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COVER SUBJECT—Aluminum bridge, at Arvida, Que., which was opened on July 16, 1950, by the Hon. Maurice Duplessis, Premier of Quebec Province. The 504-foot span has shortened the distance between the world's largest aluminum smelter and the 1,200,000 h.p. Shipshaw powerhouse by three miles. Because of its light weight, only 360,000 pounds of aluminum were used, whereas 875,000 pounds of steel for a comparable structure would have been required. The construction of this bridge, the largest of this character in the world, presented a number of technical problems, the solution of which has opened new avenues for the use of aluminum.

Photo by Aluminum Company of Canada Limited.

Price 10 cents

New Zealand Budget Provides for Increased Defence Expenditures

Additional outlay necessary due to introduction of compulsory military training and the provision of a force for action in Korea—Government has extensive plans for hydro-electric development, housing, land settlement, new railway rolling stock, telephones and telegraph expansion.

By C. M. Forsyth-Smith, Assistant Commercial Secretary for Canada

(One pound sterling equals \$3.0800)

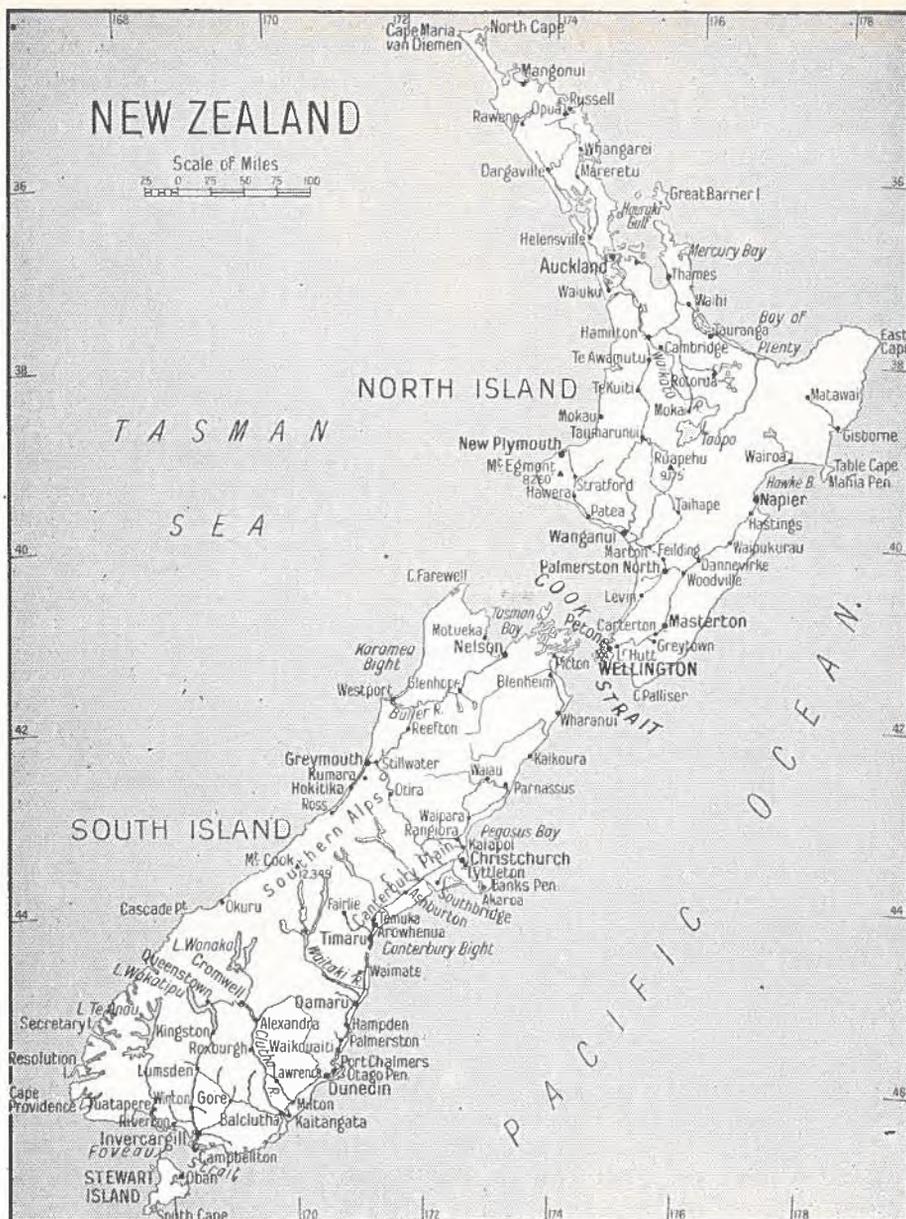
WELLINGTON, August 28, 1950.—Large increases in New Zealand's defence expenditure, due to the introduction of compulsory military training and the provision of an expeditionary force for action in Korea, were announced by the Right Hon. S. G. Holland, Prime Minister and Minister of Finance, in presenting his budget on August 24. Additional expenditures would be incurred for education, social security, health and hospitals. The government also has extensive plans for hydro-electric development, housing, land settlement, new railway rolling stock, telephones and telegraph expansion. It is proposed that the budget should be balanced, the increased costs to be met without involving any rise in taxation rates. In fact, some reductions were announced. The decline in overseas funds has been arrested, and overseas payments during the current year are expected to balance overseas income, while dollar expenditure will probably be balanced by earnings. This compares with deficits of \$43 million in 1948 and \$52 million in 1949.

The sterling reserve position is far from satisfactory, but the exceptional increase in the price of wool, bringing £25 million in excess of receipts in 1949, has helped considerably. The 1949-50 production season was good, and the estimated receipts from all exports show substantial increases over the past year.

Overseas receipts for the current year 1950 are estimated at £200 million, as compared with £160.7 million for 1949, while payments are estimated at £200 million, compared with £165.2 million for 1949. No substantial amount will thus accrue to reserves. Since the demand for capital and durable goods, accumulated during the war and not yet satisfied, together with the increased demand for consumer goods, indicates that imports will be maintained at a high level for the next year or two, any severe adverse fluctuations in overseas prices could have serious effects on New Zealand's overseas reserves. Receipts are being completely used and nothing is being added to reserves. In spite of this rather precarious position, a large number of products from soft-currency countries have been released from import control and can now be freely imported. Mr. Holland warned that falling prices may have to be faced in future years, resulting in less money being available for imports, and that the only solution was increased production in the primary and secondary industries.

Dollar Position Greatly Improved

As far as the dollar position is concerned, a remarkable improvement has been effected this year. It is expected that the balance of payments with the dollar area will almost be equalized, as compared with an adverse balance of over \$50 million in 1949. This has resulted



Canada Geographical Society map.

from increased exports of wool to the United States at greatly increased prices and to curtailment of dollar expenditure to about three-quarters of the value of imports in 1948.

A review of steps taken to remove obstacles to economic freedom affecting trade and industry was made. These included derationing of cream, gasoline and butter; freeing from price control of a large number of items; improvements in and easing of import control; freeing from control of most classes of land sales; relaxations in building controls and the release of funds and securities held in sterling countries for the importation of goods.

The Prime Minister stated that the previous government was spending much more than it was raising from the people by taxation and borrowing, and that the difference was financed by inflationary methods. During the past financial year, £26 million was borrowed from the Reserve Bank, and state business enterprises showed large losses, inflationary factors resulting in higher costs of living. The government has attempted to stop the inflationary drift and place finances on a sound basis. The first step was to check rising government expenditure. The increased costs of defence, due to compulsory military training and commitments made by the previous government, would have entailed a deficit of roughly £10 million at present rates of taxation. However, as taxation is already too high and a continuation of inflationary practice would be disastrous, other solutions had to be found.

Subsidies Reduced or Abolished

The largest item of expenditure was subsidies, which this year would have exceeded £17 million. It was decided that relief must be obtained from this burden, and abolitions and reductions in subsidies were made last May in order to save about £12 million in a full year. But, as the adjustments were made during the current financial year, the saving for this year amounts to only about £9 million, the remaining subsidies amounting to £5.5 million. To counteract hardships raised by increases in prices, an interim general wage order was made by the Arbitration Court increasing wages. The government increased the basic rate of age, widows', invalids', orphans', miners', sickness, unemployment, and other benefits by 2s. 6d. weekly for single beneficiaries and 5s. a week for married couples. Mothers' allowances were also increased by 2s. 6d. weekly. The additional cost to the social security fund is about £1 million a year. Increases have been made to certain classes of war pensioners and their dependants and to war veterans' allowances.

Steps have already been taken to place state commercial concerns on a businesslike basis. Services, such as the post office, railways, state coal-mines, the broadcasting service and the government-owned airways, have shown losses during the past year. While it is realized that the costs of operating these services must be met, it is felt that they should be paid for by those who use them rather than by the taxpayer. In order to implement this policy, increases have been made in the railway and post office charges, and the government is offering to sell the national airways.

The following table shows government finances for this year under the two headings (a) current account, covering money received from taxation and other revenue and spent on education, social security, etc., and (b) capital account, covering money borrowed and spent on capital works:—

Current Account

	Revenue	Expenditures	Surplus (+) Deficit (-)
Consolidated Fund	£124,997,000	£120,689,000	+£4,308,000
Social Security Fund	43,773,000	46,360,000	- 2,587,000
War Expenses Account	3,249,000	4,279,000	-- 1,030,000
Net surplus on Current Account			+£ 691,000

Capital Account

Expenditure on works	£34,399,000
Loans raised	19,399,000
Deficiency on Capital Account made up by newly created Reserve Bank credit	£15,000,000

Credit was created by the Reserve Bank to the extent of £11 million for repayment of debt and £15 million to make up the deficiency in capital account.

The public debt amounted to £670 million as of March 31, 1950, of which £79 million is repayable overseas and £565 million in New Zealand. During the past year, the public debt increased by £28,900,000, the increase being composed of an increase of £30,700,000 in internal debt and a decrease of £1,800,000 in external debt. Interest charges on the debt were £16,700,000.

Capital Works Expenditure to be Limited

In outlining the government's policy on capital works expenditure, Mr. Holland said that, unlike last year, it will not spend more than is raised from the people by taxation and borrowing. Only works of national importance are to be carried out by the government and works of purely local benefit are to be the responsibility of local authorities. In some cases, state assistance will be given where essential jobs are beyond local resources. As far as housing is concerned, the government will assist people to get their own homes. The building of houses by the government is to continue, but encouragement is to be given to private building. With this purpose in mind, the government is offering building sections for sale and existing state houses are being offered for sale to present occupants. A total of £12,450,000 is being provided for housing construction, and 5,260 units should be completed this year, compared with an expenditure of £11,380,000 and completion of 4,405 units last year. Temporary blocks of fifty flats are to be erected in the four main centres, in order to overcome the housing shortage as soon as possible. Consideration is also being given to the question of rural housing, in order that the labour force in primary industries can be increased. During the past few years, there has been agitation in some sections of the community for the importation of prefabricated houses, and licences have now been issued so that a number of different types can be imported in order to ascertain their suitability for New Zealand conditions. It is understood that these will come from Great Britain and Sweden. A sum of £2,750,000 has been allocated for educational buildings, compared with £2,336,000 last year, and is to be spent primarily for additional classrooms for existing schools, rather than for new school buildings.

Several hydro-electric power schemes are in progress in both islands, and investigations are being made into the practicability of using geothermal steam for power development. Seven million pounds will be spent on electric supply schemes, of which about half will be spent on new schemes and the remainder on power transmission lines, substations, etc. In order to overcome designing difficulties presented by the shortage of engineering personnel in the government departments responsible for this work and also the labour shortage, it is planned to invite overseas consulting firms to tender for the designing and construction of two major schemes in the North Island. If practicable, the contracts for these projects will be let on the basis of the necessary labour force being provided from overseas.

A total of £3.2 million is to be spent on land development, particularly for the settlement of ex-servicemen and Maoris, while £5 million is to be provided for the purchase of rolling-stock, locomotives, electrification, and general improvements, and £4 million is available for extensions to the telephone and telegraph systems.

Financing of the works program is to be provided by using £4,308,000 from the excess of receipts over expenditure in last year's consolidated

fund, £20 million which has been raised by special loan issue, £2·5 million borrowed earlier in the year and £10·5 million which will be provided through national savings during the year.

