

REVIEW OF CONDITIONS
in Canada
and other countries

THE ROYAL BANK OF CANADA

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IN CANADA AND OTHER COUNTRIES

SUPPLEMENT TO THE REPORT OF THE PROCEEDINGS
AT THE EIGHTY-THIRD ANNUAL MEETING OF
THE ROYAL BANK OF CANADA
JANUARY 10th, 1952

This booklet contains a review of conditions
in Canada and in the countries abroad
where The Royal Bank of Canada operates branches.
It is supplementary to the Report of the
Proceedings at the bank's 83rd Annual Meeting
which contains the addresses of the President
and General Manager dealing with the general
economic and financial conditions
in Canada and abroad.

THE ROYAL BANK OF CANADA



Newfoundland

THOUGH PULP AND PAPER exports exceed those of codfish in value, codfishing is still Newfoundland's most important industry because of the number of people it employs. The catch for the 1951 season is estimated at 796,000 quintals, as compared with 850,000 quintals in 1950. Market conditions have improved generally and the bulk of the 1951 production has already been contracted for at prices in excess of those obtained in the previous year. Due to currency and other difficulties the European markets for dried codfish have decreased slightly, while those in the West Indies and Latin America are increasing. United States is always a ready market for fresh frozen fish and production for the period January to October 1951 is estimated at 29,582,891 pounds, while stocks on hand in October were approximately 1,954,781 pounds as compared with 3,602,332 pounds in 1950. It is believed that the medicinal cod liver oil production for 1951 approximated the 1950 figure of 200,000 gallons, but prices to the fishermen of \$1.25 per gallon show an increase of 25% over those of 1950.

Although a good market exists for herring, there has been a great decline in recent years in this industry, due to smaller catches. On the other hand the lobster fishery has grown considerably. There is an increasing demand for the live product, and the Atlantic seaboard of the United States provides the chief market. A total of 3,864,331 pounds of the live product and 503,010 pounds of tinned lobster were exported from the province in 1951.

The growing season of 1951 was considered to be satisfactory. The quality of vegetables was generally high, commanding top prices. The potato crop was affected somewhat by blight, and insect pests caused considerable trouble to other crops but with the aid of the Agricultural Division of the Department of Natural Resources, infestations were controlled and no serious losses reported. Due to good weather and controlled burning and fencing to prevent damage by cattle, the blueberry crop showed an increase of 25% over the 1950 production, some 400,000 gallons having been picked for ex-

port. Other small fruit and vine crops were good and could not meet the demands of the local market.

Higher prices and the availability of machinery for clearing land for grass production have increased the livestock population. Sheep raising is receiving particular attention from the Government and various breeds have been introduced to determine the type best suited to local conditions.

Woods operations in 1951 were greatly handicapped by a mild winter and much of the cut could not be hauled. Some 1,150 saw-mills were licensed to operate as compared with 1,100 in 1950, and production for 1951 is estimated at 40,000,000 board feet showing a decline of about 5,000,000 board feet from the 1950 figure. Pulp and paper still holds its important position in the economy of Newfoundland. In recent years the value of the industry has exceeded that of the fisheries, although it ranks second in the number of persons employed. Shipments of newsprint for 1951 were well in advance of exports of this product for the three previous years.

Expansion in the operations of the Wabana iron mines has taken place in the past year and ore mined in the first ten months of 1951 totalled 1,282,349 tons. In the Quebec-Labrador boundary area further development work continues and substantial reserves are indicated. It is estimated that the railway to haul iron ore to Seven Islands, Quebec will be in operation by 1954. Production of lead-zinc concentrates at the Buchans mines has again decreased this year, however a new shaft is scheduled to produce early in 1952, and greater tonnage is expected. The production of fluorspar is gaining in importance with increases in output forecast for 1952 due to a continued rise in the demand for this commodity.

