the same period, with the largest increase reported in Salt Lake City.

Department stores reported a decline in sales through mid-May of about 2 per cent. Soft goods lines and basement store items (usually soft goods and small wares) accounted for most of the decline. Men's and boys' clothing was the only soft goods line which gained significantly. Sales of hard goods, paced by television sets, were well ahead of last year.

Employment Situation Improves

In March, non-agricultural employment virtually regained the level of the previous year, after averaging about one per cent below in January and February. Non-agricultural employment during the first quarter was retarded by several factors, some of which either have been or will be corrected. First quarter construction employment fell short of last year because of poor weather in some parts early in the year, but more important was the curtailment of atomic energy plant construction at Hanford, Washington. It now appears likely that these projects again will be in full swing by July, and that other private and public projects will provide additional jobs. Manufacturing employment, particularly in the lumber industry, fell off early in the year owing to the weather, but by March manufacturing employment in most district states surpassed the 1949 level. Trade employment has been ahead of 1949, and the service and finance industries have remained fairly stable. Transportation, government, and mining employment during the first quarter dropped below a year earlier. Mining employment was affected by the coal strike and a reduction in non-ferrous metal extraction because of poor market demand, but the non-ferrous metal market has improved considerably in recent weeks.

Several factors contribute to the brighter outlook for employment. Counter to seasonal trends, non-agricultural employment increased between January and February in five of the seven district states. The exceptions were Idaho and Utah. The coal strike was the major factor reducing employment in Utah. Furthermore, increases in employment between February and March, much greater than seasonal, have spread over a wider area than usual. A number of industries that were distinctly weak last year shared in the gain. Of equal importance, almost all the reporting labour market areas indicate further expansion in employment, and it appears quite likely that during the next few months non-agricultural employment will be ahead of last year. Insured unemployment in mid-April numbered 317,000, better than 25 per cent below the same time last year.

Production Satisfactory in Many Lines

Industrial production showed considerable strength during the first quarter. Unusually severe weather conditions retarded output somewhat during January and February, but in March many industries were operating at a level of output at least as great as last year. All non-durable goods industries other than petroleum had an output volume as good as or better than March, 1949. In the fruit and vegetable canning industry, prospects were clearly better than last year. Demand in recent months has been good, and production plans indicate an over-all pack equal to or better than last year's.

Output in some durable goods lines fell behind a year ago. Non-electrical machinery production was down markedly and shipbuilding and repair continued to decline. In contrast with last year, however, machinery production has been increasing during the first several months of this year and additional gains appear likely.

Lumber production has been pushed to the limit permitted by weather and output is likely to increase further. Other forest industries also display considerable activity. Plywood and planing-mill products face a strong demand. Producers of Douglas fir doors are reported as being booked well into the summer months.

Iron and steel output is staying close to capacity levels with no evidence of any drop in demand. The California aircraft industry finds itself a little busier now than last year, and the Washington plants have been maintaining a steady pace for several months in contrast with an almost continuous decline last year.

Expenditure on Plant and Equipment Lower

Businessmen's plans for plant and equipment expenditures during the first quarter did not keep pace with last year's level, but the outlook for the rest of the year appears fairly good. In California, planned expenditures on plant expansion actually topped last year in the early part of 1950. Plans for spending on new plants, however, failed to match the year-ago level, and this reduced total planned expenditures below a year ago. In recent months, however, requests for plant location information have come into the state at an encouraging rate and expenditures on new plants may well increase. Information from Utah indicates that Utah businessmen planned a good rate of expenditures through April and that inquiries from outside the state regarding plant location are continuing to mount. Opinion in the Pacific Northwest tends toward the view that business expenditures on major projects in that area are near completion; the situation, however, is regarded as favourable for further expenditures on improvements and expansions of existing plants.

Business inventories on the decline during most of 1949, have steadied for the present. Control over buying is still very close, but further reductions in stocks appear unlikely. Some business firms regard stocks as somewhat low relative to current needs, and may increase goods on hand somewhat later this year. Inventory rebuilding could play an increasingly important part in the volume of production. Nevertheless, a high rate of production will be necessary in any event to meet the level of demand which has appeared in recent months.

Wholesale Prices Rise Slightly

Since late January the Bureau of Labor Statistics' weekly index of wholesale prices has been moving upward. Through mid-May, the increase amounted to about 2·5 per cent. The larger increases have come in prices for farm products and building materials. The effect of these changes on cost of living items through March, however, was negligible. Very minor increases in food prices have occurred nationally and in those metropolitan centres in this district for which separate figures are available. Generally, however, the picture remains unchanged.

Price changes have not been apparent over any wide range of production. Prices of lumber and other forest products stand out as the major area of change. The best information available indicates an increase in lumber prices of roughly 25 per cent for the lower grades of lumber from their low point late last summer. Prices for better grades of lumber have risen considerably less, in one case only 4 per cent. Canned fruit and vegetable prices have firmed considerably since the first of the year. In April, peach prices were increased 20 cents per case.

Fruit Crops Damaged by Frost

Freezing weather during the last week in April did considerable damage to many crops in Washington, Oregon, Idaho and Utah. Though the soft fruits suffered the most, damage extended to many annual crops in these states.

While final losses will not be known for several months, damage is reported as moderate to heavy in parts of Washington and Oregon. Peaches and apricots seem to have suffered the most during the recent freeze after sustaining moderate damage during January and February. Losses in southern Idaho and Utah were much heavier. In Idaho, the peach and apricot crops were the hardest hit. Losses up to 50 per cent have been estimated for the cherry crop which was in full bloom. Apple and prune injury appears light. Frost damage to sugar beets, however, caused considerable reseeding and will result in a smaller crop.

Damage in Utah was undoubtedly the heaviest of any of the states. Agricultural observers believe the fruit crop loss the heaviest from frost damage in two decades or more. Although exact appraisal is still not possible, it seems certain that the state's apple, pear, apricot, and peach crops were reduced at least 50 per cent with damage reported as near 100 per cent in the counties around Salt Lake City.

Rate of Decline in Business Loans Reduced

The slackening of business activity during the fore part of last year was accompanied by the first prolonged and substantial decline in bank loans to business in the postwar period. The higher and improving level of business activity in the first four months of this year has also been accompanied by a decline in such loans, but one of considerably less magnitude than in the corresponding period a year ago and perhaps less than might be expected on the basis of purely seasonal factors.

As last year, the decline in the Twelfth District has been somewhat larger than in the country as a whole. The outstanding volume of commercial, industrial, and agricultural loans of weekly reporting member banks throughout the country fell 9 per cent in the first four months of 1949, contrasted with only a 3 per cent decline in the corresponding period this year. The decrease was 9·5 per cent a year ago and 4·6 per cent this year. In both the district and the nation, the sharpest decline occurred in April. This was also the case last year for the United States as a whole, but in the Twelfth District, the greatest decrease in that year occurred in February.

European Wool Agreement Proposed

The Hague, June 12, 1950.—(FTS)—It is reported that the Benelux countries are taking the initiative in a proposed European Wool Agreement, somewhat similar in its field to the Schumann plan for coal and steel. It is suggested that import duties on wool be reduced by one-third of the present rates a year for three years so that at the end of that time one large European market will be established. This proposal will be discussed at the Congress of the International Wool Association at Stockholm, beginning June 12.

S. D. Pierce to Represent Canada at OEEC Council Meeting

S. D. Pierce

Mr. S. D. Pierce, Associate Deputy Minister of the Department of Trade and Commerce, will represent Canada at the next meeting of the Council of the Organization for European Economic Co-operation (OEEC) which takes place in Paris on July 6.

The scope of the new informal association between the OEEC and Canada has not been defined in precise terms. This flexibility will permit it to take whatever form is likely to lead to the most fruitful results. Mr. Pierce will explore and report on the implications of the new relationship, having regard for the desire of the Canadian Government to participate actively in the work of the OEEC in any way that would usefully contribute to the development of this organization as an important agency for economic co-operation between the countries of Western Europe and of North America, and for the solution of common economic problems.

The idea of an informal association between the OEEC and the United States and Canada was given expression in a statement issued in London on May 18 by the foreign ministers of the United Kingdom, France, the United States and Canada. In that statement the foreign ministers of France and the United Kingdom, after consultation with the chairman of the OEEC, stated their hope that the OEEC would invite Canada and the United States to establish, on an informal basis, a working relationship with the OEEC. On the day of the publication of the London statement, the Prime Minister said in the House of Commons that the Canadian Government would be glad, if invited, to establish an informal working relationship with the OEEC. Subsequently, Mr. Pearson announced on June 13 that an invitation had been received and accepted.

Prosperity of Hong Kong is Dependent On Maintenance of Entrepôt Trade

Relatively little produced within the Colony—Traditional position as a free port maintained—Trade controls kept to the minimum—Great increase recorded in trade last year.