Increase in Receipts Estimated

Income tax receipts are estimated at £8 million more than last year, based on generally favourable conditions and the increase in wool prices. An increase of about £2 million in customs duties and sales tax is estimated, and a rise of about £3·25 million in the social security charge, due partly to the rise in wool prices and partly to the normal increase in national income due to the growing population. Estimated receipts are shown in the following table:

Estimated National Revenue of New Zealand 1950-51

<i>Consolidated Fund—</i>	
Customs	£ 22,900,000
Beer duty	4,750,000
Sales tax	15,250,000
Film-hire tax	110,000
Highways	3,925,000
Stamp duty	9,674,000
Land-tax	900,000
Income-tax	56,500,000
Total	£114,009,000
Interest	6,472,000
Profits of trading undertakings	1,994,000
Departmental receipts	10,201,000
Total	£132,676,000
Less transfer to Social Security Fund	14,000,000
Total	£118,676,000
<i>Social Security Fund—</i>	
Social security charge	35,000,000
Miscellaneous receipts	114,000
Transfer from Consolidated Fund	14,000,000
Total	£ 49,114,000
Total	£167,790,000

The main item of expenditure is £77,522,000 for social security. Mr. Holland pointed out that, while the government intended to maintain and improve social services where practicable, costs must be carefully watched since this is the greatest single cause of high levels of taxation. Defence expenditures will be considerably higher, due to the commencement of compulsory military training and the training and equipping of a force for Korea.

Estimated National Expenditure of New Zealand

Interest, repayment, and management charges on the public debt....	£ 23,491,000
Defence	16,582,000
Stabilization subsidies	8,091,000
Maintenance of works, buildings, plant, etc.	10,979,000
Administration expenses, including agriculture, immigration, rehabilitation, police, forestry, civil aviation, etc.	29,580,000
<i>Social services—</i>	
Payments from Social Security Fund	£49,068,000
Other social service costs (education, health, war pensions, hospital subsidies, etc.)	28,454,000
	<u>77,522,000</u>
Provision for supplementary estimates and contingencies	1,545,000
Total	£167,790,000

Comparing the present year with prewar, the Prime Minister said that in 1938-39 a total of £38 million was collected by taxation and that this had risen to £149 million for the current year. Some 100,000 persons are now employed by the state, about 14 per cent of the working population. The government's policy is to curtail further expansion of its activities and to overhaul existing services with a view to eliminating duplication and unwarranted functions.

Several minor adjustments were made in social security benefits aimed at encouraging thrift and encouraging age beneficiaries to continue working.

Some Tax Relief Provided

The high level of expenditure precluded any general tax reduction, but some tax relief has been provided. Sales tax, which is applied at the rate of 20 per cent on most items, has been removed on a wide range of articles commonly used in the home, including household brushware, clothes lines, boot, floor, furniture, linoleum, metal and stove polishes, machines and appliances for the preparation of foods, malt extracts, medicinal oils, infant powders and many other items. Sales tax has also been removed on some items used by farmers, such as cattle and sheep-marking fluids, horse-shoes, fencing-strainers and some water piping.

The land tax exemption on unencumbered land valued at less than £2,500 has been raised from £500 to £1,000.

The penal rate of taxation of 33½ per cent extra income tax on unearned income was abolished earlier in the year, but some small adjustments in income tax were announced in the budget. The personal exemption in the assessment of income tax for persons over sixty-five has been increased from £200 to £300, while the rebate of up to £10 on income tax payable by all persons, which has been in force for the past two years, is to be continued. Certain developmental expenditure, such as the cost of clearing scrub, weeds, and other detrimental growth, and the cost of cultivating and seeding additional pastures is to be allowed as a deduction for taxation purposes. Farmers are also to be allowed to claim as a deduction up to £200 expenditure for such items as draining, making fences rabbit-proof, access tracks, earthen dams, repairing flood or erosion damage and constructing landing strips to facilitate aerial top dressing. Depreciation allowances of 30 per cent on new farm equipment, such as tractors, hay and silage, top dressing and cultivation equipment, are to be made, while an initial depreciation allowance of 30 per cent in addition to ordinary depreciation rates will be granted on the construction of new cottages or other accommodation for farm workers.

Specialized Farm Equipment to be Purchased from Canada

In order to assist farmers, the subsidies on phosphate fertilizers is to be continued at the rate of £2 per ton, of which industry funds (funds obtained from the proceeds of exports in excess of guaranteed prices paid to producers and held by the government to the farmers' account) will carry 85 per cent and the government 15 per cent. Licences have been issued for the importation during 1950 of £4 million worth of tractors from the sterling area and \$12·8 million worth of tractors and other specialized farm equipment from the United States and Canada. Trading banks have already been authorized to make any reasonable advances to farmers for the purchase of livestock, farm machinery, vehicles and implements. Under the previous government, such advances were severely limited with resultant hardship to many farmers. The labour

shortage is still a severe headache to farmers, but it is hoped that the government's housing and immigration schemes will assist in this regard.

Practical support is to be given to efficient manufacturing industries. It is proposed to protect them from unfair competition or practices, such as dumping. In future tariff revisions, full consideration is to be given to the manufacturing industries. The import licensing schedule recently issued freed from import control a wide range of industrial raw materials necessary to secondary industries, which should prove beneficial in many instances.

From 1952 onwards, it is proposed to bring 10,000 selected immigrants to New Zealand, but in view of accommodation difficulties only 7,500 are to be brought in during each of the next two years. In April, there was a record of 33,881 labour vacancies in New Zealand, and it is with a view to satisfying essential labour needs, promoting the development of the country and increasing the national security that the extended immigration scheme is being adopted. The principal source of immigrants is to be the British Isles, from which 2,000 single persons and 1,000 families are to be obtained, while 2,000 single men and women are to be brought in from Western European countries.

Public Reaction to the Budget Generally Favourable

Public reaction to the budget has been generally favourable. Since the change in government, it has become evident to most members of the community that the inflationary practices of the past government had placed the country's finances in a precarious position and that some time would be necessary before the situation could be remedied. Until the outbreak of hostilities in Korea, the business community had been hopeful of some relief from the heavy load of taxation. It is now generally realized that, with the fixed commitments such as social security and the added defence expenditure, no reduction would be possible. The feeling generally appears to be that the Minister of Finance has done remarkably well to balance the budget without recourse to further taxation. The economies in government expenditure and curtailment of government activity in business enterprises have been widely acclaimed. There has been some criticism of the apparent favouritism in tax relief to the farmers. However, when the importance of farming to New Zealand is realized, it is understandable that the government desires to encourage greater production and to arrest the flow of labour from the farms to urban areas which has been apparent in recent years.

Canadian Livestock Attract Attention in Argentina

Buenos Aires, September 12, 1950.—(FTS)—Canadian Holstein Friesians have done exceptionally well at the Palermo Show, now being held in Buenos Aires, the grand championship having been won by *Rockwood T. E. Rocket*, an imported Canadian bull. The four senior classes were won by Canadian stock, two of the animals having been imported and the other two born in Argentina from imported dams and sires. The reserve grand championship was won by *Highcrest Pippin Rag Apple*, an imported cow. *Glenafton Rag Apple Monogram*, which holds the price record for Argentine auctions, won his class, but did not place in the championship this year. However, a month old bull calf, out of the reserve championship cow and sired by *Glenafton Rag Apple Monogram*, was sold privately for 25,000 pesos, which the Rural Society claims is a record price for an animal of this age.

Breeders have displayed considerable interest in Canadian livestock, but the dollar position does not enable them to import breeding stock from Canada at present.

European Payments Union Facilitates The Settlement of Trade Balances

Basic purpose is to provide mutual convertibility of currencies of OEEC countries and their dependencies—ECA placed \$350,000,000 at disposal of EPU.

THE ORGANIZATION for European Economic Co-operation (OEEC) decided early this year that there was to be a multilateral payments union between participating countries and, in addition, that there should be an increase in the percentage of liberalization of trade, that is, trade freed from quantitative restrictions up to 60 per cent. These proposals, which have been embodied in the European Payments Union (EPU), marked a decisive step forward towards the objectives outlined in article 4 of the OEEC agreement, which reads as follows: "The contracting parties will develop, in mutual co-operation, the maximum possible interchange of goods and services. To this end, they will continue the efforts already initiated to achieve as soon as possible a multilateral system of payments among themselves, and will co-operate in relaxing restrictions on trade and payments between one another, with the object of abolishing as soon as possible those restrictions which at present hamper such trade and payments."

The European Payments Union, which is now a reality, is an agreement on the payment of trade balances between the European nations participating in OEEC.

Its realization was dictated by the necessity for uniting the European market still further after it was found that the measures of bilateral trade agreements and partial liberalization of trade adopted so far were not sufficient to overcome the restrictions caused by the absence of multilateral exchange facilities.

The basic thought of EPU is, therefore, the mutual convertibility of currencies of the OEEC countries and their dependencies. To this end all credits and debits are pooled. Instead of a whole string of bilateral balances, an EPU country would only be concerned with the equilibrium of its payments with all other member countries combined.

In order to provide an immediate working basis, ECA has put \$350 million at the disposal of EPU. The EPU agreement provides for a credit margin, after which debit countries pay their debt partly in gold to the EPU clearing office and credit countries receive gold payments from the same authority.

This credit and payment arrangement operates as follows: Individual foreign exchange transactions between OEEC countries will be handled through the central banks, which each month will determine the balances owed or due the central banks of other member countries.

Each bank will then report these individual balances to the EPU agent, which is the Bank for International Settlement, at Basle, Switzerland.

The agent will then calculate in units of account (one unit is defined as 0.888671 grams of fine gold—equivalent to the value of the United States dollar), the net deficit or surplus of each member country with all other members combined. Settlements will be made multilaterally and automatically through the agent every two months until January, 1951, and monthly thereafter.

Each country is assigned a quota, which determines the amount of credit to be extended or received. Based on its individual quota, each member will be able to run up deficits or surpluses with the Union to a

point beyond which gold payments must accrue to the Union or to the creditor country. The proportion to be settled in gold is determined by the scale set out in the following table:

Borrowing Rights and Lending Obligations

Per Cent of quota	Debtors to EPU		Creditors to EPU	
	Use of credit	Gold payments	Use of credit	Gold receipts
20	20	....	20	....
20	16	4	10	10
20	12	8	10	10
20	8	12	10	10
20	4	16	10	10
100	60	40	60	40

Trade Between Canada And Europe Declines In First Half Of Year

Canadian exports show larger decrease than do imports—Many nations making efforts to balance their dollar accounts—Many European exporters prefer to trade in European market to that of North America—Devaluation considered beneficial.

By K. Nyenhuis, Area Trade Officer for Europe (except France and United Kingdom)

TRADE between Canada and European countries has declined substantially during the first six months of the current calendar year, due primarily to the fact that efforts are being made by many nations on the continent to balance their dollar accounts. Canadian exports to Europe, other than to the United Kingdom, were valued at \$82,380,000 during the first half of 1950, compared with \$120,619,000 in the corresponding period last year. Canadian imports are also lower, though not to the same extent, the value for the first half of this year being \$41,652,000, compared with \$44,751,000 in the corresponding period last year.

European exporters prefer to trade in the European market. Difficulties are experienced in the North American markets, such as delivery requirements, prices and high tariffs. Any change in the present situation seems unlikely, unless the "dollar" countries increase substantially their purchases from Europe. Furthermore, the European Payments Union will doubtless stimulate trade between the European partners to an even greater extent.

Manufacturers in Europe are making every effort to recapture their prewar markets in South America, Africa and Asia. An example is the German Federal Republic, which has negotiated trade agreements with Argentina, Brazil, Chile, Colombia, Japan, Pakistan and Uruguay, while negotiations are being conducted with Mexico, Peru, Syria, Turkey and Venezuela. Preparations are being made for trade negotiations with Australia, Bolivia, Ceylon, Cuba, Iran and Liberia.

The importance of the sterling area to European industry has increased, as a result of the underwriting by the Economic Co-operation Administration of gold losses to the United Kingdom under the European Payments Union agreement. This agreement enables OEEC countries to use their sterling balances for the settlement of accounts amongst them.

The almost general devaluation of European currencies can now be more accurately assessed. The effect, at first, was upsetting to national

economies, especially those of Norway, where the large increases in the cost of imported raw materials forced the government to abandon its plans to subsidize some important consumer articles, thus upsetting the wage-price balance, and of Belgium, where considerable unemployment resulted. The general impression is that the decision to devalue currencies has been beneficial, the Netherlands and Sweden having derived particular benefits from such measures. Devaluation has intensified European efforts to find sources of supply outside the dollar area to an even greater degree.

Details of Canadian trade with European countries during the first five months of the current calendar year, compared with the corresponding period of 1949, are as follows:

Belgium-Luxembourg		
	1950	1949
Canadian exports (January-May)	\$14,317,205	\$13,879,577
Canadian imports (January-May)	7,738,793	8,859,824
PRINCIPAL EXPORTS		
Wheat and grain	\$ 7,784,723	\$ 4,578,940
Canned salmon	609,630	266,687
Whale oil	289,908	nil
Evaporated milk	324,860	nil
Meats	256,358	373,065
Lumber	509,591	304,223
Asbestos	785,270	87,373
Rubber products	234,094	137,242
Flaxseed	702,198	3,812,400
Flour of wheat	nil	465,003
Lead	nil	689,691

The great reduction in flaxseed is principally due to the falling off of transit trade with Germany in this commodity.