Due to defence construction, the development of the iron ore deposits in the Quebec-Labrador area and increased woods activities, the labour force of some 112,000 persons is practically all gainfully employed, and a shortage of skilled and unskilled labour is reported. The Economic Development Programme of the Provincial Government has resulted in the inauguration of a number of industries, and as the industrialization continues the opportunity for steady employment increases. The programme visualizes a reduction of imports together with an increase of exports, all of which should aid in strengthening the economy of the province.



Maritime Provinces

HEAVY RAINFALL DURING the early autumn hampered harvesting operations in Prince Edward Island and Nova Scotia to some extent. However, as the market for grain and root crops is strong and prices substantially increased, the net returns of 1951 are expected to exceed those of 1950. Growing conditions in New Brunswick have been favourable and crop yields in general are said to be above average. The apple industry of the Annapolis Valley continues to cause concern as the 1951 crop is estimated at 500,000 barrels of three bushels compared to the small crop of 722,000 barrels picked in 1950. The quality is mixed and 200,000 barrels are expected to be available for the fresh fruit market, while the remainder will be processed. The average return to the grower in 1950 was \$1.45 per barrel and it has recently been reported that a subsidy of \$300,000 will be granted for 1950 operations. It will be of great assistance but will still not bring receipts up to the cost of production. There has been an increasing trend in the Valley towards livestock and poultry raising to supplement lost apple revenues.

The dairy industry on the whole enjoyed a successful year. It is expected that 1951 will be a peak year of creamery butter production in Prince Edward Island as 4,390,000 pounds were produced during the first ten months. For the same period production has shown a decrease in Nova Scotia and New Brunswick from 11,863,000 pounds in 1950 to 10,498,000 pounds in 1951. The New Brunswick make of cheddar cheese has shown a great increase, the total for the first ten months of 1951 being 1,126,000 pounds, as compared with 698,000 pounds during the same period of 1950.

Poultry operators have experienced perhaps their most successful year to date with egg prices currently up an average of 20% and feed costs only slightly higher than a year ago. The net egg production on farms and elsewhere for January to October of 1951 has shown an increase throughout the Maritimes. According to a survey in June 1951, the hog population has grown in size in all three prov-

inces. In Nova Scotia, there is a swing from dairy cattle to beef, while the sheep population in New Brunswick and Prince Edward Island has risen.

Operations in the woods started well in 1951, but unfortunately mild winter weather retarded production and increased operating costs drastically. There was good demand and high prices for lumber during the first quarter of 1951, but the following six months saw lower prices and a falling off in the United States market. In New Brunswick the estimated production of sawn lumber for January to September 1951 is 244,338,000 board feet, a decrease of 8.96% from the previous year. Nova Scotia, on the other hand, increased its production 8.39% for the same period to 266,865,000 board feet. With production costs as they are, it will be difficult for producers to accept any sizeable reduction in sale prices. Lumbering in Prince Edward Island continues to be confined largely to cuts for local use.

Despite decreases in the catch of cod, halibut and mackerel, the table below showing a comparison of the catch and landed value of all varieties of fish in Nova Scotia for the first nine months of 1951 compared with the same period in 1950, indicates overall increases.

<i>Catch</i>		<i>Landed Value</i>	
1950	1951	1950	1951
290,762,000 pounds	296,451,000	\$15,663,000	\$15,830,000

The West Indies and South America still continue to be the principal outlet for salt fish. Good prices have been received for fresh fish and the establishment of cold storage facilities is being encouraged by the Provincial and Federal Governments. In New Brunswick, the past fishing season has been somewhat disappointing for both fishermen and canners as landings are reported to be well below average. The production of pickled herring has been practically non-existent due to very poor catches and that of pickled pollock, hake and mackerel is estimated to be down 50% in the past year. The demand is good in all lines, but competition from Norway and Newfoundland exists in the West Indian markets. The overall landed value of fish in Prince Edward Island was approximately 9% lower in 1951 than in 1950, but as the latter season was one of the most successful in recent years, the decrease is not considered serious. There was a noticeable reduction in the lobster

catch from 90,014 cwt. in 1950 valued at \$1,916,377 to 82,791 cwt. in 1951 valued at \$1,686,479.