(Editor's Note—This is the second in a series of articles on political and economic conditions in Hong Kong, reproduced from the Annual Report for 1949 of that Crown Colony.)

HONG KONG'S prosperity has been built up through its development as the commercial clearing house for goods destined for, and exported from, the Canton delta in particular, and South China in general. It produces relatively little within its own borders. Before the normal pattern of trade was disrupted by the outbreak of the Sino-Japanese War in 1937, over 40 per cent of the colony's total trade was conducted with China. In the long run, the trade of the colony must continue to be linked with that of China, whatever temporary shifts in pattern have been brought about by the unsettled conditions prevailing in that country during the past few years. Since the end of the Pacific war, the colony's trade with China has fallen steadily, and in 1948 amounted to less than 20 per cent of the whole. To compensate for this, the Hong Kong merchant, with his traditional adaptability to changing conditions, has developed new markets in the countries to the south, in particular with Malaya and Siam.

Hong Kong has maintained its traditional position as a free port, in spite of postwar economic developments in other parts of the world. Trade controls in Hong Kong are kept to the minimum, an essential for a port that depends on its entrepôt trade for its prosperity, and such controls are mainly confined to those made necessary either by international obligations in respect to scarce commodities or foreign exchange, or by the need to protect Hong Kong's own supplies of scarce commodities. In so far as is consistent with the colony's obligations to the sterling area, exchange control makes no attempt to enforce surrender of foreign exchange, where such an attempt might merely cause the exchange to be diverted elsewhere.

The colony's trade for 1949 showed a great increase over 1948, which had itself been considered a boom year. The total value of imports and exports combined was estimated at £316·8 millions (HK$5,068 million), an increase over the 1948 figures of £228·7 millions (HK$3,659 million), or 38 per cent. Imports of merchandise for 1949 were valued at £171·9 millions (HK$2,750 million), exports at £144·9 millions (HK$2,318 million). The corresponding figures for 1948 were £129·8 millions (HK-$2,077 million) and £98·9 millions (HK$1,582 million). Imports for 1949, therefore, showed an increase of 32 per cent over the previous year, whilst exports showed an increase of more than 46 per cent.

Trade with North China Mounting

Trade has risen steadily throughout the year. At the time, when Shanghai was occupied by the Communists, much cargo originally consigned to that port was off-loaded in Hong Kong, leading to acute shortage of godown space. This situation was aggravated by the subsequent Nationalist blockade, but later on much of the cargo in question was shipped to Tientsin, and goods are once again on the move. One of the most interesting features of the year's trade has been the rapidly mounting volume of trade with North China, which indicates that a brighter future may be in store for the colony in its trade relations with China, which have been so adversely affected by the four years of civil war in that country.

The colony's main imports during the year were textile fabrics, chemical elements and pharmaceutical products, hydrocarbon oils, manufactured articles, and vegetable oils. Main exports were textile fabrics, vegetable oils, cotton yarn, manufactures of base metal and manufactured articles.

The following countries were the colony's main sources of imports during the year, the figures quoted being in pounds sterling and Hong Kong dollars: China, £37 millions ($593 millions); United States, £36 millions ($575 millions); United Kingdom, £24 millions ($388 millions); Thailand, £7 millions ($110 millions); and Malaya, £7 millions ($108 millions). Exports were directed mainly to the following destinations: China, £37 millions ($585 millions); Macao, £17 millions ($268 millions); Malaya, £15 millions ($240 millions); United States, £15 millions ($234 millions); United Kingdom, £9 millions ($140 millions); and Thailand, £7 millions ($116 millions).

Imports from Commonwealth Increased

Imports from the Commonwealth totalled £50 millions ($796 millions), an increase of 38 per cent over 1948. Exports to the Commonwealth totalled £34 millions ($542 millions), an increase of 34 per cent. The Commonwealth's share of the colony's imports in 1949 was 26 per cent, and of exports 23 per cent. Imports from the United Kingdom showed a 29 per cent increase over 1948, and large increases in imports from China, the United States, Switzerland, Holland, France and Korea were also recorded.

The steady decrease in trade with China, which has been the most disturbing feature of the postwar period, was arrested in 1949. Imports from China increased by 38 per cent over the previous year, whilst exports to China more than doubled. The change of government in China has resulted in a change in the nature of the colony's exports to that country, raw materials and industrial merchandise having taken the place of consumer goods and general cargo.

Throughout the year, there has been a steady flow of capital from China into the colony, attracted by the advantages of a stable currency and security, and much of this capital has been invested in a wide range of projects, particularly in industrial building construction and new equipment for factories.

Operations on Port-of-Spain Wharves to be Modernized

Port-of-Spain, May 26, 1950.—(FTS)—The first shipment of new equipment to modernize operations on the Port-of-Spain wharves is expected to arrive in May. It is believed that this equipment, when in operation, will cut down the time involved in handling cargoes and that the cost of such handling will be considerably reduced. Electric trucks will replace the motor trucks presently being used. The Port Services Department will spend some $250,000 in an economy plan, but it is not intended to change the number of labourers employed. The department has already planned to purchase four Fork-Electric lifts at an approximate cost of $30,000. Thirty electric trucks will be purchased at a cost of approximately $100,000.

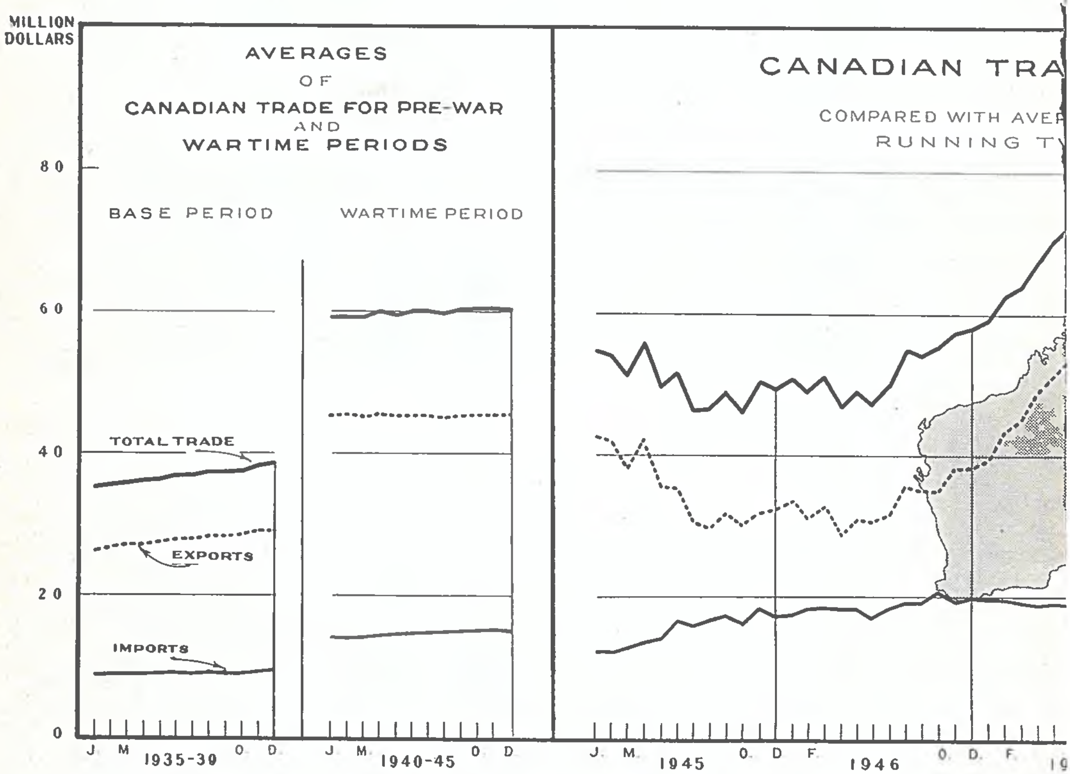
CANADIAN TRADE WITH A

IMPORTS

Commodity	1938		1948		1949	
	Value $'000	Per cent	Value $'000	Per cent	Value $'000	Per cent
Agricultural and Vegetable Products	5,579	61·7	9,937	36·2	15,575	56·8
Animals and Animal Products	997	11·0	2,783	10·2	880	3·2
Fibres, Textiles and Textile Products	2,278	25·2	14,203	51·8	10,360	37·8
Wood, Wood Products and Paper	59	0·7	75	0·3	91	0·3
Iron and Its Products	4	[1]	132	0·5	208	0·8
Non-Ferrous Metals and Products	64	0·7	84	0·3	24	0·1
Non-Metallic Minerals and Products	[2]	[1]	7	[1]	54	0·2
Chemicals and Allied Products	7	0·1	76	0·3	66	0·2
Miscellaneous Commodities	54	0·6	118	0·4	172	0·6
TOTAL	9,044	100·0	27,415	100·0	27,429	100·0

[1] Less than one-tenth of one per cent. [2] Less than $1,000.