PRINCIPAL IMPORTS		
	1950	1949
Diamonds	\$ 1,208,530	\$ 968,781
Textiles	3,155,953	3,150,723
Window glass	549,391	427,145
Tin	665,364	153,728
Iron bars	2,498	595,603
Skelp	739,713	1,231,207

Netherlands		
	1950	1949
Canadian exports (January-May)	\$ 4,277,781	\$ 5,172,910
Canadian imports (January-May)	2,335,676	3,154,853

PRINCIPAL EXPORTS		
	1950	1949
Hides and skins	\$ 1,339,973	\$ 442,473
Non-ferrous metals	1,486,994	1,758,495
Asbestos	222,007	nil
Clover seed	111,261	697
Cartridges	7,400	504,619
Tires (trucks)	33,367	508,932
Iron and steel bars	18,076	275,786
Flour of wheat	nil	138,358
Lumber products	13,999	196,732

The lack of hard currency persists in the Netherlands; dollar purchases are made mainly with ECA dollars and returns from exports to the dollar area.

PRINCIPAL IMPORTS		
	1950	1949
Diamonds	\$ 361,867	\$ 356,865
Textiles	340,675	563,595
Nursery stock	188,033	149,162
Paintings	125,704	6,326
Drugs and chemicals	54,973	74,846
Salted herrings	43,790	18,299
Furs and skins	2,112	558,248
Palm oil	nil	190,320
Fishnets	50,269	36,487

Germany

	1950	1949
Canadian exports (January-May)	\$ 2,838,331	\$13,891,597
Canadian imports (January-May)	2,832,070	2,177,522

PRINCIPAL EXPORTS

Butter	\$ 314,351	\$ nil
Whisky	427,892	296,724
Drugs and chemicals	448,264	51,615
Medicinal preparations	86,279	1,458
Flour of wheat	24,260	1,460,685
Clover seed	nil	1,326,766
Linseed and flaxseed oil	220,508	2,078,184
Vegetable oils	nil	1,380,421
Canned meat	nil	538,918
Oil cake and meal	nil	431,711
Pulp sulphite	179,959	2,539,995
Hides and skins	213,128	963,272
Asbestos	305,527	nil
Herring oil	94,914	365,358
Ships	85,690	nil
Ferro chrome	nil	94,584
Ferro silicon	nil	96,452

Germany is tied closely to the Economic Co-operation Administration for imports from the dollar area. A 20 per cent bonus from dollar exports is offered German exporters to stimulate trade with the dollar area. German exporters find a readier market outside the dollar area, and imports from Canada will be governed largely by German exports to this country.

PRINCIPAL IMPORTS

Drugs and chemicals	\$ 519,584	\$ 12,396
Scrap metal	162,656	583,098
Clocks and parts	158,131	7,074
Steel wares	242,397	95,897
Cameras and parts	119,994	111,449
Hops	86,248	21,902
Textiles	315,400	218,255

Norway

	1950	1949
Canadian exports (January-May)	\$ 6,626,939	\$ 6,267,890
Canadian imports (January-May)	315,561	328,358

PRINCIPAL EXPORTS

Nickel	\$ 4,123,000	\$ 3,005,357
Copper	1,111,100	936,960
Carbon electrodes	125,140	15,359
Rye	121,600	nil
Ships	nil	625,000
Textiles	15,263	172,312

Apart from purchases with ECA funds, Norway is restricting purchases from the dollar area to the barest essentials.

PRINCIPAL IMPORTS

Fish	\$ 181,331	\$ 187,871
Fish hooks	37,625	27,667
Sporting goods	18,824	19,969

Denmark

	1950	1949
Canadian exports (January-May)	\$ 459,365	\$ 2,308,515
Canadian imports (January-May)	357,988	1,315,343

PRINCIPAL EXPORTS

Agricultural machinery	\$ 127,286	\$ 599,849
Clover seed	32,875	156,529
Asbestos	31,449	nil
Automobiles and parts	27,859	13,575
Drugs and chemicals	14,757	20
Carts, drays, wagons	nil	231,935
Fish meal	nil	260,279
Lead	nil	141,399
Copper	nil	449,850
Herring oil, industrial	113,908	97,000
Tobacco	51,053	nil

Danish Imports from Dollar Area Reduced to Minimum

Denmark's imports from the dollar area are reduced to a minimum and depend almost entirely on dollar exports. Denmark's attitude toward liberation of trade is one of great caution.

PRINCIPAL IMPORTS		
	1950	1949
Cheese	\$ 74,968	\$ 81,561
Grass and clover seed	70,469	nil
Sugar, candy, confectionery	34,812	nil
Butter	nil	801,548
Machinery	26,100	28,637
Cocoa paste, sweetened	2,033	18,301
Cryolite	nil	213,563
Cordials and liqueurs	14,638	19,237

Sweden

	1950	1949
Canadian exports (January-May)	\$ 1,589,743	\$ 2,213,328
Canadian imports (January-May)	1,570,156	1,651,378

PRINCIPAL EXPORTS

	1950	1949
Aluminum	\$ 458,741	\$ 974,696
Drugs and chemicals	275,732	25,116
Machinery and parts	107,185	52,273
Porcelain insulators	85,642	201,751
Cadmium	81,298	23,577
Petroleum coke	75,704	nil
Clover seed, alfalfa	42,536	nil

Sweden Achieving Trade Balance with Dollar Area

Sweden, by reducing her imports from the dollar area to a minimum, is achieving a balance in her trade with that area.

PRINCIPAL IMPORTS		
	1950	1949
Ball and roller bearings	\$ 284,971	\$ 425,785
Machinery and parts	477,115	172,035
Cream separators	74,186	149,347
Saws	56,817	143,315
Grass seed, timothy	43,946	nil

Switzerland

	1950	1949
Canadian exports (January-May)	\$ 6,390,435	\$ 9,857,030
Canadian imports (January-May)	5,524,407	3,793,816

PRINCIPAL EXPORTS

	1950	1949
Wheat	\$ 3,037,923	\$ 5,284,160
Eggs, in shell	166,478	nil
Flaxseed	419,093	nil
Copper ingots, bars, billets	603,535	620,097
Automobiles	237,853	230,472
Non-ferrous metals manufactures	390,153	791
Aluminum	105,782	966,129
Drugs and chemicals	160,485	236,633
Flour of wheat	nil	413,300
Lead	nil	141,386

PRINCIPAL IMPORTS

	1950	1949
Clocks, watches, parts	\$ 2,750,838	\$ 1,557,286
Chemical products	651,764	486,721
Cheese	457,638	219,111
Yarns, synthetic	273,766	nil
Staple fibre, synthetic	94,602	235,827
Hat braids	184,402	142,208
Medicinal preparations	76,692	63,642
Electrical equipment	78,641	129,455

Austria

Canadian exports (January-May)	1950	1949
	\$ 823,426	\$ 2,607,700
Canadian imports (January-May)	265,881	102,375

PRINCIPAL EXPORTS

Hides and skins	\$ 372,560	\$ 698,079
Upper leather	39,332	nil
Agricultural machinery	30,501	99,885
Asbestos	18,237	nil
Medicinal preparations	14,400	nil
Copper ingots, bars, billets	249,901	nil
Copper rods, strips, sheets	nil	207,699
Brass bars, rods, strips, sheets	nil	163,352
Seeds	nil	282,159
Canned meats	nil	101,841

Austria depends largely on ECA for dollar imports. Her trade with European countries, especially Western Germany, is absorbing most of her exports.

PRINCIPAL IMPORTS

Textiles	\$ 145,625	\$ 2,307
Precious stones	48,100	49,786
Nickel-plated ware	22,379	846
Scythes	7,456	18,861

Italy

Canadian exports (January-May)	1950	1949
	\$ 3,732,989	\$ 4,586,313
Canadian imports (January-May)	3,035,843	3,540,524

PRINCIPAL EXPORTS

Flour of wheat	\$ 131,522	\$ 147,271
Wheat	404,099	1,248,743
Fish	828,806	549,655
Aluminum	598,331	nil
Drugs and chemicals	403,278	104,565
Polystyrene	188,139	nil
Linseed and flaxseed oil	nil	69,298
Vegetable oils	nil	262,478
Flaxseed	nil	469,083
Milk powder, skimmed	nil	117,598
Rubber and products	511	235,022
Radio equipment	183,125	nil
Synthetic resin	103,038	185,992
Steel plates, strips	103,800	nil

PRINCIPAL IMPORTS

Textiles	\$ 956,797	\$ 1,263,584
Food products	792,158	1,157,616
Musical instruments	162,518	172,998
Tobacco pipes, smoker sets	83,148	81,968
Sewing machines	109,150	nil

Spain

Canadian exports (January-May)	1950	1949
	\$ 3,605,151	\$ 138,696
Canadian imports (January-May)	1,355,109	858,412

PRINCIPAL EXPORTS

Wheat	\$ 3,475,169	nil
Linseed and flaxseed oil	68,081	nil
Aluminum	23,548	43,544
Steel and iron bars	nil	27,287

The sale of wheat to Spain has given Canada a favourable balance of trade. Spain is now a member of the International Wheat Agreement.

PRINCIPAL IMPORTS

Olives	\$ 632,758	\$ 356,382
Oranges	55,419	28,449
Almonds	157,802	13,705
Wine	119,681	104,293
Cork	177,156	230,286
Spices	57,575	6,483

Portugal

	1950	1949
Canadian exports (January-May)	\$ 2,507,868	\$ 4,256,778
Canadian imports (January-May)	528,799	471,092

PRINCIPAL EXPORTS

	1950	1949
Fish (cod)	\$ 1,894,995	nil
Aluminum	250,763	383,953
Asbestos	121,205	18,581
Wheat	nil	1,412,103
Ships	nil	1,980,000
Paper and products	485	122,584

The sale of ships in 1949 accounts for the overall higher export figure for that year and exports of cod have so far taken the place of wheat, which commodity is now being bought from the United States under ECA.

PRINCIPAL IMPORTS

	1950	1949
Cork products	\$ 176,427	\$ 215,729
Wines and brandy	123,168	123,137
Almonds	70,064	47,585
Salt	54,299	nil
Sardines	32,657	27,628

Yugoslavia

	1950	1949
Canadian exports (January-May)	\$ 577,269	\$ 159,311
Canadian imports (January-May)	46,040	10,023

PRINCIPAL EXPORTS

	1950	1949
Fish (cod)	\$ 181,842	nil
Explosives fulminate	139,392	nil
Milk powder (whole)	96,045	nil
Milk powder (skimmed)	nil	39,359
Penicillin	45,478	nil
Asbestos	32,299	nil
Flour of wheat	23,331	24,530
Tires	nil	51,388
Tools	nil	26,475

PRINCIPAL IMPORTS

	1950	1949
Hops	\$ 21,719	\$ 6,655
Lead	16,241	nil

Czechoslovakia

	1950	1949
Canadian exports (January-May)	\$ 319,027	\$ 1,594,280
Canadian imports (January-May)	2,645,445	3,429,471

PRINCIPAL EXPORTS

	1950	1949
Streptomycin	\$ 74,808	\$ 86,140
Penicillin	nil	74,416
Drugs and chemicals	65,340	123,717
Hides and skins	70,000	52,286
Metals, unmanufactured	39,600	67,905
Copper ingots, bars, billets	nil	177,338
Aluminum	nil	60,122
Abrasives	nil	17,786
Wool rags	nil	378,246
Rubber	nil	215,825
Machinery and parts	16,068	93
Metal working machinery	nil	35,539
Canned fish	nil	79,204
Milk powder	11,880	nil

PRINCIPAL IMPORTS

	1950	1949
Textiles	\$ 1,245,594	\$ 2,476,803
Glass (all kinds)	142,858	206,307
Automobiles	265,506	nil
Feathers and flowers for hats	74,240	57,010
Jewellery and precious stones	134,881	54,833
Sewing machines	51,553	nil
Electric light fixtures	60,262	80,348
Motorcycles	145,605	130,661
Ladies' footwear	120,439	38,456
Hops	23,950	34,949

Poland

	1950	1949
Canadian exports (January-May)	\$ 1,008,233	\$ 182,416
Canadian imports (January-May)	102,190	40,894
PRINCIPAL EXPORTS		
Aluminum	\$ 523,695	nil
Milk powder (whole)	245,558	nil
Medicinal preparation	126,665	nil
Wool rags	50,809	nil
Hides and skins	nil	33,798
Streptomycin	18,961	75,812
Needles	3,890	15,208
PRINCIPAL IMPORTS		
Textiles	\$ 45,788	\$ 10,594
Alabaster, amber, ornaments	30,778	nil
Wire nails	11,854	838
Sugarbeet seed	174	6,105

Pakistan Continues Progress in First Half of Current Year

Trade with India during early months suffered from failure of India to recognize value of Pakistan rupee—Agreements between governments in April restored confidence—Pakistan agreed with Commonwealth Dollar Sterling Pool to reduce dollar purchases in 1950-51 financial year.