The mining industry as a whole had a prosperous year. Nova Scotia produced 5,252,166 tons of coal in the first ten months of 1951 compared to 5,371,720 tons for the same period in 1950, while the output for January to October from New Brunswick mines increased from 500,576 tons in 1950 to 543,716 tons in 1951.

Production of salt and gypsum in Nova Scotia during 1951 is reported to be on a par with that of 1950, while the current high prices in the base metal field have resulted in the reopening of two old properties and an increase in prospecting.

Business conditions in general are considered to be good and each of the provinces reports a more favourable state of employment since the war years. Shipbuilding in New Brunswick is recruiting many workers and more jobs have been created in the coal and steel industries of Nova Scotia. Though all three provinces had an increased number of tourists during the season, the dollar income is expected to be lower.



Quebec

PULP AND PAPER continues to be the leading industry of the province. It is believed that the output value in 1951 exceeded the previous year's record of an estimated \$410,000,000. Newsprint mills were operating at capacity and were unable to supply the demand from the United States market. Despite difficulties in obtaining labour, the production from sawmills increased for the first nine months of 1951 to 972,399,000 board feet compared with 912,567,000 board feet in the same period of 1950. An extensive re-forestation programme continues to be carried on by the Government to guarantee a lasting timber supply.

One of the most important features of Quebec's mining industry is the work being carried on in the development of the vast iron ore

deposits in Ungava. Activity in this field is constantly increasing and completion of the railway linking this area with Seven Islands is expected within three years.

The asbestos mining industry experienced a very satisfactory year and it is estimated that production figures set a new record. During the ten months ended October 1951, 797,195 tons were mined. Expansion and exploration programmes in the industry are being carried on, though effect of the increased production facilities will not be felt for some time. The market for all grades of asbestos was good and accelerated defence programmes resulted in excessive demand for certain types of fibres.

Gold production was down to 884,670 ounces for the first ten months of 1951 from 912,765 ounces for the corresponding period of 1950, the decrease being attributable to high operating costs and a labour shortage. Copper and silver production has also shown a slight decrease in the past year. Aluminum continues to be produced in great quantities as the demand by industry for this product increases. Hydro-electric power is being developed in Quebec at an astounding speed and present developed water power resources are over 7,000,000 H.P.

Harvesting conditions were favourable last season and an abundant grain crop was produced. There was more land under cultivation in 1951 and it is estimated that there was a general increase of 10% in yield per acre. Fruit growers enjoyed one of the most successful yields to date. The apple crop is estimated at 2,500,000 bushels compared with 2,000,000 bushels in 1950. Though raspberries were slightly affected by rainy weather, the volume picked in 1951 is believed to exceed that of 1950 and the strawberry crop is estimated at 7,000,000 quarts, or twice that picked in the preceding year. The vegetable crop is considered satisfactory, though adverse weather conditions hampered the ripening of tomatoes and others.

The tapping season for maple syrup began during the first week in March but the cool rainy weather which prevailed caused the output to be reduced in 1951 to 1,750,000 gallons from the 2,273,000 gallons produced in 1950.

Creamery butter output showed a 5% increase for January to October 1951, 84,359,000 pounds being produced compared to 80,328,000 pounds for the first ten months of 1950. On the other

hand, the make of cheddar cheese for the same periods dropped 20% in 1951 to 14,513,000 pounds. Production of eggs on farms and elsewhere for January to October 1951 is estimated at 49,958,000 dozen, a decrease from the 1950 figure of 50,637,000 dozen for the corresponding months.

Favourable weather conditions permitted grazing for a longer period than usual and the total number of cattle on farms in June of 1951 was estimated at 2,038,300 over half of them being milch cows. The sheep and horse population showed a decrease from June of 1950, while there is evidence that hogs are being raised in increasing numbers. Another noticeable fact is the growing tendency in the province towards turkey raising.