For trade statistical purposes, the geographic area covered by the undernoted



STRALIA, BY COMMODITIES

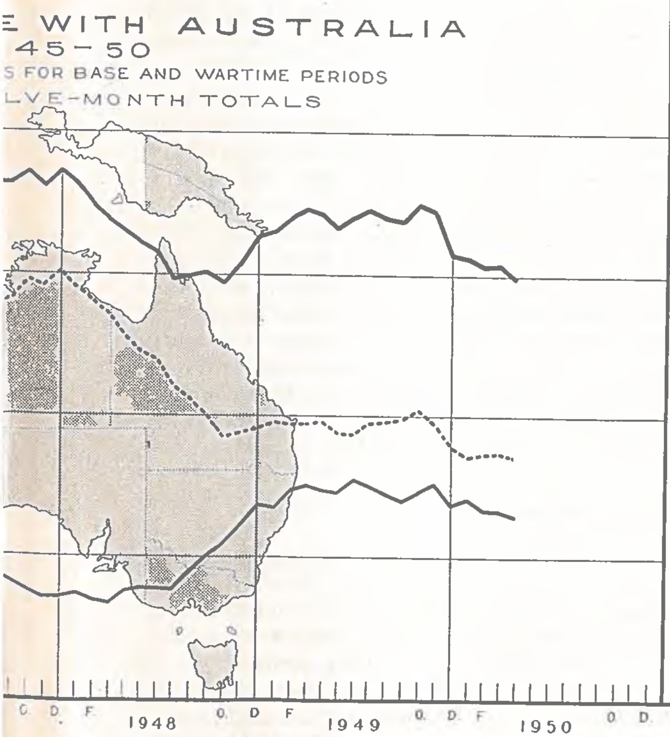
EXPORTS

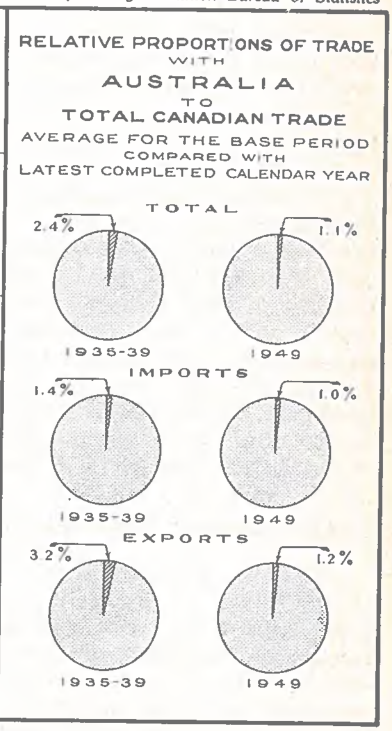
Commodity	1938		1948		1949	
	Value $'000	Per cent	Value $'000	Per cent	Value $'000	Per cent
Agricultural and Vegetable Products	213	0·6	6	[1]	33	0·1
Animals and Animal Products	2,060	6·2	91	0·2	141	0·4
Fibres, Textiles and Textile Products	1,784	5·4	3,106	8·1	2,335	6·6
Wood, Wood Products and Paper	12,649	38·4	10,500	27·5	11,864	33·5
Iron and Its Products	12,259	37·2	17,573	45·9	13,981	39·5
Non-Ferrous Metals and Products	1,385	4·2	2,706	7·1	3,169	9·0
Non-Metallic Minerals and Products	868	2·6	1,909	5·0	1,701	4·8
Chemicals and Allied Products	698	2·1	1,134	3·0	1,085	3·1
Miscellaneous Commodities	1,066	3·2	1,232	3·2	1,054	3·0
TOTAL	32,982	100·0	38,257	100·0	35,363	100·0

[1] Less than one-tenth of one per cent. [2] Less than $1.000.

art includes Australia, Tasmania, Papua, New Guinea and the Norfolk Islands.

Prepared by Dominion Bureau of Statistics





those countries chiefly hides, sheepskins, wool, linseed and tung oils, industrial tallow and quebracho extract for an aggregate value of about U.S.$39,500,000.

The agreement with Belgium was repudiated by the Belgians. The trade agreement with France will expire in August of this year and there has been preliminary work for further arrangements. There have been pourparlers with Switzerland for the implementation of the existing trade agreement. The negotiations with the United Kingdom concerning the fulfilment of the terms under the 1949 agreement have been at stalemate owing to differences on the question of price of meat, a question created by the devaluation of currencies last fall. The United States Under-Secretary of State for Latin-American Affairs stopped in Buenos Aires for a few days in the course of his tour of Latin American countries in February and, in addition to the negotiations between Argentina's Treasury Minister and the United States government and banking officials, which culminated in the granting to Argentina of the credit referred to earlier, there is some prospect of a United States-Argentine trade agreement at a later date.

Complexities facing the Argentine manufacturer when considering his production costs, namely, the costs of raw materials, fuel, total overhead expenses, replacement of capital equipment and machinery, and particularly of labour, are great. As re-equipment and plant extension costs rise, increasingly heavier profits must be earned to insure healthy economic survival and the maintenance of full employment. The difficulties in this relation confronting the Argentine industry were well indicated in the annual reports for the postwar years of one of the most prominent firms in Argentina. The history of plans for a new rubber footwear plant affords a competent analysis of the difficulties of industrial planning and organization at the present time. In the 1947 report, the installation cost for the footwear plant was estimated at 12,000,000 pesos; in the 1948 report, the estimated cost was raised to 24,000,000 pesos, but in 1949 the report places the probable cost of the new plant at 32,000,000 pesos. The item which has contributed most to those sharply increased costs is labour.

The position in Argentina during the first few months of this year, as in many previous ones for that matter, is that labour is not only yielding less per man-hour than formerly, but is costing the employer an incommensurably high figure. In the lack of official statistics, reliable sources estimate that in a cross-survey of eighteen large industrial establishments of widely different kinds, the wage index increased from 100 in 1943 to 437 at the end of 1949, not including the charges of social services or indirect wages, which, if included, would raise the index at the end of 1949 to approximately 636. In spite of the very high pay and the very low productivity taken and given by the Argentine workers, they are pressing more demands which are generally complied with in full. This condition is not likely to attract foreign capital to the country and acts as a deterrent to many domestic industrial expansion programs.

Government Encouraging Profit Sharing

An interesting trend concerning Argentine labour is the encouragement and interest taken by the Argentine government in "profit sharing". For its part, the government has decided that the personnel attached to the Dirección Nacional de Industrias del Estado (National Department of State Industries) shall enjoy a participation in the profits of these industries to the extent of 26·25 per cent of net profits, which decision will benefit 15,000 workers. Provision has also been made for the participation by railway staff and the Railway Board to 25 per cent and 5 per cent of net profits, respectively. The amount of profits in question is not known and it is impossible, therefore, to say what these concessions will mean to the individual worker.

In addition, it was announced early in January that bonuses for individual efficiency in the construction of the Comodoro Rivadavia to Buenos Aires gas line were to be distributed; the bonuses could not be more than 50 per cent of any savings in the cost of construction. The savings amounted to nearly 16,000,000 Argentine pesos, of which 12,000,000 pesos were deemed to be derived exclusively from the efficiency of the personnel. Accordingly, the distribution of 6,145,190 pesos among the personnel of the State Gas Division has been authorized by presidential decree.

Notwithstanding the preferential treatment given to the Argentine worker, considerable labour unrest continued during the first few months of the current year. Recent months have witnessed a succession of strikes, both "quick" and "slow", for still higher wages from crews of foreign air lines, municipal employees, workers of the bristle, tobacco, salt and sugar industries, in addition to those of sanatoriums and hospitals, telegraph and radio and personnel of the Department of Justice. Pasteurized milk workers struck in turn and master bakers closed shops, claiming to be unable to pay the new wage increases. Short-term strikes were staged among office workers of many major packing houses. Personnel of Buenos Aires' better-class hotels and restaurants walked out; port workers, garbage men and passenger train conductors also effected work stoppages.

Industrial equipment has continued to be difficult to obtain, while manufacturing cost and fiscal charges have increased generally. The prices of many commodities of primary necessity have risen, thus boosting further the already high cost of living.

In short, there have been constructive developments in Argentina during the first part of this year, but those may prove to have been too few or incapable of compensating for the effect of the serious drought of recent months, the consequences of which are only beginning to be felt. All in all, the general outlook for the balance of this year, judged from the period under review, is not too bright.

New Zealand Post Office Seeks Radio Equipment

Wellington, June 26, 1950.—The New Zealand Post Office has invited tenders for the supply of frequency-shift radio-telegraph transmitting equipment. Quotations are to be forwarded direct to the General Post Office, Wellington C.L., New Zealand, to reach there not later than August 18, 1950. They should also be made out on the basis of c. and f. Wellington for one frequency-shift radio-telegraph transmitting unit.