By Canadian Trade Commissioner Service

(Editor's Note—The following report on economic conditions in Pakistan is a review of the more important developments during the first half of 1950.)

KARACHI.—Trade between Pakistan and India suffered during the first part of this year, due largely to the fact that India did not recognize the set value of the Pakistan rupee. As a result, Pakistan continued to seek alternative markets for her raw jute, cotton, wool and wheat, while India struggled to purchase the necessary supplies of such commodities in the dollar market. By the end of January, some supplies of Indian raw jute were moving into Calcutta through Pakistan from Assam, easing somewhat the strain on the Calcutta mills, the importance of which as the largest customers of Pakistan cannot be underestimated.

Pakistan and Japan ratified a trade agreement in January, and it was reported that similar agreements would be negotiated with Austria, Hungary, Italy and Switzerland.

Jute, cotton and wool prices maintained a high level, and for the first time in many months the value of exports from Karachi exceeded that of imports. This condition was due largely to the fact that imports from India, the bulk of which enter Pakistan through Karachi, were negligible in January, rather than to any increase in the value of exports.

There was some concern in January over the coal situation, due to the embargo imposed by India on the shipment of coal to Pakistan. Arrangements were made, however, for shipments from Great Britain, France and Poland, with the result that the railways and industry never experienced an acute shortage.

The Pakistan Government passed the Shipping Act last January, thereby enabling the Controller of Shipping to license foreign shipping in the coastal trade of this country, such as that between Karachi and Chittagong, on the Bay of Bengal. The purpose of this legislation was to encourage the infant Pakistan merchant marine.

The passage in January, in the Province of the Punjab, of the Adult Franchise Bill will doubtless have a profound effect on the public works program and business generally in that province and other sections of Pakistan. Another significant step in the economic development of this country was the establishment of the Pakistan Tariff Commission. The secretary of the Development Board, who was a member of the Indian Tariff Board prior to partition, was appointed chairman. Information concerning the establishment and operations of a similar organization in Canada was secured from the Canadian Trade Commissioner Service and the Canadian Tariff Board, in Ottawa.

Ban on Trade with South Africa Removed

The removal last February of the ban on trade between Pakistan and South Africa was one of the most important developments during the period under review. The legislation, which was inherited from India, prevented Pakistan from obtaining adequate supplies of cheap coal from South Africa.

The passage last February of the East Pakistan State Acquisition and Tenancy Bill stipulated that land held under the "permanent settlement" decrees, in effect for the last 150 years, reverted to the provincial government. Provision was made for the compensation of the owners of such lands over a period of ten years, during which the land would be redistributed in accordance with the government's plans.

Trade negotiations with Argentina and Switzerland were conducted in Karachi last February, and a treaty of friendship was signed in Teheran between Iran and Pakistan, whereby each extended to the other most-favoured-nation treatment. A trade mission from Japan also visited Karachi in February to discuss the purchase of Pakistan cotton and wheat, in exchange for machinery and technical assistance.

A mission from the International Bank for Reconstruction and Development arrived in Karachi last February to study the financial position of Pakistan, her financial and trade relations with other countries and her plans for development. As Pakistan is not a member of the bank nor of the International Monetary Fund, it was thought that the arrival of this mission was not entirely unconnected with the approaches made to the bank in the latter part of 1949 by the Pakistan Finance Minister for a large development loan. Advisers from the United States Department of Agriculture also arrived in Karachi to assist the Pakistan Ministry of Agriculture in drawing up a new food and marketing act.

February also saw the arrival of the United Kingdom Industrial Mission, headed by Lord Burghley, the purpose of which was to "report to the United Kingdom Government on what might be done to increase United Kingdom-Pakistan trade, and in what manner United Kingdom interests could assist the economic development of Pakistan." Members of the mission spent a month in this country, touring extensively and meeting representatives of the principal agricultural and industrial organizations.

March was notable for the introduction of the 1950-51 budget, and the continued firm stand on non-devaluation taken by the Pakistan Government. Some circles in Karachi maintained that the postponement of the budget from February 28 to March 13 might be connected with discussions concerning the devaluation of the Pakistan rupee to a rate more nearly approaching that of the Indian rupee. This contention was groundless, however, and the third Pakistan budget showed that the national revenue was gradually increasing and that the financial

position of this country was fairly good, allowances being made for extraordinary expenditures on defence and the difficult trade and political relations with India.

Communal tension between Pakistan and India, generated by the ill-treatment of national minorities in both East Pakistan and West Bengal (India), increased towards the end of March, and gave rise to a large refugee movement in both directions. This produced a downward pressure on trade across the border, and diverted the energies of the central and provincial governments from rehabilitation and development to the care of refugees. This condition reached its peak during the latter part of March and beginning of April, creating insecurity for minorities in Pakistan and India. The Prime Ministers of both countries conferred in New Delhi during the first week in April, and an agreement on minorities was reached. The Delhi Agreement and the subsequent visit of Prime Minister Nehru to Karachi did much to restore general confidence. The trade of Pakistan improved, both by sea and land. A further agreement was made on April 21, whereby both governments created special exchange accounts, to be settled at a later date, in an effort to finance the exchange of commodities between Pakistan and India.

The Pakistan Government issued Rs.54 crores of government securities (\$162,000,000) to the State Bank on March 31 to compensate for the decline in value of foreign securities and currencies being held by the bank as a reserve and note-cover. Most of these foreign securities were Indian Government issues, whose face value had fallen by 30 per cent when the Indian rupee was devalued in September, 1949.

Industrial Development Corporation Established

The Industrial Development Corporation was established in April with a capital of one crore of rupees (\$3,000,000), and charged with the responsibility for planning and developing "key" industries in Pakistan. The first so categorized are: paper, jute, heavy engineering, shipbuilding, heavy chemicals and fertilizers. All or part of the capital required to finance such industries may be provided by the corporation, whose board is composed of three government appointees. This measure, which was undoubtedly made necessary by the reluctance of domestic private capital and the wariness of foreign venture capital to invest in new industries in this country, is as close as Pakistan can come to complete nationalization of these industries.

Appeals from Pakistan to the Privy Council were abolished on April 12 with the passage of the Federal Court Act.

The most significant event in April, from the point of view of Canada, was the announcement that Pakistan had agreed with the Commonwealth Dollar Sterling Pool to reduce her dollar consumption for the 1950-51 financial year (July 1, 1950-June 30, 1951) to 75 per cent of her dollar consumption for the preceding year.

Pakistan trade statistics reveal only sea-borne trade on private account, and do not present a complete picture of her commodities payments position. The best available estimates indicate, however, that her dollar and other hard-currency expenditures on private account were equivalent to \$35,000,000 in 1948-49; and would be around \$65,000,000 in 1949-50. Government purchases from the United States for plant, equipment and services were probably about Can.\$11,000,000 last year, since United States export figures for 1949 indicate shipments to Pakistan valued at \$49,500,000, as against Pakistan's import figures of \$39,500,000 for the 1949-50 fiscal year. This \$11,000,000, plus \$12,600,000 spent in Canada, would bring the dollar and other hard-currency commodity imports to roughly \$90,000,000.



Pakistan—Supreme Court Building, in Karachi, which also houses the Ministries of Commerce, Industry and Works.

An encouraging new development in local engineering practice was the award of a contract, in April, by the Pakistan Railways to a Karachi engineering firm, Muslim Industries Limited, for 100 covered steel jute-wagons for the East Bengal Railway. Parts for these wagons would be supplied by a German firm, M. A. N., partially assembled in Karachi and shipped for final setting up on rail at Chittagong.

By the end of April, the growing pressure of a prospective good wheat crop in 1950, added to last year's 450,000-ton surplus, was being increasingly felt, and it was announced that on May 1 wheat would be decontrolled, except for the principal rationed towns of Karachi, Lahore, Rawalpindi, Peshawar and Quetta. These towns would also, in due course, be de-rationed. A fall in the artificially high price of wheat and grains was thus forecast.

May was marked by an improvement in the general tone of trade between Pakistan and India, the April agreement having sanctioned the inter-country transit of goods by rail, worth Rs.8 crores (\$25,000,000). In exchange for Pakistan jute and wheat, India would allow the transit to Pakistan of agreed quantities of jute manufactures, steel textiles and mustard oil.

The first regular Pakistan coastal service was inaugurated in May between Karachi and Chittagong, the British India Steam Navigation Company, commencing a six-weekly service for passengers and cargo. The voyage between Karachi and Chittagong takes approximately a fortnight, and the company plans to place newer ships on the run, and to increase the service to one sailing a month.

Wheat prices started falling rather sharply by the middle of May, declining in unrationed areas from approximately Rs.10 per maund (82.28 pounds) to around Rs.7. There were indications of measures by the government to get rid of its embarrassing 1949 surplus, some of which

was in doubtful condition because of poor storage. At the same time, the biggest customers of Pakistan, viz.: Germany, Turkey, India and Japan, were said to be uninterested in the 1949 crop and were waiting for deliveries from the 1950 crop. It appeared that the control on wheat and grains had been maintained too long.

Wheat and rice stocks in Western Pakistan continued to swell and by May 30 rice had also been decontrolled, although the rice decontrol did not apply in Eastern Pakistan, and domestic prices continued to slip.

Payments Position Not Materially Affected by Indian Trade Embargo

The Department of Commercial Intelligence and Statistics issued an interesting announcement in May regarding the effect of the Indian embargo on trade with Pakistan, due to the fact that Indian banks were not allowed to accept the Pakistan valuation for the Pakistan rupee. According to the department's figures, devaluation and the fall in sea-borne trade had not materially affected Pakistan's payments position, since alternate buyers had been found for much of its principal exports, such as cotton, wool, hides and jute. The following figures, quoted as evidence, are for sea-borne trade, and do not account for the rail and other land traffic between East and West Pakistan and India. Imports for 1949-50 were valued at 111 crores of rupees (\$366,300,000), compared with 109 crores (\$359,700,000) in 1948-49. Exports for 1949-50 were valued at 85 crores (\$280,500,000), compared with 92 crores of rupees (\$303,600,000) in 1948-49. Pakistan exports to India by land were valued at 20 crores (\$66,000,000) in 1949-50, and imports from India at 13 crores (\$42,900,000). It would appear, therefore, that Pakistan had an unfavourable balance of trade of Rs.19 crores, or about \$63,000,000. These figures do not include purchases on government account, however, which would doubtless tilt the balance of payments on international account still more unfavourably against Pakistan, bringing the total to about \$90,000,000.

New Import Licensing Policy Announced

To this end, the Commerce Ministry announced last June a new import licensing policy, under the terms of which a slightly increased variety of consumer goods would be under Open General Licence from all other areas.

While it does not necessarily follow that licences to import certain goods will be issued promptly, or even issued at all, the fact of this new policy being put into effect is a good indication of the confidence of the government in present and future economic conditions. It is also a move away from the policy of controls for the sake of controls. The market is tolerably well stocked, and no dangerous rush to import under the new schedule is likely. The measure has met with general approval, and is likely to serve its purpose over a six or twelve-month period of lowering prices in this country. Under this policy, Pakistan moves into the ranks of those countries whose import controls are not all-embracing and strangling to the development of trade.

While this new policy is to be commended, in principle, its effect on Canadian exports to Pakistan is likely to be unfavourable, since it opens the door to increased competition from soft-currency countries, particularly France, Japan and West Germany. Canadian exports will have to be modified in price, and agency discounts and commissions offered by Canadian exporters measurably enhanced, if this fresh competition is to be met.

Commercial Intelligence

The following news items, pertaining largely to the development of trade and to foreign exchange, have been compiled by the Foreign Trade Service, Department of Trade and Commerce, for the information of businessmen.

Argentina

Effective August 29, Argentina replaced her complex system of multiple exchange rates with a simplified exchange rate schedule involving only two official rates of exchange plus a fluctuating free market rate. Previously, the range of exchange rates ran from 3.36 pesos to the dollar through to 12.53 pesos to the dollar, with a variety of rates for imports and exports of different categories. Under the new system, basic exports and preferential category imports will both be subject to a rate of 5 pesos to the dollar, preferential category exports and basic imports subject to a rate of 7.5 pesos to the dollar. Both the old auction rate of exchange and black market transactions are replaced by a fluctuating free market rate, which opened at 14.25 pesos to the dollar, applying to special category exports and non-essential imports. As part of this thoroughgoing revision of the exchange control system, all commodities are being re-grouped for exchange rate treatment. Applications will be considered for permission to import certain goods without the use of exchange, provided that the applicants can prove that they possessed the requisite exchange abroad as at July 31, 1950. To facilitate the importation of certain raw materials and specific types of machinery outside the general plan of distribution of exchange, the Central Bank will consider granting exchange permits on the basis of payment by instalments extending over three years in the case of raw materials and five years in the case of machinery.