The number of foreign vehicles entering Quebec during the first ten months of 1951 increased 4% from the corresponding figure of 1950 and it is estimated that tourists have spent over \$140,000,000. Wholesalers generally experienced a successful year, while retailers report a slight reduction in the volume of sales due in part to the consumer credit regulations, though it is not expected that their dollar income will be down in 1951. With defence contracts causing increased activity in the construction and manufacturing industries, a state of high employment is expected to exist and the outlook for the province in 1952 is very favourable.



Ontario

THE TOTAL AGGREGATE VOLUME of all crops harvested during the past year was the highest ever recorded in the province. The production of all grain crops is estimated at 219,085,000 bushels compared with 212,148,000 bushels in 1950 and a ten-year average of 155,214,000 bushels during the period 1941-1950. However the acreage and production of fall wheat was reduced from the previous year, due mainly to wet weather and infestations of the Hessian fly in some sections. Crops of hay, clover and alfalfa also set a new

high in production figures, and all parts of the province are expected to have ample fodder supplies for winter feeding.

As a result of low prices last year and increased operating costs, the acreage and production of potatoes were reduced from an estimated 113,000 acres and 21,696,000 bushels respectively in 1950 to 80,000 acres and 14,080,000 bushels in 1951. The commercial sugar beet crop was considered satisfactory and it is estimated that nearly 100,000,000 pounds of granulated sugar will be made from the 1951 crop.

The yield of all fruits except grapes showed an increase in 1951 over the previous year. However, the grape crop was considered to be of exceptionally good quality and of high sugar content. Fruit farmers continue to be concerned about the slow export market for fresh fruit, and it is believed that there has been a reduction in sales to processors.

Production of processed milk products to the end of September 1951 totalled 187,292,800 pounds or 18.1% more than the 158,588,600 pounds manufactured during the first nine months of 1950. On the other hand, the make of cheddar cheese decreased 10% in the first ten months of the past year to 57,908,000 pounds as compared with the same period in 1950. Creamery butter production was also down for January to October 1951 to 59,831,000 pounds from the 61,910,000 pounds produced during the corresponding period of the previous year. With the exception of milch cows, there was an increase in the population of cattle in 1951, according to a survey in June. The export of high grade registered milch cows and beef cattle to the United States continues to be heavy.

Flue-cured tobacco production figures have reached a new high. The estimated 1951 crop of 137,500,400 pounds was harvested from 106,260 acres compared with 104,179,000 pounds from 87,330 acres in 1950. The allotted acreage of burley tobacco was again reduced in this past year to approximately 70% of the 1950 acreage and the yield is believed to be 4,000,000 pounds compared to 5,660,000 pounds in 1950.

While production of gold in the Kirkland Lake area was reported to have shown an increase for the first nine months of 1951 over the corresponding period of 1950, the output of gold for the province as a whole showed a decrease of approximately 4%. Sales of non-

monetary gold on the free market were made after the Minister of Finance announced on October 6, 1951 that it could be disposed of in such a manner. By electing to do so, producers must forego any subsidy they are receiving from the Government.

The International Nickel Company Limited continues to operate at near capacity and a new 10,000 ton capacity concentrator and an ore hoisting shaft went into production in September at their Creighton Mine. A new oxygen flash smelting plant recently started operations at Copper Cliff, and there is considerable activity in exploration and development work throughout the mining districts. Falconbridge Nickel Mines Limited are sinking a new shaft to a depth of 1,400 feet at their Hardy Mine and expect to produce around 25,000 tons of ore monthly. Present indications are that iron ore from the Steep Rock Iron Mines approximated 1,500,000 tons in 1951, but the development of the mine is such that it would appear that the years 1952-1953 will be lean ones from the production viewpoint. Algoma Ore Properties expect their production of sinter to reach 1,200,000 tons in 1951.

Activity in the lumbering industry increased during the past year due to a good market and higher prices. Production from sawmills for the first nine months of 1951 is estimated at 807,195,000 board feet as compared to 773,060,000 board feet for the same period of 1950. With the demand for paper still in excess of supply, pulp and paper mills were operating to capacity throughout the year, and prospects in this industry are considered to be excellent.