(Editor's Note—Specification N.142M. for this equipment is available from Mr. J. A. Malcolm, New Zealand Government Trade Commissioner, Montreal, Quebec.)

Annual Report

The Annual Report of the Department of Trade and Commerce for the Calendar Year 1949, which was tabled in the House of Commons on June 22, 1950, is now available for distribution. Copies may be obtained for 25 cents each from the King's Printer, Government Printing Bureau, Ottawa.

Transfer of Exchange Control Functions to Japanese Government Now Completed

Effective July 1, 1950, non-military transactions placed on yen basis —Foreign Trade Payment Certificates withdrawn from circulation and replaced by yen.

By J. C. Britton, Commercial Representative for Canada

TOKYO, June 15, 1950.—Transfer of exchange control functions to the Japanese Government will be completed on July 1, 1950, when non-military transactions will be placed on a yen basis, and internal business activities involving foreign exchange will become subject to Japanese Government control. Foreign Trade Payment Certificates, so familiar to Canadian businessmen and those from other countries visiting Japan and commercial entrants resident in the country, will be withdrawn from circulation on July 1, and yen will be used in their place. Private foreign currency bank accounts will terminate on the same date and special "convertible yen" bank accounts made available in their stead.

Commencing July 1, overseas supply stores, traders hotels and special commercial entrant office buildings will accept payment in yen. The overseas supply stores will receive an allocation of foreign exchange funds for the purchase of imported provisions and other supplies required for foreign nationals resident in Japan. The right to purchase in overseas supply stores will be limited to non-occupation foreign nationals who entered Japan after September 2, 1945, and to other non-occupation foreign nationals who are deemed eligible to purchase through this channel. Critical items will be rationed.

Applicable commodity, gasoline and liquor taxes are to be collected on all commodities for sale outside military channels after the first of July. Tariffs not applied to imports for the Japanese population will not apply to goods sold in specially licensed outlets. Licensed purveyors to occupation agencies will be outside the excise and customs system as will goods imported for named occupation personnel.

Banking, insurance, international air lines, shipping companies, petroleum bunkering, wholesaling and retailing of imported goods and bona-fide non-profit foreigners' clubs are types of activities to be licensed by the Japanese Government to receive foreign exchange for deposit in special convertible yen accounts. Sales and shipping agents will also be licensed to transmit foreign exchange on behalf of their principals abroad upon review and approval by the Japanese Government of the agency payment arrangements from the foreign exchange viewpoint. The new Japanese licences for the sale of imported items for convertible yen or foreign exchange instruments require that bulk sales be made only to other licensed wholesalers or retailers, licensed clubs and to occupation agencies and clubs.

Foreign residents and firms with legitimate requirements will be authorized special convertible yen accounts in designated foreign exchange banks and will be permitted to make withdrawals from their accounts freely convertible into the currency of deposit for remittances abroad. Transfers among accounts of the same currency will also be freely permitted. The convertible yen cheque in the future will be used for all permitted foreign exchange payments in Japan such as payments of salaries to non-exchange residents, foreign currency insurance premiums, purchase of imported goods from specially licensed shops and agencies and the purchase of accommodation on international air lines and ships.

Indonesian Economy Confronted With Many Problems Last Year

New government has heavy burden of responsibility—Reduced export tonnage reflects production and export difficulties encountered—Canadian share of market was less than one per cent, and was approximately 42 per cent lower than in 1948.

By R. K. Thomson, Acting Canadian Government Trade Commissioner in Singapore

SINGAPORE, May 1, 1950.—Indonesia was one of the most prosperous countries prior to the war, an important source of supply for a wide variety of products and a rich market for commodities of other lands. Considerable damage was sustained during the war and the period of Japanese occupation. This was followed by monetary chaos, political unrest and disorders. However, a settlement with the Netherlands was reached towards the close of 1949, and the United States of Indonesia was established. Internal disorders still create problems for the new government, which has a heavy burden of responsibility in uniting the country, subduing the disturbing elements, restoring production to prewar levels, and in stimulating exports.

The production and export difficulties encountered by Indonesia are exemplified in a comparison of export tonnages. These totalled more than 12,000,000 metric tons in 1939, but decreased to 5,200,000 metric tons in 1948. In the first six months of 1949 the metric tonnage of exports totalled 3,500,000 tons. Import tonnages during 1948 and 1949 were approximately a third lower than prewar figures. It will be seen, therefore, that Indonesia's trade is unbalanced and demonstrates the foreign exchange shortage facing the new republic. In terms of currency, Indonesia's exports in 1949 were approximately 50 per cent more than in 1948. While this would appear to indicate a very considerable increase, the import returns for 1948 did not take into account Republican-held Indonesian territory, while the 1949 figures are inclusive and in consequence it can be stated generally that exports were only slightly higher.

The largest export commodity in terms of value during 1949 was petrol, oils and lubricants, totalling 410,352,000 guilders. In second place came rubber, totalling 349,006,000 guilders. Exports of copra, palm oil, palm seeds and other fatty substances and waxes amounted to 270,991,000 guilders, while exports of base metals, mainly tin ores, were valued at 181,161,000 guilders. Exports of food products, beverages and tobaccos were valued at 154,857,000 guilders, this total including tea, sugar, tobacco and spices. The total of all exports for 1949 are valued at approximately 1,500,000,000 guilders.

Exports Decreased in Value

Indonesia's imports for 1949 totalled 1,427,032,000 guilders, a decrease of approximately 20 per cent compared with imports during 1948. The most important supplier of Indonesia was the United States with about 31 per cent of the total. The Netherlands followed with 25 per cent, the United Kingdom with 11 per cent, Japan with 8 per cent and other countries with less than 5 per cent each. Canada's share was somewhat less than 1 per cent.

Main Imports into Indonesia, 1949

	Guilders
Textiles	364,139,000
Food products, beverages and tobacco	291,940,000
Machinery, apparatus and appliances	250,459,000
Metals and manufactures thereof	151,066,000
Oils and lubricants and products for heating, lighting and power	112,821,000
Chemicals and allied products	71,770,000
Clothing and other manufactured textiles	49,690,000
Non-metallic minerals and manufactures	35,301,000
Pulp, paper and paper ware	25,940,000
Rubber and manufactures	11,384,000
Other commodities	63,522,000

Automobiles and Trucks Main Imports from Canada

During 1949 approximately 90 per cent of Canada's exports to Indonesia comprised ten commodities of which the most important were automobiles and trucks to the value of $1,322,177 and tires to the value of $821,450. Another substantial export was linseed and flaxseed oil in the amount of $672,492. Ammonium sulphate was exported to Indonesia to the extent of $426,305, batteries and parts $289,160, and aluminum

Malay Archipelago, indicating at its southern extremity the islands of Sumatra, Java, Bali, Lombok, Sumbawa, Sumba (Sandalwood), Flores and Timor.

Courtesy Canadian Geographical Society.

$145,848. The other commodities making up the ten principal exports to Indonesia were packages, bar, plates and sheets of steel, printed matter and milk (evaporated and condensed).

Canada's exports to Indonesia during 1949 decreased approximately 42 per cent in comparison with 1948. A further decrease is anticipated for 1950.

Canada's imports of Indonesian produce during 1949 totalled $1,454,114. Therefore, the Canadian balance of trade with Indonesia was favourable, the ratio of over 3 to 1. Main imports into Canada during 1949 from Indonesia were copra, tea, coconut oil, cigars and cigar leaf with much smaller amounts of manila fibre, peanuts and crude rubber.

Netherlands Economy Affected by Readjustment in First Quarter

Situation occasioned by liberalizing European trade, further consideration of economic union and devaluation—Investments now bearing fruit in the industrial field—Speculation prevalent concerning possibility of Benelux countries realizing union of July 1 of this year—Inter-convertibility of currencies is main problem to be overcome.

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

(One florin equals $0.2895)

THE HAGUE, May 24, 1950.—Economic readjustment in the Netherlands featured the first four months of 1950, occasioned by the decision taken to liberalize European trade, further consideration of economic union by the Benelux countries and devaluation. Although conditions generally were less favourable during the first quarter of this year, than in the corresponding period of 1949, as a result of the economic readjustment, there is cause for some satisfaction. This is noted particularly in the industrial field, in which investments are now bearing fruit and contemplated investment bodes well for the industrial future of this country.