The Argentine Government has recently resumed the publication of official trade statistics after two years of non-issuance. Figures for the first six months of this year, expressed in dollars arbitrarily converted from the peso statistics, reveal that exports reached U.S.\$535 million, as compared to U.S.\$504 million for the first six months of 1949, while imports declined to U.S.\$380 million from U.S.\$564 million a year ago. The U.S.\$60 million deficit for the first half of 1949 has become a trade surplus of U.S.\$44 million for the first half of 1950.

Negotiations with the Export-Import Bank to settle final details of the release of funds from the U.S.\$125 million loan made to Argentina under the announcement of May 17, are now practically complete. It is believed that releases from this credit in liquidation of commercial debt to United States firms may commence within five or six weeks.

Argentine trade relations with the United Kingdom are at an impasse over the vital question of meat prices under the Anglo-Argentine trade agreement. During the first year of the agreement, which expired on June 30, 1950, the United Kingdom was purchasing Argentine meat at £97.5 per ton. Negotiations over the price for the second year have failed to close the gap between the British offer of £90 a ton and Argentine demands for £140 per ton to compensate for the devaluation of sterling. On July 21, IAPI ordered meat-packing companies to cease shipments of meat to the United Kingdom and in August the United Kingdom delegates recessed negotiations.

Australia

On August 22, Australia obtained a U.S.\$100 million loan from the International Bank, to be used for development projects, both private and governmental, in the next few years. The Australian loan is for 25 years with repayments to begin in five years. The International Bank, in making the loan, said that Australia was beginning a period of rapid economic development which, combined with Australia's deliberate policy of promoting a high rate of immigration, gave rise to heavy demands for investment and requirements of equipment available only in the United States.

Australian importers can obtain import licences for goods made in Western Germany freely, according to an announcement last June. Formerly, imports from Western Germany were subject to the same restrictions that applied to other hard-currency countries.

Austria

It is reported that Austria has submitted to the International Monetary Fund the question of early revaluation of the Austrian schilling. The purpose of such revaluation would be to replace gradually its existing multiple exchange

rate system with a single rate of exchange. It seems probable that any single rate revaluation would take place at the lower schilling value end of the present three-rate scale.

Belgium

Gold stocks and foreign exchange reserves of the Belgian National Bank have been revalued in keeping with the September, 1949, devaluation. The revaluation of the gold stocks yielded a substantial profit, which will be used in the country's investment program. When final revaluation of the foreign exchange reserves is complete they are likely to show small profit or loss.

Bolivia

Foreign exchange in Bolivia is to be channelled to a greater extent through the Central Bank as a result of a new decree of August 11. This decree, which was issued as part of an economic recovery program for Bolivia, requires mineral exporters to surrender a much greater proportion of their foreign exchange earnings to the Central Bank and to rely on Central Bank allocation of dollars to a greater extent for payment of their foreign costs of operation.

As a result of the greater demand for tin, and consequent higher prices, it is expected that Bolivia may receive between U.S.\$8-U.S.\$12 million more in dollar exchange this year than was estimated in its foreign exchange budget. No policy regarding the use of this anticipated foreign exchange has been announced. It is believed that the Central Bank may attempt to continue the program of austerity in imports and to apply the unexpected exchange income principally to the backlog of about U.S.\$4 million in commercial payments and to the strengthening of reserves. It will require two or three months before the better earnings from tin reflect in the general exchange and import situation.

Brazil

The system of guaranteeing the exchange rate on provisional deposits of Brazilian cruzeiros, pending allocation of dollars by the Banco do Brasil, was eliminated for normal commercial imports by a banking circular issued in August. This suspension of graphic accounts is justified by the fact that the distribution of exchange cover for payment of imports in hard currencies is now practically normal. It is explained that a lapse of from 45-60 days in making dollars available after application is registered may be considered normal. The closing of the exchange rate in graphic account will still be permitted against the import of certain essential commodities, to be specified later, which are deemed advantageous for stockpiling, and accordingly will be entered on condition of payment abroad being effected within the minimum period of one year, payment provision to be made through a special exchange budget.

Although delays in payment for Brazilian imports in the preferential and first category have been reduced to approximately two months or less, allocation of exchange against fourth category imports is still delayed about twelve months.

Chile

Effective July 12, a revised list of goods was published which will be eligible for importation into Chile during the next six months under the Chilean gold law.

The supply of dollar exchange in Chile is still very tight at the more favourable exchange rates, although at the rate of 60 pesos per United States dollar the supply is sufficient to meet the moderate demand.

Colombia

A series of recent decrees by the Colombian Office of Control of Exchange and Imports provides a special and extra allocation for importing machinery parts, permission to use 20 per cent of the annual allocation in import licences for raw materials from July 11 to September 30, and a special commercial quota for all Colombian importers equivalent to 20 per cent of the total of their approved licences for the first five months of 1950, and as well gives industries the right to import an extensive list of raw materials and secure a larger quota for such importations by using the gradual reimbursement payments system.

The overall exchange position in Colombia has apparently recovered from the low point of May, 1950, when total reserves stood at U.S.\$96 million, to something over U.S.\$120 million by mid-August. During July, weekly allocations of foreign exchange amounted to U.S.\$6 million and, with continued substantial releases of foreign exchange, the backlog of applications amounting to upwards of U.S.\$30 million showed a reduction during the month of August.

The mission from the International Bank to Colombia has just published its review of the development possibilities of the country and its recommendations. Recent experience and the outlook for world coffee markets for the next two years led the mission to conclude that Colombia's satisfactory trade position should greatly ease the problem of development, if wise financial policies are followed. It is stated that the foreign exchange available should be sufficient to finance both the necessary purchase of capital equipment from abroad and an adequate volume of consumer goods as well. The bank experts believe that a long-range development program for Colombia, in its first five-year phase, probably requires a net capital inflow of some U.S.\$30 million per year.

The Bank of Paris and the Netherlands has granted a loan equivalent to U.S.\$25 million to the Colombian Government, for the development of the Colombian steel industry. The loan, to be made partly in cash and partly in European-built equipment, is to be repaid within ten years.

A new trade and payments agreement has been arranged between Colombia and Western Germany calling for an exchange of goods amounting to U.S.\$37 million in each direction. Colombia's exports will be coffee to half this amount, bananas, tobacco, crude oil, sugar, and some lesser items.

Costa Rica

It is estimated that Costa Rica will be able to pay off more than half of its currently outstanding commercial dollar obligations, amounting to about U.S.\$13 million by the end of this year. Prospects for exchange earnings for the last half of 1950 and for 1951 appear relatively bright, which has persuaded Costa Rican authorities that it will be possible to liquidate these arrears out of current earnings through 1950 and 1951 without depleting exchange reserves.

Dominican Republic

Business conditions in the Dominican Republic remain unchanged while the foreign exchange position has continued to grow stronger. During the first six months of 1950, exports totalled U.S.\$48.3 million, while imports were valued at only U.S.\$17.3 million, yielding a trade surplus of about U.S.\$31 million. The chief source of exchange income has been the sale of the 1950 raw sugar crop to Great Britain for U.S.\$43 million in dollars.

Ecuador

Receipts of exchange for Ecuador from exports during the first half of 1950 amounted to U.S.\$21.8 million and payments for imports to U.S.\$19.1 million, leaving a balance in favour of Ecuador of U.S.\$2.7 million. Prospects for the balance of the year continue to be fairly bright since the coffee harvest which has just commenced is expected to produce a record yield of exceptionally high value based on prevailing prices.

Egypt

During the first five months of 1950, Egyptian imports amounted to £E78.5 million, compared with £E76 million in the same period last year, while exports rose to £E74.5 million against £E62.6 million for the same five months of 1949. Most of the improvement was due to a rise in cotton exports.

The Egyptian Government is urging that Egyptian-British negotiations be started by September, 1950, at the latest, and emphasized the need for a final and prompt settlement. Egypt has proposed three interim expedients limiting releases from Egypt's No. II sterling account, raising the level of British exports to Egypt and provision of a higher release in hard currency against oil imports.

France

During August, France resorted to some rather intricate financial operations, designed to strengthen the international reserves of the Exchange Stabilization Fund and to increase domestic credit for the French Government with a minimum of inflationary effect. The first operation consisted of revaluing gold reserves in line with last year's devaluation of the franc. This operation produced a profit, used in the first place to purchase United States dollars, in order to make anticipatory repayment of the U.S.\$75 million loan raised in the United States in 1947. This repayment will free some 69 tons of gold earmarked as security for the loan, which will now return to the Foreign Exchange Stabilization Fund, strengthening its position. The second operation consisted of borrowing \$225 million from a syndicate of American banks, U.S.\$200 million of which will be secured by United States Government short-term securities.

The dollars obtained from the loan are to be sold to the Stabilization Fund, which in turn will invest them in United States Treasury bills, borrowing French francs from the Central Bank on the strength of the increase in its foreign exchange holdings. This elaborate technique to increase the French Treasury borrowing capacity for domestic financing involves the transfer of a large amount in foreign exchange, which evidently will be frozen as international purchasing power.

Haiti

Following the political upheaval in Haiti during May, administrative matters have been restored to a relatively normal basis. The military Junta announced its determination to meet all legitimate obligations of the former administration. A special commission has been scrutinizing claims against the government and many of the more important debts have been liquidated.

Hungary

During the first four months of 1950, Hungarian imports are reported to have increased by 56 per cent and exports by less than 1 per cent, as compared with the corresponding period in 1949. Export trade is being deterred by delayed delivery of goods and inferior quality of export materials, which in turn threatens the fulfillment of import requirements, which are dependent on a steady flow of exports to produce the means of purchasing imports.

India

The greater liberality in issuing import licences by India, for the second half of 1950, is most evident in the specific import policy laid down for non-ferrous metals and various essential materials. This greater freedom to import from hard-currency sources was made possible by the country's improved trade position, particularly in terms of dollars, and considered necessary as a hedge against the increasing uncertain international situation. It is suggested that, if Indian exports continue at a high level, it may be possible to liberalize further import controls for the final quarter of the year.

Indonesia

On August 28, the Indonesian Government announced that a list of more than 100 products had been placed on a free list, which means that they may be imported without quota restriction. Indonesian importers must still apply for a foreign exchange permit to cover purchases of such items, but it is stated that the required exchange will be automatically made available up to any amount, provided that the goods are satisfactory in price and quality.

Indonesian foreign trade has recovered remarkably during 1950. Rubber exports in particular have resumed a substantial outflow with the result that last year's trade deficit has been replaced by the more normal situation of a substantial export surplus. A continued high volume of exports will permit a gradual easing of restraints on import trade.

Out of the U.S.\$100 million authorized by the Export-Import Bank for Indonesia, slightly more than U.S.\$22 million has been authorized for use. A credit of U.S.\$20 million was authorized for the purchase of motor vehicles, largely trucks, buses and spare parts. A further \$2 million was authorized for the purchase of road building equipment.

Iran

In accordance with a decree of Iran's Council of Ministers, dated July 24, exporters will be free to retain all foreign exchange earnings and to use them either to purchase authorized imports, or to sell to other importers at a rate established in a fluctuating market. The same decree suspends quota restrictions as far as basic goods are concerned, and provides that the Central Bank will make available foreign exchange at the certificate rate for the import of industrial and agricultural machinery, chemicals, medical equipment and drugs, and other stipulated basic goods.

Negotiations are under way with the Export-Import Bank to provide a dollar loan to Iran to cover needs for American machinery and equipment, estimated at U.S.\$150 million. The bank has expressed willingness to consider seriously such a loan to be used in connection with the seven-year development program.

Iraq

The new rates of oil royalties to be paid by the Iraq Petroleum Company to the Iraq Government have been increased by 50 per cent under a new

agreement. The increased royalties are expected to bring Iraq at least U.S.\$47.6 million, in sterling, additional revenue between January, 1950, and October, 1954, the period during which the old rate would otherwise have been in effect. In addition, the country's oil income is expected to increase as a result of definite plans to raise the rate of oil production.

A new financial trade agreement made by Iraq with the United Kingdom provides for the equivalent of U.S.\$20 million of convertible sterling to be released for hard-currency expenditures by Iraq during the year ending September 30, 1950.

Israel

The value of Israel imports in the early months of 1950 increased 60 per cent over the value of imports in the corresponding period of 1949, whereas the value of exports increased by only 15 per cent. This worsening of the balance of trade is attributed to the government development program, which resulted in capital goods imports accounting for double their earlier proportion of total imports, while imports of consumer goods fell off despite the heavy increase in population. Most of the capital goods imports were financed from the Export-Import Bank loan.

Arrangements have been made for the reopening of the Haifa oil refinery on a limited scale, principally to meet the needs of the Israeli home market.

Israel obtained a long-term loan amounting to approximately U.S.\$15 million from the French Government to purchase equipment and building materials from France.

Italy

By May, Italy's index of industrial production reached an all-time high of 124, on the base year 1938 equals 100. Accompanying this higher industrial activity, there was a decline in Italian unemployment to 1.8 million. During the first five months of 1950, Italy's trade deficit was equivalent to U.S.\$138 million, which was well below the deficit of U.S.\$224 million for the corresponding period of 1949. The improvement in the trade balance, however, was due to a 20 per cent drop in imports rather than any increase in exports.

A trade agreement, signed by Italy with Western Germany, provides for an exchange of goods equivalent to U.S.\$280 million, a rise of some 30 per cent over the level of trade provided for in an earlier agreement. Under this trade arrangement, Italy will obtain coal to an amount of U.S.\$42 million, as well as other goods and materials, while she will find a market for agricultural products and industrial products.

Japan

Arrangements completed on behalf of Japan by SCAP provide for substantial trade with Indonesia on an open account basis in terms of United States dollars. The trade agreement anticipates Japanese exports to Indonesia to a total of U.S.\$44.4 million and imports by Japan at about U.S.\$30 million.

Malaya

Trade returns for the first six months of 1950 reveal that Malaya has achieved a favourable trade balance for the first time since the war. The high prices for rubber largely account for the increase in value of Malayan exports, but more active tin markets have aided as well.

Mexico

Dollars have been flowing into Mexico since the Korean crisis on a scale that has given the Ministry of Finance cause for alarm lest the inflow should become an inflationary influence. Evidently, there has been accelerated repatriation of Mexican capital, especially from the United States, a movement of United States flight capital into Mexico, an increase in tourist trade, and high dollar earnings from the sale of the Mexican cotton crop. To counteract the possible inflationary effect of this unexpected inflow, the government has taken corrective measures, including repayment of U.S.\$14 million to the United States Treasury to cancel the balance of the U.S.\$37 million stabilization fund loan, and a relaxation of import quotas for automobiles and trucks to be assembled in Mexico.

On September 1, Mexico was granted a new U.S.\$150 million line of credit by the Export-Import Bank to be made available for specific projects in the fields of transportation, agriculture, communications, and electric power. The release praised Mexico's record in meeting obligations promptly and in improving its fiscal and economic conditions.

New Zealand

For the year beginning January 1, 1951, New Zealand has freed from import control a substantial list of goods, if imported from the United Kingdom or from any soft-currency country. The policy governing the issuance of import licences to dollar countries remains unchanged, for these imports each application will be considered on its merits with particular regard to availability in soft-currency areas.

Nicaragua

The Exchange Control Office of Nicaragua announced that, effective July 12, 1950, until September 30, 1950, no import licences will be authorized with official exchange. Imports may be paid for only with dollar exchange derived from certificates of availability, exportations in compensation, and capital investments. Only articles contained in specified priority lists may be imported even under these arrangements.

Pakistan

A new sterling agreement has been worked out by Pakistan with the United Kingdom. Under the terms of last year's financial agreement, Pakistan was to be allowed a release of £17 million to cover the year ending June 30, 1950. In actual fact, during the past year, Pakistan has been permitted to draw £31 million, the additional £14 million released from its blocked balance being made necessary by the trade dispute with India, which cut off this important source of earning unblocked sterling. The new agreement for the year ending June 30, 1950, permits a further release of £15 million from Pakistan's blocked balances, plus not more than £2.5 million to meet exceptional circumstances arising from the trade deadlock with India.

Philippines

The trade deficit of the Philippines in the first six months of 1950 was reduced to U.S.\$15 million, compared to a deficit of U.S.\$176 million in the first half of 1949. This sharp improvement in the balance of trade was accounted for entirely by a drop in imports, which were cut in half. Exports also declined slightly. The balance of payments is still only maintained by dependence on United States Government disbursements, which are beginning to taper off.

An approach has been made to the United States by the Philippine Government for a \$1 billion loan, to be provided in four yearly instalments of U.S.\$250 million. The appeal is being made on the basis that it is absolutely necessary for the rehabilitation of the Philippines economy, in order to save that republic from eventual chaos and probable communism.

Poland

On July 21, the Polish Parliament approved the revised six-year economic plan, which raises considerably many of the targets in the original draft of the plan. It is intended by 1955, the last year of the plan, to raise the value of production of the whole of socialized industry by an increase of 158 per cent at constant prices over 1949.

El Salvador

With the resumption of coffee shipments, El Salvador's exchange position is again improving. Although reserves have not quite been restored to the all-time record level established in February of this year, by July they amounted to over U.S.\$51 million, which is 30 per cent above the level of a year ago. General business has improved recently and collections in general are satisfactory.

Saudi Arabia

On August 6, it was announced that Saudi Arabia was granted a U.S.\$15 million loan by the Export-Import Bank to assist in financing development projects in that country. The credit, which is repayable in fifteen years, will be used to finance purchases in the United States of equipment, materials and services for the development of Saudi Arabia's transportation, power, health and sanitation, and agricultural facilities.

Spain

The prospects for Spanish agricultural crops look quite promising with the outlook for wheat particularly encouraging. Spain's foreign trade for the first four months of 1950 showed a small favourable balance, compared with a net deficit in the same period a year ago.

Turkey

New import regulations were announced by the Turkish Government to take effect on September 1, 1950. Imports are divided into two categories, listed in schedules known as the primary and the auxiliary. No import licences are required for goods in the primary schedule. Payment for these goods may be made by direct application to the Central Bank, which is responsible for the allocation and distribution of foreign exchange. For goods included in the auxiliary schedule, no foreign exchange will be issued, and payment for such imports may be made only from the proceeds of specified marginal export or by use of private exchange holdings, subject to prior authorization by the government.

Uruguay

In July, the Uruguayan Exchange Control Board put into effect a new system of individual import quotas, which is expected to simplify and improve the method of granting exchange permits. The Control Board also announced the establishment of new import quotas, including U.S.\$3.5 million for agricultural machinery from the United States and Canada.

An autonomous government agency in Uruguay, designated as UTE, has been granted a loan of U.S.\$33 million by the International Bank to assist in the program of improving and expanding the country's electrical and telephone system.

Yugoslavia

The Federal Planning Commission of Yugoslavia, in making its report on the realization of the current economic plan for the first half of 1950, declared that despite inadequate imports of raw materials and machinery, caused by a shortage of foreign exchange, the plan for industrial production and construction has been fulfilled up to 98.4 per cent of the planned figure, except for the consumer goods industries. Evidently, the proposed scale of investment and rate of output for basic industries is being maintained, but at the expense of the immediate standard of living since consumer goods have been sacrificed.

Late in August, Yugoslavia received an additional U.S.\$15 million loan from the Export-Import Bank. This brings the total of American loans to Yugoslavia in the past year to U.S.\$55 million.

Pork Made Up Half Belgian Meat Consumption

The Hague, August 7, 1950.—(F.T.S.)—In 1949 the Belgians consumed, exclusive of game and poultry, 288 thousand metric tons of meat, equal to an annual consumption of 34 kilograms per capita of population. Half of the amount of meat consumed consisted of pork, whilst beef accounted for 43 thousand metric tons and horsemeat 27.7 thousand metric tons.

Special Exchange Rate for Garlic Announced

Buenos Aires, July 26, 1950.—(F.T.S.)—The Central Bank announced on July 24 that, as from this date, exports of garlic will be accorded the special exchange rate of 719.64 pesos per 100 U.S. dollars, or the equivalent in other currencies. Formerly, exchange accruing from the export of garlic was converted at the Preferential "B" rate of 572.86 pesos per 100 U.S. dollars.

Canadian Output of Crude Petroleum Sets Record

Canadian output of crude petroleum and natural gasoline reached a peak total of 12,498,255 barrels in the first half of this year, showing an increase of 27 per cent over the previous record of 9,812,595 barrels established in the similar period of 1949. The June output was 2,181,342 barrels as against 1,957,195 in May, and 1,701,539 in the corresponding month last year.

Monthly Summary of Foreign Trade

Canadian Exports (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January	62.8	70.3	230.5	189.1	208.6	235.4	237.0	221.2
February	57.4	59.6	236.4	153.1	179.5	208.3	205.0	199.5
March	71.1	73.3	301.2	178.4	209.0	228.4	216.8	228.2
April	48.5	50.9	312.3	178.5	190.9	212.3	237.8	205.5
May	75.6	67.0	315.2	197.0	267.8	282.3	272.9	287.0
June	73.3	66.0	322.8	166.7	272.7	233.5	255.1	289.2
July	74.4	66.2	282.7	188.7	236.6	250.9	241.3	253.7
August	77.1	69.1	295.0	242.7	221.3	224.1	251.7	.....
September	76.8	72.2	220.8	169.8	218.6	283.0	228.4	.....
October	91.3	88.2	227.9	204.2	250.8	307.0	269.1	.....
November	95.0	86.0	238.7	232.2	253.1	293.9	292.3	.....
December	81.3	68.9	234.8	211.9	266.2	316.4	285.5	.....
Total	884.5	837.6	3,218.3	2,312.2	2,774.9	3,075.4	2,993.0	1,684.3

Canadian Imports (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1946	1948	1948	1950
(Millions of Dollars)								
January	44.6	49.7	129.7	140.3	173.8	206.1	223.8	211.9
February	42.9	47.0	112.4	117.0	177.1	182.2	206.0	200.2
March	59.1	65.1	132.5	139.9	208.9	197.1	235.9	237.4
April	45.3	48.9	133.8	160.8	225.6	226.7	242.7	230.9
May	66.1	67.1	143.8	164.2	240.3	225.1	250.5	290.2
June	60.5	58.9	146.5	157.7	231.1	233.0	250.5	282.5
July	57.6	55.8	138.7	161.6	226.8	225.1	230.9	259.5
August	57.9	57.0	128.1	163.2	204.6	206.5	212.1	.....
September	59.6	56.4	122.3	156.1	208.1	221.7	221.6	.....
October	68.6	63.9	134.4	186.4	254.5	243.4	234.3	.....
November	70.1	63.3	142.4	198.2	229.1	238.2	239.6	.....
December	52.2	44.3	121.2	181.9	194.2	232.0	213.4	.....
Total	684.6	677.5	1,585.8	1,927.3	2,573.9	2,636.9	2,761.2	1,712.5

Balance of Trade with all Countries (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January	+ 19.0	+ 21.8	+ 104.2	+ 51.0	+ 36.7	+ 33.0	+ 15.2	+ 11.8
February	+ 15.3	+ 13.5	+ 128.0	+ 37.7	+ 4.7	+ 28.1	+ 1.2	+ 1.4
March	+ 13.0	+ 9.2	+ 174.5	+ 40.0	+ 3.0	+ 33.9	- 16.9	- 5.7
April	+ 4.0	+ 2.6	+ 184.3	+ 19.5	- 32.2	- 11.6	- 2.4	- 21.2
May	+ 10.6	+ 0.8	+ 174.9	+ 34.6	+ 30.9	+ 62.4	+ 25.1	+ 0.6
June	+ 13.8	+ 7.9	+ 180.7	+ 11.1	+ 45.3	+ 3.0	+ 6.9	+ 9.3
July	+ 17.9	+ 11.4	+ 147.4	+ 29.6	+ 12.8	+ 28.4	+ 12.8	- 2.7
August	+ 20.3	+ 12.9	+ 172.5	+ 82.8	+ 20.3	+ 20.0	+ 41.9	.....
September	+ 18.3	+ 16.7	+ 102.7	+ 15.8	+ 13.4	+ 64.4	+ 9.4	.....
October	+ 23.8	+ 25.3	+ 98.5	+ 20.2	- 0.8	+ 66.0	+ 37.4	.....
November	+ 26.2	+ 23.5	+ 98.8	+ 37.0	+ 26.9	+ 58.2	+ 55.9	.....
December	+ 30.3	+ 25.6	+ 115.2	+ 32.4	+ 76.7	+ 87.3	+ 74.9	.....
Total	+ 212.5	+ 171.2	+ 1,681.6	+ 411.9	+ 237.8	+ 473.1	+ 261.2	- 7.7

NOTE.—Throughout this bulletin, totals represent unrounded figures, hence may vary slightly from rounded amounts. The value of "Foreign Exports" is not included under the tabular heading "Canadian Exports", for which reason figures showing the balance of trade do not represent the difference between those for exports and imports.