In order to achieve a balance of international payments, it is estimated that the Netherlands must export goods to the value of $90 for every $100 worth of imports, the remaining $10 being earned through net investment returns and international services. This target figure was nearly reached during the latter part of 1949, but the percentage of imports covered by exports declined during the first quarter of 1950, due principally to an increase in the value of imports into the Netherlands, as indicated in the following table:

Trade of the Netherlands

	Imports	Exports	Per cent of imports covered by exports
	(Millions of guilders)		
1949—			
October	435	378	86.9
November	452	399	88.3
December	554	433	78.2
1950—			
January	581	396	68.2
February	521	315	60.5
March	614	400	65.0

Imports have increased because of decisions taken by the Netherlands during the past year in common with other OEEC countries to remove restrictive import controls. In addition to this common undertaking, special trading arrangements have been made with the Belgo-Luxembourg Economic Union (B.L.E.U.) and with Germany. The overall result is that 60 per cent of Dutch imports from OEEC countries is free from control. With particular reference to the B.L.E.U. imports are 91 per cent free. The special trading arrangement with Western Germany, which for several months afforded the Dutch a substantial trade balance, is presently resulting in increased German sales in Holland. It is estimated that within a short time, due to trade talks concluded in May, Dutch-German trade, with a few exceptions, will be free. The principal result of these decisions is that Holland has forfeited much of the protective bilateral equipment formerly employed to control its trade balance in order to promote freer European trade. The Dutch are of the opinion that, despite short-term inconvenience, the steps taken will prove well worth while when parallel inter-European payment arrangements have been concluded.

Dutch Taxation Being Equalized Vis-à-Vis Belgium

During the period under review a good deal has been done towards bringing the Dutch economy more into line with that of Belgium. This activity has been centred chiefly in the taxation field. Steps have been taken to equalize taxation vis-à-vis Belgium with special attention being given to the question of shifting the fiscal burden more and more on to direct taxation as opposed to indirect taxation. The most recent tax equalization measure is the fl.0.06 per litre tax increase on Netherlands petrol. This brings the Dutch price in line with the Belgian. Other fiscal discussions presently being held deal with decreasing income tax, increasing sales tax and various changes in the property tax.

There has been much speculation during the first four months of this year concerning the possibility of the Benelux countries realizing economic union as scheduled on July 1st of this year. Dutch sources of information have supplied a variety of answers ranging from a definite "yes" to a positive "no".

Those who hold the affirmative view maintain that economic union has to take place as scheduled or meet the traditional fate of a plan "oft delayed". The proponents of this view, while realizing that the basic balance of payments problem between Holland and Belgium is no nearer solution than it was a year ago and while fully aware of the present political uncertainty in Belgium, are nevertheless of the opinion that the governments concerned will legislate the economic union into existence and worry about the consequences later. Such a course, although admittedly contrary to the avowed intention of the Benelux countries to build the union stage by stage as circumstances permit, is, in the opinion of some, preferable to the alternative of standing idly by and witnessing the death of a great ideal.

On the other hand, those who maintain that the economic union will not and should not come into existence on July 1st of this year seem to argue more from common sense than pessimism. They are of the opinion that the ideal is great enough "per se" to withstand yet another setback, especially since the real solution is so nearly within the grasp of the Benelux countries. The solution referred to is the inter-convertibility of European currencies which, it is hoped, will be effected through some type of clearing union in the not too distant future.

In support of the argument for delaying economic union the case is made that contrary to former anticipations, devaluation in various countries has neither restricted Belgian and Luxembourg export opportunities nor affected the competitive capacity of their industry. Despite devaluation, trade between the Benelux partners has increased and has resulted in an increased deficit of Holland's payment position with its partner countries. The average monthly deficit with the B.L.E.U. in 1949 was 359 million francs. The deficit for January and February, 1950, was 550 and 760 million francs, respectively. The only permanent solution to this problem lies in granting Holland the facility of covering Belgian indebtedness with other currencies which she has in surplus. This can only come about through a European currency union, and it is therefore advisable to await this development rather than rush into complete economic union on July 1st.

Some Results of Devaluation Now Obvious

Some results of last September's devaluation are now obvious, with the bad more pronounced than the good. It is still too soon to state whether overall exports have increased sufficiently to allow for a net gain over more costly imports, but the Netherlands were never of the opinion that devaluation would yield a pronounced short-term advantage. It is the long-term with which they are concerned, and to date they have registered satisfaction at having gained a substantial price margin in the United States, Canada, Belgium and Switzerland. There is an air of confidence that in the future good use will be made of this economic advantage.

Along with this long-term satisfaction, some is to be derived in the short-term from the fact that increased European industrial capacity coupled with devalued European prices are allowing the Netherlands to buy in Europe many goods which formerly had to be purchased in the United States. It was for this reason that the Netherlands recently cancelled approximately one-half of the $13,000,000 loan granted by the International Bank for Reconstruction and Development.

The obvious short-term disadvantages have been the transformation of the first postwar balanced budget into one showing a substantial deficit. In addition, devaluation has boosted the local cost of living to the point of creating serious tension in the wage-price relationships. Devaluation increased government expenditure in excess of that budgeted for by fl.156,900,000, with the highest increases going to the Ministry of Finance, fl.73,300,000, Ministry of War, fl.29,000,000; and Ministry of Agriculture, fl.20,000,000.

Moreover, decisions taken at the Round Table Conference involved the government in expenditures of fl.186,200,000 more than those budgeted for last September.

The index of wholesale prices increased from 295 in September, 1949, to 314 in March, 1950. The cost of living index rose from 216 on September 15, 1949, to 237 on March 15, 1950. As a result of the pressure caused by these increases the government agreed to a general 5 per cent wage increase in January, on the condition that labour productivity increased by an equivalent amount.

The average of industrial production, though down somewhat from the November-December peak, is still 30 per cent above that of 1938. Labour productivity, however, is still 10 per cent below the 1938 level. This is attributed more to inefficient production methods rather than to insufficient efforts on the part of labour. A government commission was instituted in January of this year to study ways and means of increasing labour productivity.

The industrialization plan covering the period from January 1, 1948, to July 1, 1952, envisages an investment in buildings and plant of 5·7 billion guilders and a further investment of 1·5 billion guilders for increased inventory. The total investment program of 7·2 billion guilders is to go forward at the rate of 1·6 billion guilders per year, with 1·25 billion guilders earmarked for buildings and plant. This part of the program was 77 per cent successful in 1948 and 91 per cent successful in 1949. There are a number of reasons for the improvement during the last year. Most important of these was the removal of government restrictions on the use of building space, materials and foreign exchange for industrial purposes. The increased demand for Dutch production, due to more liberalized European trade, was also a factor. Impediments still remaining are stated to be a lack of industrial power and of entrepreneurs and skilled operators. Despite the lack of compete success in the industrialization program the following developments, which have been announced so far this year, are impressive.

The Netherlands Government has recently approved of state participation in the expansion of the Netherlands blast furnaces and steel factories at IJmuiden. The government will supply 96 million guilders of the total Dutch capital investment of 188 million guilders. (ECA has allocated $23,500,000 for this project.) Expansion will take the form of increased rolling mill production and the establishment of a hotstrip and tinplate factory. It is estimated that this expansion and modernizaion will yield 73 million guilders annually in foreign exchange. Rolling mill production, which was 250,000 tons in 1948, will increase to 600.000 tons in 1952-53 (estimated consumption in 1952-53 is 1,400,000 tons).

Electric Power Output to be Increased

In order to meet the growing demand for industrial power, Netherlands power station capacity is to be increased from 1,350,000 kw. to 2,350,000 kw. at a cost of approximately 800 million guilders. Holland's prewar annual power consumption amounted to 3·5 billion kwh. In 1948 this had increased to 5·3 billion kwh.

The new installations of a coke oven gas company at IJmuiden, which were put into operation in May, will increase its output of pure nitrogen from 15,000 to 50,000 tons annually. Total Netherlands production will now amount to 200,000 tons per annum (including the production of the state coal mines and the factory at Sluiskil). Domestic consumption is 150,000 tons, making 50,000 tons available for export.

In the automotive industry two important announcements have been made. A trailer factory at Eindhoven had added to its organization a plant for the manufacture of motor trucks ranging from one to six tons. Production in 1950 will be 2,000 units. It is estimated that the output in 1953 will be 5,000.

The Ford motor assembly plant at Amsterdam will be enlarged to meet growing demand. In addition, plans are being made for the assembly of the German Ford, known as "Taunus". This is to supply the Dutch public with a small low-priced car.

The following table gives a survey of the output of the Dutch coal mines during the first three months of 1950:

	1950 January	1950 February	1950 March
No. of working days	26	24	27
Total production (in metric tons)	1,050,764	951,239	1,101,127
Average production per working day (in metric tons)	40,414	39,942	40,782
Index figure average production per working day (1938=100)	90	89	91

From these figures it appears that the total coal production during the first quarter of 1950 amounted to 3,103,130 metric tons (2,854,850 tons during the first three months of 1949). Average monthly production was as follows:

	Metric tons
1938	1,124,000
1945	425,000
1946	693,000
1947	842,000
1948	919,000
1949	975,000
1950 (1st quarter)	1,034,376

Imports of coal during the first three months of 1950 amounted to 1,085,958 tons, compared with 939,518 tons during the corresponding period of 1949.

Oil Production Set Record in February

During February, 1950, the Netherlands production of oil was 61,271 metric tons, which is the highest figure on record. The February, 1949, output amounted to 48,131 tons. The trend of the oil production is shown by the figures below:

	Monthly averages (In metric tons)
1946	5,217
1947	17,724
1948	41,295
1949	51,745
February, 1950	61,271

The Hague, June 9, 1950.—(FTS)—Speaking on the subject of the general financial position of this country, the president of the Netherlands Bank deplored the continued high level of government expenditure, pointing out that serious consequences would result if a better relationship was not reached between normal revenue and expenditure. Any further increase in expenditure would be unwarranted, in his opinion, and would be a direct threat to the maintenance of the value of the florin. He stressed the urgent necessity for a further contraction in domestic consumption, because equilibrium could not be reached by an increase in production and investment alone.

The creation of "one large European market" would not solve European problems, Dr. Holtrop maintained. It would create a period of great confusion, of large investment needs on one side and large capital losses on the other. He said: "What European countries really need are large markets in the United States and Canada."

New Distillery Operating in Trinidad

Port-of-Spain, May 26, 1950.—(FTS)—Angostura Bitters (Dr. J. G. B. Siegert & Sons) Limited have put a new distillery into operation in Trinidad under the name of Trinidad Distillers Ltd. The plant has a productive capacity of 700,000 proof gallons of rum or 415,000 gallons of 96 per cent alcohol for industrial purposes. Simultaneously the distillery produces 400 pounds of dried yeast daily as a by-product. This product is produced in the form of a dried powder. It has a low ash content, a whole range of B vitamins and a crude protein content of about 45 per cent. Machinery and plant are valued at $500,000. With few exceptions the whole plant was ordered from the United Kingdom.

Canadian Exports, by Commodities

—	May			January—May		
	1938	1949	1950	1938	1949	1950
MAIN GROUPS	(Millions of Dollars)					
Agricultural, Vegetable Products	10.5	76.3	66.7	60.1	294.3	235.5
Animals and Animal Products	9.1	22.6	26.7	45.6	110.3	136.5
Fibres, Textiles and Products	1.3	3.6	2.0	4.9	12.8	7.9
Wood, Wood Products and Paper	16.9	73.8	89.1	77.2	337.5	387.8
Iron and Products	5.6	27.4	27.8	28.2	129.1	100.7
Non-Ferrous Metals and Products	16.6	42.8	47.6	77.8	181.4	166.9
Non-Metallic Minerals, Products	2.4	4.5	9.2	9.0	24.9	39.1
Chemicals and Allied Products	2.3	6.9	9.8	9.1	34.5	41.2
Miscellaneous Commodities	2.3	14.9	8.1	9.1	44.7	25.8
TOTAL DOMESTIC EXPORTS	67.0	272.9	287.0	321.1	1,169.6	1,141.4
	(Thousands of Dollars)					
Agricultural, Vegetable Products:						
Fruits	410	324	435	3,254	3,473	5,594
Vegetables	487	322	985	1,178	1,985	4,088
Wheat	3,714	47,065	37,711	22,831	155,706	116,796
Grains, other	800	5,154	6,699	3,493	15,706	13,886
Flour of wheat	1,623	9,181	10,242	7,703	43,174	41,738
Farinaceous products, other	995	1,263	1,478	4,343	5,512	5,497
Sugar and products	123	1 ,573	540	710	2,197	1,388
Alcoholic beverages	610	2,671	3,008	4,169	13,944	13,691
Vegetables fats and oils	7	2,964	679	46	6,484	1,816
Rubber and products	1,270	2,141	1,105	5,595	11,436	4,554
Seeds	40	2,121	1,550	1,101	22,717	12,021
Tobacco	162	492	890	4,715	6,240	6,906
Vegetable products, other	224	1,063	1,380	1,009	5,767	7,496
TOTAL	10,467	76,333	66,700	60,146	294,341	235.471
Animals and Animal Products:						
Cattle	834	3,492	6,779	3,504	16,006	28,688
Other animals, living	130	574	340	681	3,313	3,056
Fish and fishery products	1,460	6,902	7,335	9,296	29,577	37,634
Furs and products	650	2,170	2,300	8,156	12,274	11,299
Leather and products	517	665	562	2,021	3,062	2,527
Bacon and hams	3,357	1,506	2,430	14,520	8,792	19,465
Meats, other	464	2,335	3,961	1,938	13,775	14,397
Cheese	571	779	136	1,104	1,326	595
Milk products, other	406	1,434	1,100	1,259	4,907	4,558
Eggs, shell and processed	45	924	174	84	7,088	3,951
Animal products, other	642	1,776	1,569	3,034	10,228	10,364
TOTAL	9,077	22,557	26,687	45,597	110,349	136,534
Fibres, Textiles and Products:						
Cotton products	221	359	485	1,073	2,603	2,076
Flax, hemp, jute and products	13	140	148	47	822	706
Wool and products	76	346	249	473	1,982	1,266
Artificial silk and products	186	215	284	854	827	1,340
Textile products, other	768	2,565	859	2,438	6,588	2,526
TOTAL	1,263	3,624	2,025	4,883	12,822	7,915
Wood, Wood Products and Paper:						
Planks and boards	2,638	12,473	20,494	12,431	55,749	80,500
Pulpwood	649	1,243	967	2,445	11,700	10,310
Unmanufactured wood, other	946	3,873	4,921	6,711	18,411	20,288
Wood pulp	2,470	14,812	16,744	11,722	73,969	73,864
Manufactured wood, other	288	592	391	1,346	2,452	1,582
Newsprint paper	9,135	38,624	44,245	38,582	165,044	194,060
Paper, other	724	2,037	1,158	3,653	8,881	6,143
Books and printed matter	86	161	184	348	1,296	1,022
TOTAL	16,936	73,815	89,104	77,238	337,503	387,770

Canadian Exports, by Commodities—Concluded

Commodity	May			January—May		
	1938	1949	1950	1938	1949	1950
	(Thousands of Dollars)					
Iron and Products:						
Iron ore	....	872	811	....	1,181	858
Ferro-alloys	159	2,432	1,325	555	11,338	4,924
Pigs, ingots, blooms, billets	257	424	1,284	1,782	1,749	5,778
Rolling mill products	200	1,545	308	1,100	5,910	3,035
Locomotives and parts	2	42	5,789	236	8,269	7,673
Farm machinery and implements	887	12,014	10,395	4,131	51,343	43,345
Hardware and cutlery	193	441	460	790	1,926	1,788
Machinery (except farm)	1,014	2,860	2,304	4,416	13,480	8,753
Automobiles, freight	682	627	676	3,805	3,746	3,950
Automobiles, passenger	1,295	1,162	1,995	7,485	6,626	6,049
Automobile parts	270	796	900	1,494	4,285	4,614
Railway cars and parts	....	2,488	7	10	8,474	2,849
Iron products, other	624	1,739	1,571	2,384	10,756	7,119
Total	5,584	27,442	27,824	28,190	129,084	100,735
Non-Ferrous Metals and Products:						
Aluminium and products	2,469	11,088	17,358	8,964	34,813	45,080
Brass and products	107	184	167	411	1,236	783
Copper and products	5,476	8,694	8,903	21,376	36,096	33,833
Lead and products	823	3,830	2,770	3,765	19,209	8,742
Nickel	3,987	8,768	9,172	24,416	42,568	42,546
Precious metals (except gold)	2,231	1,975	2,908	10,986	11,198	10,453
Zinc and products	1,001	5,711	4,094	4,896	25,483	16,822
Electrical apparatus, n.o.p	342	941	979	1,789	5,527	3,728
Non-ferrous products, other	208	1,603	1,255	1,240	5,245	4,943
Total	16,643	42,794	47,607	77,844	181,375	166,930
Non-Metallic Minerals, Products:						
Asbestos and products	1,500	1,257	5,798	4,378	8,042	23,832
Coal	94	252	213	610	1,451	1,835
Petroleum and products	22	31	12	149	1,570	95
Abrasives, artificial, crude	408	1,146	1,225	2,038	5,802	5,454
Non-metallic products, other	416	1,847	1,937	1,840	8,016	7,839
Total	2,439	4,533	9,186	9,014	24,881	39,054
Chemicals and Allied Products:						
Acids	129	291	293	518	1,307	1,066
Medicinal preparations	207	296	437	594	1,526	1,772
Fertilizers	1,051	3,916	3,744	4,294	20,408	18,236
Paints and varnishes	77	254	243	379	1,650	1,659
Calcium compounds	51	193	141	213	984	528
Soda and sodium compounds	331	354	435	1,667	1,710	1,958
Chemical products, other	442	1,614	4,506	1,389	6,948	15,949
Total	2,289	6,918	9,798	9,053	34,532	41,169
Miscellaneous Commodities:						
Toys and sporting goods	37	55	24	83	173	98
Films	427	440	121	1,768	1,510	970
Ships and vessels	7	5,935	3,840	185	16,228	10,135
Aircraft and parts	823	1,576	455	2,419	4,115	2,029
Electrical energy	224	488	739	1,622	2,245	2,550
Miscellaneous consumer goods	176	527	313	793	2,277	1,379
Miscellaneous, other	358	4,565	1,414	1,395	9,866	4,106
Donations and gifts	....	456	319	....	4,150	1,345
Non-commercial articles	249	890	878	876	4,099	3,213
Total	2,300	14,933	8,104	9,140	44,664	25,825