The foreign trade of Newfoundland is included as from April 1, 1949.

Canadian Exports to the United Kingdom (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January	25.5	33.6	83.2	51.1	50.5	64.9	55.8	48.6
February	23.6	27.3	67.5	37.9	44.9	51.7	44.1	30.4
March	26.4	27.8	108.8	50.5	47.6	59.2	39.5	30.1
April	16.4	18.8	109.1	41.0	43.1	44.4	63.0	25.8
May	30.5	27.9	115.6	54.9	90.5	85.1	72.4	48.5
June	28.9	25.6	94.6	30.6	76.2	54.2	60.7	52.5
July	30.5	25.8	83.9	40.4	69.4	56.3	70.6	35.2
August	31.3	26.7	66.6	71.9	66.0	52.5	62.9	.....
September	30.8	28.9	58.8	54.3	54.5	47.9	56.9	.....
October	38.4	36.0	56.3	47.7	66.8	65.6	72.3	.....
November	41.4	35.8	52.4	57.9	69.3	56.7	56.8	.....
December	30.0	25.5	66.4	59.4	72.5	48.5	49.9	.....
Total	353.6	339.7	963.2	597.5	751.2	686.9	705.0	271.1

Canadian Imports from the United Kingdom (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January	8.0	8.9	9.4	20.1	14.3	21.6	25.4	26.1
February	8.1	8.8	6.7	13.0	10.5	17.9	22.9	25.4
March	10.9	11.5	9.3	14.4	13.8	21.6	28.3	32.7
April	8.4	9.2	12.0	21.2	12.7	24.6	30.1	29.5
May	12.7	11.9	15.2	18.8	15.2	27.4	29.5	36.3
June	10.8	9.2	13.8	23.4	18.1	26.0	27.0	37.1
July	11.3	9.7	12.0	21.9	17.7	29.4	29.4	32.7
August	11.4	10.4	10.7	14.5	15.1	24.7	26.2	.....
September	10.5	10.0	9.6	12.0	15.6	24.1	21.9	.....
October	11.0	11.6	12.1	15.6	18.3	29.3	19.4	.....
November	13.0	11.0	14.8	14.9	17.8	28.3	26.5	.....
December	8.0	7.0	14.9	11.7	20.3	24.6	20.8	.....
Total	124.0	119.3	140.5	201.4	189.4	299.5	307.4	219.9

Balance of Trade with the United Kingdom (Excluding Gold)

Months	Average 1935-30	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January	+ 17.7	+ 24.8	+ 74.5	+ 31.2	+ 36.3	+ 43.4	+ 30.5	+ 22.8
February	+ 14.6	+ 18.7	+ 61.4	+ 24.9	+ 34.5	+ 33.9	+ 21.4	+ 5.3
March	+ 15.6	+ 16.4	+ 101.5	+ 36.2	+ 33.9	+ 37.7	+ 11.3	+ 2.4
April	+ 9.1	+ 9.6	+ 98.9	+ 19.8	+ 30.4	+ 19.8	+ 33.4	+ 3.6
May	+ 17.7	+ 16.2	+ 101.1	+ 36.2	+ 75.6	+ 57.8	+ 43.4	+ 12.4
June	+ 18.3	+ 16.6	+ 81.3	+ 7.3	+ 58.2	+ 28.3	+ 34.1	+ 15.5
July	+ 19.4	+ 16.3	+ 72.2	+ 18.6	+ 52.0	+ 27.1	+ 41.7	+ 2.6
August	+ 20.0	+ 16.5	+ 56.8	+ 57.5	+ 51.1	+ 27.9	+ 37.1	.....
September	+ 20.3	+ 19.0	+ 49.2	+ 42.4	+ 39.4	+ 24.1	+ 35.5	.....
October	+ 27.5	+ 24.6	+ 44.8	+ 32.1	+ 48.7	+ 36.5	+ 53.4	.....
November	+ 28.4	+ 24.8	+ 37.7	+ 43.3	+ 51.6	+ 28.6	+ 30.7	.....
December	+ 22.1	+ 18.6	+ 51.6	+ 47.8	+ 52.5	+ 24.0	+ 29.4	.....
Total	+ 230.8	+ 222.1	+ 830.9	+ 397.4	+ 564.3	+ 389.1	+ 401.8	+ 52.6

Canadian Exports to the United States (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January.....	22.1	20.0	84.7	62.3	79.5	105.0	116.0	130.9
February.....	19.7	16.8	91.5	57.6	69.4	94.8	106.7	128.8
March.....	25.9	22.7	103.3	66.5	83.1	112.5	122.4	154.3
April.....	20.1	18.0	109.1	71.4	88.3	109.2	110.7	137.8
May.....	26.1	20.4	117.2	72.2	79.8	114.7	121.2	175.4
June.....	25.1	20.0	112.3	66.5	82.0	109.8	113.9	177.7
July.....	25.9	21.0	102.7	74.8	82.1	118.9	104.4	168.2
August.....	28.3	25.3	112.6	75.0	81.4	114.0	115.4	.....
September.....	29.4	25.1	84.8	69.6	87.5	162.0	113.7	.....
October.....	33.5	28.0	88.4	99.1	102.4	148.9	148.1	.....
November.....	31.9	28.4	101.2	89.2	92.9	163.3	171.3	.....
December.....	33.3	24.7	88.9	83.9	106.0	147.8	159.8	.....
Total.....	321.3	270.5	1,197.0	887.9	1,034.2	1,501.0	1,503.5	1,073.1

Canadian Imports from the United States (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January.....	28.7	32.3	101.8	97.4	136.4	150.0	164.8	154.5
February.....	27.9	31.2	92.8	86.0	138.4	136.8	148.8	143.1
March.....	38.0	42.9	104.3	109.1	165.1	138.3	169.0	160.9
April.....	29.2	31.4	102.7	114.8	181.6	159.5	177.3	162.2
May.....	38.3	40.5	104.8	113.4	184.7	145.0	172.1	195.5
June.....	36.4	37.1	110.7	106.6	174.7	154.9	176.9	188.3
July.....	33.4	34.1	103.5	112.5	168.9	149.5	160.3	170.6
August.....	33.7	35.3	96.8	123.1	155.3	136.1	143.6	.....
September.....	36.2	34.7	89.6	115.8	163.0	152.7	158.0	.....
October.....	42.5	38.5	101.3	140.4	190.4	160.2	167.6	.....
November.....	40.8	37.6	103.3	149.5	174.4	163.4	162.7	.....
December.....	33.6	29.2	89.9	145.6	141.7	159.4	151.0	.....
Total.....	418.7	424.7	1,202.4	1,405.3	1,974.7	1,804.8	1,951.9	1,175.2

Balance of Trade with the United States (Excluding Gold)

Months	Average 1935-39	1938	1945	1946	1947	1948	1949	1950
(Millions of Dollars)								
January.....	- 5.9 -	- 11.3 -	- 15.0 -	- 33.2 -	- 55.8 -	- 43.2 -	- 47.3 -	- 21.5
February.....	- 7.5 -	- 13.8 +	- 1.9 -	- 27.1 -	- 67.1 -	- 40.4 -	- 40.6 -	- 12.8
March.....	- 10.3 -	- 19.5 +	- 1.7 -	- 32.4 -	- 80.2 -	- 24.2 -	- 44.9 -	- 3.7
April.....	- 8.4 -	- 12.8 +	- 10.1 -	- 41.9 -	- 91.6 -	- 48.0 -	- 65.1 -	- 22.9
May.....	- 11.0 -	- 19.5 +	- 15.0 -	- 39.9 -	- 102.7 -	- 28.7 -	- 49.1 -	- 18.2
June.....	- 10.5 -	- 16.5 +	- 3.8 -	- 38.5 -	- 90.5 -	- 43.5 -	- 61.3 -	- 8.4
July.....	- 6.6 -	- 12.4 +	- 1.5 -	- 35.9 -	- 84.9 -	- 28.6 -	- 54.2 +	- 0.1
August.....	- 4.5 -	- 9.4 +	- 18.2 -	- 45.6 -	- 71.6 -	- 20.3 -	- 26.6 -	.....
September.....	- 5.9 -	- 8.9 -	- 2.3 -	- 44.7 -	- 73.8 +	- 11.4 -	- 42.6 -	.....
October.....	- 8.0 -	- 9.7 -	- 9.9 -	- 39.4 -	- 86.2 -	- 9.7 -	- 17.8 -	.....
November.....	- 7.7 -	- 8.6 -	- 0.1 -	- 58.1 -	- 79.8 +	- 1.5 +	- 10.9 -	.....
December.....	- 0.7 -	- 3.7 +	- 0.1 -	- 60.1 -	- 33.9 -	- 9.9 +	- 10.7 -	.....
Total.....	- 87.0 -	- 146.0 +	- 25.0 -	- 496.7 -	- 918.1 -	- 283.6 -	- 427.8 -	- 87.5

Canadian Imports, by Areas

Country	July			January—July		
	1938	1949	1950	1938	1949	1950
(Millions of Dollars)						
COMMONWEALTH COUNTRIES						
United Kingdom and Europe.....	9.7	29.4	32.7	69.3	192.6	219.9
America.....	3.0	7.4	9.2	12.4	34.6	34.7
Africa.....	0.3	1.1	2.1	2.8	12.1	14.7
Asia.....	1.8	4.7	6.7	13.5	37.5	46.6
Oceania.....	1.6	2.0	4.0	9.3	23.2	23.1
TOTAL COMMONWEALTH COUNTRIES.....	16.5	44.6	54.7	107.3	300.1	338.9
FOREIGN COUNTRIES						
United States and Possessions.....	34.1	160.4	170.9	249.6	1,170.1	1,176.3
Latin America.....	1.4	16.8	18.1	8.4	103.2	108.1
Europe.....	3.2	6.3	8.3	21.3	51.0	50.0
Other Foreign Countries.....	0.7	2.9	7.4	5.9	15.9	39.2
TOTAL FOREIGN COUNTRIES.....	39.3	186.3	204.7	285.2	1,340.2	1,373.6
TOTAL IMPORTS FOR CONSUMPTION.....	55.8	230.9	259.5	392.5	1,640.3	1,712.5

Canadian Imports, by Countries

Country	July			January—July		
	1938	1949	1950	1938	1949	1950
(Thousands of Dollars)						
COMMONWEALTH COUNTRIES						
Europe:						
United Kingdom.....	9,747	29,376	32,717	69,257	192,591	219,894
Ireland.....		3	(b)	16	41	(b)
Gibraltar.....						
Malta.....	1		2	1	10	6
TOTAL EUROPE.....	9,748	29,379	32,719	69,274	192,642	219,900
America:						
Newfoundland.....	409			1,151	(a) 918	
Bermuda.....	5	45	4	55	122	30
Barbados.....	393	180	1,215	1,070	2,522	5,129
Jamaica.....	619	1,937	3,154	3,196	9,670	9,830
Trinidad and Tobago.....	372	3,702	2,638	1,799	11,374	9,908
Bahamas.....	414	46	36	1,779	542	235
Leeward and Windward Islands.....		26	146		165	217
British Honduras.....	29		34	47	201	63
British Guiana.....	768	1,479	1,997	3,347	8,721	9,114
Falkland Islands.....						
TOTAL AMERICA.....	2,009	7,415	9,224	12,444	34,646	34,686
Africa:						
Northern Rhodesia.....		6	4		32	36
Union of South Africa.....	32	157	274	556	2,559	2,536
Other British South Africa.....						
Southern Rhodesia.....		117	67	1	309	170
Gambia.....						
Gold Coast.....	184	460	1,151	562	4,777	4,498
Nigeria.....		44	64	357	2,444	943
Sierra Leone.....	1			10		15
Other British West Africa.....						
Anglo-Egyptian Sudan.....		2	3	11	13	20
British East Africa.....	100	305	532	1,328	1,989	6,453
TOTAL AFRICA.....	317	1,091	2,095	2,825	12,123	14,696

Throughout this bulletin, totals represent sums of unrounded amounts, hence may vary from sums of rounded amounts. (a) January—March, 1949. (b) See Foreign countries.