Canadian Exports, by Main Groups

Main Groups	May			January—May		
	1938	1949	1950	1938	1949	1950
	(Thousands of Dollars)					
ALL COUNTRIES						
Agricultural, Vegetable Products	10,467	76,333	66,700	60,146	294,341	235,471
Animals and Animal Products	9,077	22,557	26,687	45,597	110,349	136,534
Fibres ,Textiles and Products	1,263	3,624	2,025	4,883	12,822	7,915
Wood, Wood Products and Paper	16,936	73,815	89,104	77,238	337,503	387,770
Iron and Products	5,584	27,442	27,824	28,190	129,084	100,735
Non-Ferrous Metals and Products	16,643	42,794	47,607	77,844	181,375	166.930
Non-Metallic-Minerals, Products	2,439	4,533	9,186	9,014	24,881	39,054
Chemicals and Allied Products	2,289	6,918	9,798	9,053	34,532	41,169
Miscellaneous Commodities	2,300	14,933	8,104	9,140	44,664	25,825
TOTAL	66,998	272,948	287,036	321,106	1,169,552	1,141,402
UNITED KINGDOM						
Agricultural, Vegetable Products	5,723	38,331	25,381	37,624	139,824	96,786
Animals and Animal Products	6,172	3,498	2,822	28,130	20,440	24,530
Fibres, Textiles and Products	490	170	101	1,735	738	441
Wood, Wood Products and Paper	3,334	7,368	2,113	14,604	28,685	9,004
Iron and Products	1,437	2,322	1,136	7,236	9,799	4,231
Non-Ferrous Metals and Products	9,326	18,229	15,111	41,014	66,503	40,676
Non-Metallic Minerals, Products	389	577	1,039	1,076	2,609	4,086
Chemicals and Allied Products	611	720	674	1,981	2,699	2,485
Miscellaneous Commodities	407	1,189	288	1,931	3,591	1,323
TOTAL	27,889	72,403	48,665	135,332	274,887	183,561
UNITED STATES						
Agricultural, Vegetable Products	1,296	12,073	20,824	7,597	57,623	61,165
Animals and Animal Products	1,848	13,322	19,847	11,614	64,859	87,653
Fibres, Textiles and Products	85	1,815	1,171	284	4,452	4,360
Wood, Wood Products and Paper	10,773	56,531	83,425	49,333	273,571	361,895
Iron and Products	412	10,704	12,953	2,084	51,293	52,371
Non-Ferrous Metals and Products	3,203	17,453	24,006	14,406	83,866	101,339
Non-Metallic Minerals, Products	954	3,209	5,917	4,649	17,208	27,327
Chemicals and Allied Products	1,075	3,904	5,376	4,480	16,043	24,071
Miscellaneous Commodities	796	2,189	1,771	3,511	8,088	6,909
TOTAL	20,441	121,199	175,290	97,960	577,004	727,090

Laboratories for Work in Sugar Being Constructed in Trinidad

Port-of-Spain, May 26, 1950.—(FTS)—Laboratories for scientific and experimental work in sugar are in the process of construction in Trinidad under a five-year research scheme begun in 1947, administered by the Imperial College of Tropical Agriculture. Capital cost for the whole scheme which approaches some $336,000 is financed under the Colonial Development and Welfare Act, and half of the recurrent expenditure up to $96,000 annually is provided under the same Act. The other half is met by the British West Indies Sugar Association. It is expected that the laboratories will be completed by the middle of 1950. Chemical products which are scientifically prepared using sugar as raw material include pain alleviators, anaesthetics, anti-freeze material, safety glass, paint ingredients, blasting explosives, resin from sucrose, aconitic acid from molasses, wax from the filter mud and cellulose from bagasse. Installations at the new laboratories will include a pilot plant for the production of sugarcane wax, and the possibilities for its commercial production are being actively investigated. The process involves extraction of the wax from the filter mud before the latter is returned to the fields as fertilizer.

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

Blenheim—Board of Trade.
Brantford—Board of Trade.
Brockville—Chamber of Commerce.
Calgary—Board of Trade.
Chatham—Board of Trade.
Charlottetown—Board of Trade.
Edmonton—Canadian Manufacturers' Association.
Fredericton—Chamber of Commerce.
Gananoque—Chamber of Commerce.
Guelph—Board of Trade.
Halifax—Board of Trade.
Hamilton—Chamber of Commerce.
Kingston—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.
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.
Winnipeg—Canadian Manufacturers' Association.

J. H. Tremblay Returns to Canada on Tour

J. Harry Tremblay

J. Harry Tremblay, Commercial Secretary for Canada (Agricultural Specialist) in Paris since April, 1946, has returned home on leave and will commence his tour of Canada on July 12 in Edmonton, Alberta. Born at Chicoutimi, Quebec, he received a B.Sc. (Agriculture) degree from Laval University. From 1920-30, Mr. Tremblay was supervisor of illustration stations for the Dominion Experimental Farms Branch. He was bilingual district agriculturalist for the Department of Agriculture, Edmonton, Alberta, from 1930-36. Mr. Tremblay represented Grouard constituency in the Legislative Assembly of Alberta from 1936 to 1944. He served with the Canadian Army overseas during World War II from 1939 to 1945, retiring with the rank of lieutenant colonel. From May, 1944, to June, 1945, Mr. Tremblay was head of the food and agricultural section of the Supreme Headquarters, Allied Expeditionary Forces Mission to France. He was decorated with the French Croix d'Officier du Merite Agricole. Mr. Tremblay was appointed Canadian Government Trade Commissioner (Agricultural Specialist) in October, 1945, and was posted to Paris as Commercial Secretary for Canada (Agricultural Specialist) in April, 1946.

Edmonton—July 12-14.
Calgary—August 1.
Vancouver—August 2-4.
Saskatoon—August 15.
Regina—August 16.
Winnipeg—August 18-19.
Montreal—August 25-26.
Brockville-Gananoque—August 28.
Toronto—August 29-30.
Blenheim-Chatham—September 1.
Brantford—September 2.
Guelph—September 3.
Ottawa—September 5.
Quebec—September 8-9.

Richard Grew, Commercial Secretary for Canada in New Delhi since May, 1948, and previously in Bombay, commenced his tour of Canada on June 19.

Kingston—July 7.
Montreal—July 10-19.

S. V. Allen, Canadian Trade Commissioner in Johannesburg since April, 1948, commenced his tour of this country on April 6 in Montreal. Besides Natal and the Transvaal, in South Africa, his territory includes Southern Rhodesia, Northern Rhodesia, Mozambique or Portuguese East Africa, Nyasaland, Kenya, Tanganyika and Uganda.

Calgary—July 11.

J. M. Boyer, Canadian Government Trade Commissioner in Cairo since October, 1947, commenced his tour of this country on May 22 in Windsor, Ont. Besides Egypt, his territory includes Aden, Anglo-Egyptian Sudan, Cyprus, Ethiopia, Hashemite Kingdom of the Jordan, Iraq, Lebanon, Saudi Arabia and Syria.

Saint John—July 25-26.
Halifax—July 28.
Vancouver—August 21-26.
Winnipeg—September 5.
Ottawa—September 8-12.
Kingston—September 13.
Gananoque-Brockville—September 14.
Montreal—September 15-30.

A. W. Evans, Commercial Secretary for Canada in Havana since January, 1949, commenced his tour of this country on May 29 in Toronto. Besides Cuba, his territory includes the Dominican Republic, Haiti and Puerto Rico.

Saint John, N.B.—July 7-11.
St. John's, Nfld.—July 17.
Halifax—July 13-15.

Press of Iran Reflects Unsatisfactory Conditions

Karachi, June 19, 1950.—(FTS)—Reports in the press of Iran reflect unsatisfactory conditions in that country, such as serious unemployment, high cost of living and hardships experienced by exporters since the devaluation of sterling last September, and the decision of Iran not to devalue the rial. The latter is said to have reduced seriously the volume and value of Iranian exports of carpets, dried fruits, gums and other staples.

Much of the gloomy talk about Iran's economy, however, is based on the newspapers' application of western industrialized countries' criteria to Iran's somewhat incoherent agricultural and pastoral economy. The alarums and excursions, which periodically afflict the small international trading stratum in Teheran, Tabriz or Isfahan, do not have any appreciable effect on the country and population as a whole, over 80 per cent of which latter are wretchedly poor farmers to whom a rise or fall of 50 points in the index of retail or wholesale prices would make no difference.