Canadian Imports, by Countries—Continued

Country	July			January—July		
	1938	1949	1950	1938	1949	1950
COMMONWEALTH COUNTRIES—Conc.						
(Thousands of Dollars)						
Asia:						
India.....	520	2,338	3,192	4,724	16,030	23,632
Pakistan.....		68	96		837	1,023
Ceylon.....	275	834	2,069	2,080	7,108	10,101
Aden.....		356	7	7	884	7
Federation of Malaya.....	912	843	1,150	5,723	11,388	10,600
Other British East Indies.....	2		12	96	21	27
Hong Kong.....	52	257	159	482	1,219	1,161
TOTAL ASIA.....	1,827	4,696	6,685	13,457	37,487	46,551
Oceania:						
Australia.....	1,072	1,673	2,617	4,584	13,673	12,213
New Zealand.....	340	314	1,127	3,380	5,914	5,749
Fiji.....	201		269	1,319	3,629	5,129
Other British Oceania.....				16		
TOTAL OCEANIA.....	1,613	1,987	4,013	9,299	23,216	23,091
TOTAL COMMONWEALTH COUNTRIES.....	16,516	44,569	54,739	107,298	300,113	338,925
FOREIGN COUNTRIES						
United States and Possessions:						
United States.....	34,051	160,254	170,648	249,434	1,169,034	1,175,194
Alaska.....	9	108	10	49	452	560
American Virgin Islands.....		1			4	8
Hawaii.....	20		17	88	168	215
Puerto Rico.....		43	111	1	405	223
United States Oceania.....			115			115
TOTAL UNITED STATES AND POSSESSIONS.....	34,080	160,406	170,901	249,572	1,170,063	1,176,315
Latin America:						
Argentina.....	40	170	1,858	1,157	2,219	4,804
Bolivia.....		192	3	8	229	1,200
Brazil.....	36	1,379	1,862	388	10,582	13,267
Chile.....		7	196	73	388	424
Colombia.....	769	800	1,016	3,050	5,740	6,327
Costa Rica.....	7	206	384	39	1,493	1,734
Cuba.....	36	463	205	253	3,912	2,149
Dominican Republic.....		279	33		3,521	683
Ecuador.....	2	327	139	16	744	716
El Salvador.....	1	146	158	7	845	499
Guatemala.....	11	891	595	62	3,144	3,037
Haiti.....	1	32	210	50	512	1,067
Honduras.....		743	662	6	3,596	3,316
Mexico.....	8	1,554	1,613	424	9,435	15,139
Nicaragua.....		33	41		86	241
Panama.....		21	567	12	1,259	3,741
Paraguay.....	5	32	34	53	161	220
Peru.....	369	19	162	1,863	1,489	2,248
Uruguay.....	11	202	254	59	483	936
Venezuela.....	71	9,275	8,086	883	53,384	46,248
TOTAL LATIN AMERICA.....	1,367	16,771	18,078	8,403	103,222	108,131
Europe:						
Albania.....				2		
Austria.....		18	42	83	150	359
Belgium and Luxembourg.....	441	1,058	1,624	3,210	12,571	10,846
Bulgaria.....					1	
Czechoslovakia.....	245	618	471	1,060	4,876	3,594
Denmark.....	16	40	58	96	1,412	475
Estonia.....	2			14	2	2
Finland.....	3			40	22	171

Canadian Imports, by Countries—Concluded

Country	July			January—July		
	1938	1949	1950	1938	1949	1950
FOREIGN COUNTRIES—Con.						
(Thousands of Dollars)						
Europe—Con.						
France.....	427	1,162	1,264	3,065	7,671	6,587
Germany.....	912	525	1,117	5,034	4,284	5,289
Greece.....	1	22	22	16	92	121
Hungary.....	10	2	2	104	43	17
Iceland.....		11			28	11
Ireland.....	(a)	(a)		(a)	(a)	61
Italy.....	212	807	571	1,361	5,383	4,489
Latvia.....	2	1		7	3	2
Lithuania.....					2	
Netherlands.....	212	478	944	1,735	4,137	3,807
Norway.....	78	119	60	370	540	594
Poland.....	12	25	6	138	86	121
Portugal.....	13	90	127	130	724	799
Azores and Madeira.....	13	46	30	88	367	240
Roumania.....	2			18	3	
Spain.....	39	140	226	498	1,203	1,872
Sweden.....	176	301	659	1,350	2,118	2,555
Switzerland.....	243	798	1,109	2,089	5,229	7,919
U.S.S.R. (Russia).....	92			193	4	5
Yugoslavia.....		1	13	12	13	59
TOTAL EUROPE.....	3,151	6,262	8,345	21,313	50,964	49,995
Other Foreign Countries:						
Afghanistan.....		2			2	16
Arabia.....		713	2,868		4,763	14,648
Belgian Congo.....		14	223	1	407	648
Burma*.....	63			221	32	
China.....	206	559	461	1,516	2,227	3,786
Greenland.....				253		
Egypt.....	22	18	253	349	131	410
Ethiopia.....				2	21	12
French Africa.....	19	2	3	40	14	104
French East Indies.....	23			139		
French Guiana.....						
French Oceania.....		66	5		68	443
French West Indies.....		72		1	99	
Madagascar.....	2	1	1	33	9	8
St. Pierre and Miquelon.....	1	1	1	8	7	8
Iran.....	6	23	6	26	204	91
Iraq.....	5	22	12	71	400	50
Israel*.....	3	38	5	124	268	283
Jordan.....						
Tripoli.....						
Other Italian Africa.....						
Japan.....	388	398	1,245	2,723	2,229	6,232
Korea.....			18	1		35
Liberia.....	5			21	7	
Morocco.....		14		35	91	153
Indonesia.....	15	201	99	338	1,020	338
Surinam.....		41	38		256	38
Netherlands Antilles.....		434	1,735		958	6,619
Philippine Islands.....	11	133	318	275	1,453	3,550
Portuguese Africa.....		77			84	109
Portuguese Asia.....				1		
Siam.....	1	15	8	9	59	948
Canary Islands.....	2			8	9	4
Spanish Africa.....						
Syria.....		2	5	9	21	34
Turkey.....		35	116	64	1,063	597
TOTAL OTHER FOREIGN.....	706	2,881	7,420	5,923	15,902	39,164
TOTAL FOREIGN COUNTRIES.....	39,307	186,320	204,743	285,217	1,340,153	1,373,607
TOTAL IMPORTS.....	55,823	230,889	259,481	392,515	1,640,266	1,712,532

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

(a) See Commonwealth countries.

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

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

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.

Montreal—September 15-30.

R. W. Blake, who has been appointed Commercial Secretary for Canada (Agricultural Specialist), in Melbourne, Australia, is making a tour of this country prior to proceeding to his new post.

Swift Current—September 20.
Regina—September 21-24.
Saskatoon—September 25-28.
Winnipeg—October 10-12.

Toronto—October 16-19.
Guelph—October 20.
Brantford—October 21.
Ottawa—October 23-28.

Theodore J. Monty, Commercial Secretary for Canada in Athens, Greece, since October, 1946, has returned home on leave, and will commence a tour of Canada in Montreal on August 28. His territory includes Israel.

Saint John, N.B.—September 22-23.
Quebec—September 25-26.
Arvida—September 27.
Quebec—September 29.
Toronto—October 2-13.
Hamilton—October 16-17.
St. Catharines, Welland—October 18.

Kitchener—October 19.
Windsor—October 20.
Port Arthur—October 23.
Winnipeg—October 25.
Vancouver—October 30-November 2.
Ottawa—November 7-18.

G. F. G. Hughes, Commercial Secretary for Canada in Istanbul, Turkey, since January, 1949, has returned home on leave and commenced a tour of Canada in Montreal on July 26.

Vancouver—September 25-26.
Brockville-Kingston—September 29.

Montreal—October 2-3.

Synthetic Rubber Production in Canada Being Increased to Meet Demands

Expenditure of \$6,600,000 by Polymer Corporation, at Sarnia, is authorized to meet both domestic and foreign requirements—Productive capacity expanded by 20-25 per cent.

CANADIAN synthetic rubber production will be increased in the government-owned plant of the Polymer Corporation, at Sarnia, Ont., an expenditure of \$6,600,000 having been approved. This will provide for an expansion of between twenty and twenty-five per cent in productive capacity.

Although the plant is at present operating at a rate of approximately 130,000,000 pounds of rubber per year, the high price for crude rubber that has prevailed since the early part of 1950 and additional military requirements have resulted in a demand for the company's products, both domestic and foreign, far in excess of its present productive capacity. As it is expected that this demand will continue for some time, the directors of the corporation have suggested that an immediate expansion of the Butyl and Copolymer rubber plants, as well as the Styrene and Butadiene units, should be undertaken.

Work will commence as soon as the process plans can be completed. It is expected that the expansion of the Butyl and Styrene plants will be completed within eight months, and that the Butadiene and Copolymer plant extensions will be finished within twelve months. Pending completion of the latter unit, the additional styrene output will assist in meeting the increased requirements of the Canadian plastics industry. The construction program will increase to 36,000,000 pounds the production of Butyl rubber, used largely for inner tubes and mechanical goods, and to 126,000,000 pounds a year the production of Polysar S type rubbers, used largely for tires, wire, cables and footwear. The expansion program will be financed by the corporation out of its reserves for depreciation and obsolescence and current earnings.

South Africa Believed Capable of Producing Oil from Coal

Johannesburg, September 8, 1950.—(F.T.S.)—Possibilities of finding deposits of "free" oil in South Africa are considered remote. While £500,000 have been spent in the search for oil, particularly in sinking bore holes near Carnarvon, Cape Province, and for exploratory work in the Orange Free State, the Transvaal and Natal, only traces of oil have been found.

Oil can be produced from South African coal, according to the chairman of the Industrial Development Corporation, who has just returned from Europe and America, where he investigated the production of oil from coal. He believes that, by processing two million tons of coal per annum, 80 million gallons of gasoline, or about a quarter of the Union's needs, could be obtained. It is estimated that the cost of installation of a plant for this purpose would be at least £15,000,000.

Trade and Tariff Regulations

Iceland Removes Import Controls on Certain Essential Goods

Glasgow, September 11, 1950.—(FTS)—Cereals, fishing gear, fuel oil, coal, salt, seamen's rubber boots, material for workmen's clothing, fence netting and barbed wire may be imported into Iceland without an import and exchange licence effective August 7, 1950, according to an announcement made by the Icelandic Economic Board.

While permission from the Icelandic authorities is no longer required for the importation of these articles, they may be imported only if an Icelandic bank has allocated in advance foreign exchange to the importer necessary for payment.

Jamaica Increases Import Duty on Underwear and Shirts

Kingston, September 8, 1950.—(FTS)—Jamaica has increased the rates of import duty on underwear and shirts by 6s. per dozen, under the British Preferential and General tariffs. The following rates are those of the new British Preferential and General tariffs respectively:

Underwear, including vests, pants, drawers, singlets and other similar garments, and shirts, wholly or mainly of cotton, 15 per cent ad valorem plus 6s. per dozen and 25 per cent ad valorem plus 13s. 6d. per dozen; other kinds of underwear, 25 per cent ad valorem plus 6s. per dozen and 40 per cent ad valorem plus 23s. 6d. per dozen; other kinds of shirts, 25 per cent ad valorem plus 6s. per dozen and 40 per cent ad valorem plus 18s. per dozen.

Establishment of Defence Plants in New England Urged

Boston, September 8, 1950.—(FTS)—Business leaders in New England consider that, if new defence plants are to be built, a number might be located in this part of the country to advantage. Hills and valleys afford natural shelter, while networks of railroads, power lines, highways and abundant supplies of fresh water are favourable factors, and many alternative facilities are available. The flexibility of New England's industrial structure, with its thousands of small manufacturers, makes it ideal for subcontracting, while its ample, highly-skilled and well-educated labour force is a great source of strength.

New England firms were awarded over nine per cent of all United States war contracts in the second world war, more than 5,000 plants having participated in the output that was valued at an estimated \$17 billions, as follows: Aircraft, \$4,467 millions; ordnance, \$3,835 millions; ships, \$3,173 millions; textiles and apparel, \$2,575 millions; machinery and metals, \$1,350 millions; communications equipment, \$910 millions; and miscellaneous, \$1,450 millions.

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, Israel, 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, 60 Hunter Street. 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

Léopoldville—W. GIBSON-SMITH, Canadian Government Trade Commissioner, Forescom Building. Address for letters: Boite 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.

Sao Paulo—C. J. VAN TICHEM, 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

Bogota—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 Embassy, 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 Vasiliassis 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.

Foreign Trade Service Abroad—Continued

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.

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. Territory includes Afghanistan and Iran.

Peru

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

Philippines

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

Portugal

Lisbon—L. S. GLASS, Acting Canadian Consul General and Trade Commissioner, Canadian Consulate General, Rua Rodrigo da Fonseca 103. Territory includes the Azores 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—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, Gibraltar, Rio de Oro, Spanish Morocco and Tangiers.

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—Acting 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. Territory includes Hawaii.

Venezuela

Caracas—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 Sept. 11	Nominal Quotations Sept. 18
Argentina.....	Peso.....	Off. Free Export	·2977		
			·2085	·0814	·0798
Austria.....	Schilling.....			·0515	·0515
Australia.....	Pound.....		3·2240	2·4640	2·4640
Belgium and Belgian 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	·0031	·0031
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	·0737	·0710
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	·2527	·2523
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		

* September 17, 1949.