If economic conditions are bad, and trade and fledgling industry are stagnant, such is not apparent from Canadian statistics of trade with Iran nor from American figures, over the same period last year. This office has received a few inquiries from Teheran firms, mostly in regard to Canadian tenders on equipment for government development schemes. On the basis of these inquiries and such trade figures as are available, it appears that conditions are much the same as in previous periods. There is promise of measurable improvement in the next year with the progress of the Seven-Year Plan, and the resulting development. Canadian exporters can anticipate a growing market there.

Trade and Tariff Regulations

Bermuda Tightens Restrictions on Dollar Imports

Hamilton, June 12, 1950.—(FTS)—The Bermuda Supplies Commission, on June 1, issued a revised list of general merchandise items which will not be permitted importation from the dollar area until further notice. Additions to the previous list* or changes in classification of goods already included in that list comprise:

Air conditioning equipment (except in special circumstances)
Accumulators
Automobile spares (except for Canadian and American vehicles)
Automobile accessories
Auto-cycle accessories
Artists' colours
Air Compressors
Batteries, motor vehicle
Buckets
Blasting materials
Blankets, woollen
Carpets and rugs, including woollen, jute, mohair and wool pile fabrics
Canvas, except cotton duck
Cleansers, household (abrasive type) and lavatory bowl cleanser
Corrugated iron sheets
Cutlery (table and flat except in silver and plated patterns already stocked)
Clothes pegs
Cleaning paste, all types
Cameras
China
Corkboard
Creosote
Disinfectant
Envelopes
Earthenware
Friction tape
Fountain pens, including ball point pens
Furniture, metal
Glass, sheet and plate, all types
Gloves, all types
Hollow-ware (tea sets, coffee sets, condiment sets and trays), silver and silver-plated
Heaters, room (electric)
Juke boxes (except in special circumstances)
Kettles, electric
Leather goods, all types, excluding boots, shoes and slippers
Luggage, leather and fibre
Lighters, cigarette
Ladders
Motor vehicles (except in special circumstances)
Mirrors
Night latches, rim
Organs, band and orchestral instruments (except Gibson guitars)
Photograph frames, silver and silver-plated
Picks
Pipe asbestos
Polishes (boot, floor, furniture and metal)
Paper, greaseproof
Plywood, mahogany
Post cards
Pulleys, axle
Pumps, hand
Rope, steel wire (galvanized and stainless)
Rosebowls, silver and silver-plated
Scythe blades
Sheeting, asbestos (plain and corrugated)
Shovels
Sash weights
Sports equipment, all types, except for baseball and softball
Suit cases, leather and fibre
Stationery, boxed
Scissors, except pinking
Soil pipe
Toys, all types
Trophies (cups, medals, shields), silver and silver-plated
Tires, motor vehicle, auto-cycle and bicycle (except special sizes for Canadian and American vehicles)
Tubes, inner, motor vehicle, auto-cycle and bicycle (except sizes for Canadian and American vehicles)
Typewriters
Toasters, electric
Vacuum (thermos) flasks, except refills, half-pint flasks, thermos type jars and stainless steel carafes for use in hotels
Valves, check, vertical and horizontal (2 inches and under)
Vases, silver and silver-plated

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* Editor's Note—The previous list was published in *Foreign Trade* of June 10, page 1056.

India Liberalizes Import Restrictions on Penicillin

New Delhi, June 10, 1950.—(FTS)—A Public Notice of May 30 of the Ministry of Commerce announces that, to relieve the present shortage of penicillin, which is causing considerable inconvenience to the general public, licences will be granted freely to holders of drug licences under the Drugs Control Act, 1940, for its importation from either dollar or soft-currency countries.

Malaya Relaxes Restrictions on Newsprint Imports

Singapore, June 22, 1950.—(FTS)—A change in the import control policy of Singapore and the Federation of Malaya announced June 21, provides for newsprint in rolls to be added to the list of importable goods from the hard-currency area, which includes Canada and the United States. Licences will be granted to, or on behalf of, approved end users provided they agree to restrict the size of the publications for which the newsprint is required as follows: daily newspapers, to a total of 64 pages per week; Sunday newspapers, to a total of 16 pages. In addition, importers must not resell approved imports without the permission of the Import Licensing authority.

Philippines Suspend New Import Control Law

Manila, June 24, 1950.—(FTS)—Pending co-ordination between the import and exchange authorities under the new import control law (see *Foreign Trade* of June 24, 1950), the Import Control Board issued an order on June 3, 1950, suspending, until further notice, the operations of the new Act. Imports will, for the time being, continue to be licensed under the regulations promulgated last December and subsequently amended.

New Price Control Act Signed in Philippines

Manila, June 15, 1950.—(FTS)—A new price control act has been signed by the President of the Philippines, to be effective until April 30, 1951. The Act authorizes the President, for a limited period, to fix ceiling prices of commodities and to promulgate rules and regulations on such prices, and provides for the creation of a Price Control Board in the fixing of price control regulations. Under the new Act, the Philippine Relief and Trade Rehabilitation Administration (PRATRA) is given priority rights to buy commodities from the owners whenever the supply of any article, goods, or commodity runs short, or whenever there is an uncontrolled inflation of prices.

The Act requires that all importers, manufacturers, producers, wholesalers and retailers of foodstuff, textile, clothing, fuel, light and illumination, footwear, drugs, medicine, medical, dental and optical supplies, paper, school supplies, building materials, agricultural and industrial machinery, fuel and lubricants, must file with the Board a complete and true inventory of their stock, within 30 days after the approval of the measure. Thereafter, all expected shipment of such goods and commodities by importers shall be declared to the board, and these importers, producers, and manufacturers are required to present a monthly report of their sales.

DATA FOR EXPORTERS COMPILED

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

Foreign Trade Service Abroad

Cable address:—Canadian, unless otherwise shown.
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Argentina

Buenos Aires—Acting 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, Consul and Canadian Government Trade Commissioner, Canadian Consulate, Edificio Alois, Rua 7 de Abril, 252. Address for letters: Caixa Postal 6034.

Chile

Santiago—M. R. M. DALE, Acting Commercial Secretary, Canadian Embassy. Bank of London and South America Building. Address for letters: Casilla 771.

China

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

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 Ecuador.

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 Canal Zone, Costa Rica, El Salvador, Honduras, Nicaragua and Panama.

Hong Kong

Hong Kong—T. R. G. FLETCHER, Acting 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—A. P. BISSONNET, Acting Commercial Secretary, Office of the High Commissioner for Canada, the Cotton Exchange, McLeod Road. Address for letters: Post Office Box 531.

Peru

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

Territory includes Bolivia.

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

Portugal

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

Territory includes the Azores, Gibraltar and Madeira.

Singapore

Singapore—R. K. THOMSON, Acting Canadian Government Trade Commissioner, Room D-5, 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, Canadian Government Trade Commissioner, 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.

Foreign Trade Service Abroad—*Concluded*

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 General, 620 Fifth Avenue.
Territory includes Bermuda.
Cable address, Cantracom.

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

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

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

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

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

San Francisco—H. A. SCOTT, Consul-General of Canada, 3rd Floor, Kohl Building, 400 Montgomery Street.

Venezuela

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

Foreign Exchange Quotations

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

Country	Monetary Unit		Nominal Quotations Sept. 17	Nominal Quotations June 27	Nominal Quotations July 4
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	·0219	·0219
Bolivia	Boliviano	....	·0238	·0183	·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	·0183	·0183
Colombia	Peso	....	·5128	·5641	·5641
Costa Rica	Colon	....	·1800	·1980	·1980
Cuba	Peso	....	1·0000	1·1000	1·1000
Czechoslovakia	Koruna	....	0200	·0220	·0220
Denmark	Krone	....	·2084	·1592	·1592
Dominican Republic	Peso	....	1·0000	1·1000	1·1000
Ecuador	Sucre	....	·0740	·0815	·0815
Egypt	Pound	....	4·1330	3·1587	3·1587
El Salvador	Colon	....	·4000	·4400	·4400
Fiji	Pound	....	3·6306	2·7748	2·7748
Finland	Markka	....	·0062	·0048	·0048
France, Monaco and French North Africa	Franc	Off.	·0037	·0032	·0032
French Empire—African	Franc	....	·0073	·0063	·0063
French Pacific Possessions	Franc	....	·0201	·0174	·0174
Germany	Deutsche Mark	....	·3000	·2619	·2619
Guatemala	Quetzal	....	1·0000	1·1000	1·1000
Haiti	Gourde	....	·2000	·2200	·2200
Honduras	Lempira	....	·5000	·5500	·5500
Hong Kong	Dollar	....	·2519	·1925	·1925
Iceland	Krona	....	·1541	·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	·0699	·0707
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	·2544	·2538
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	1·1000	1·1000
Uruguay	Peso	Controlled	·6583	·7241	·7241
Venezuela	Bolivar	....	·2985	·3289	·3289
Yugoslavia	Dinar	....	·0200	....	....