Defence contracts from April to September totalled over \$100,000,000, mostly being awarded to the automotive, textile, construction, aircraft and electrical equipment industries. As a result, industrial and engineering construction contracts have increased greatly and residential contracts constituted only 20% of those awarded from January to September as compared to 40% for the same period in 1950. As the labour force is increasing, unemployment has risen from an estimated 39,800 persons on November 1, 1950 to 54,700 persons on the same date in 1951. Increased taxes and the credit regulations are beginning to show an effect on the economy of the province. A serious decrease in the volume of retail trade, particularly in the sales of motor vehicles and electrical appliances, has been noted in urban centres. However, with the

present and anticipated demands on industry, it is expected that the general condition of the province in the forthcoming year will be satisfactory.



Prairie Provinces

TOWARDS THE END OF AUGUST a record crop of good quality grain was expected for Western Canada but extremely unfavourable weather conditions existed through most of the normal harvesting period. Present indications are that considerable proportions of the grain, particularly those of Alberta, are likely to remain in the fields until next spring. The latest estimate by the Dominion Bureau of Statistics of the principal field crops is based on harvesting results up to October 31, 1951. The final results will be affected by the condition of that portion of the crop ungathered and unthreshed. These figures compared with those of 1950 are given in the following table.

	Alberta		Saskatchewan		Manitoba	
	1950	1951	1950	1951	1950	1951
(thousands of bushels)						
Wheat . . .	117,000	150,000	260,000	329,000	50,000	52,000
Oats	72,000	123,000	112,000	140,000	70,000	60,000
Barley	56,000	105,000	46,000	77,000	55,000	56,000
Rye	3,700	6,100	6,200	9,300	1,300	680
Flaxseed	400	1,200	1,000	2,700	2,900	4,500

There have been no changes in marketing arrangements for grain during the past year and the Canadian Wheat Board continues to purchase all wheat, oats and barley. The initial price was set at \$1.40 per bushel for no. 1 Northern wheat and 98¢ and 65¢ for barley and oats respectively. Flax and rye are still traded on the Winnipeg Grain Exchange and, while a futures market exists for oats and barley, the sale of these grains to the Wheat Board is com-

pulsory. Canada's delivery quota under the International Wheat Agreement for the 1951/52 crop is 233,000,000 bushels and there is every indication that the entire amount will be sold at the maximum price of US\$1.80 per bushel.

Decreased acreage in all three provinces has reduced the potato production from 11,535,000 bushels in 1950 to an estimated 9,763,000 bushels in 1951. It is believed that the production of sugar beets in Alberta and Manitoba in the past season will approximate 595,000 tons as compared with the yield of 598,000 tons in 1950. However, in Alberta, it is estimated that only 50% of the sugar beets had been harvested as of November 1st, due to the poor weather conditions.

Livestock wintered well in most sections due to ample feed supplies and generally good pasture conditions. According to a survey in June, there is an increase from the previous year in the cattle and hog population, while the number of sheep is down. A falling off also in the horse population indicates the continued trend towards power farming. Good prices for livestock prevail and United States is still the principal market.

In the past year there has been a decrease in the production of creamery butter and cheddar cheese, attributable to labour deficiencies and the high prices obtainable for beef cattle.

A great deal of exploratory work for mineral resources is being carried on each year in the northern part of Saskatchewan and one result is that uranium is reported to exist in encouraging quantities in the Lake Athabasca area. Also valuable deposits of salt and potash were uncovered in the search for light oil. Exploration activity for oil at present is particularly intense in the southern portion of the province, which lies on the outer rim of the Williston or Williston-Moose Jaw Basin which extends east into Manitoba and south into the United States. There is a twelve-mile long area in the North Dakota section of the Basin some 35 miles south of the Border which is especially favourable for oil production and these circumstances have engendered the present activity in Saskatchewan. To date three gas plus several heavy oil discoveries have been made. The 1951 output from the Saskatchewan oil wells in the Lloydminster field is estimated to be 20% greater than the 1950 production of 1,041,000 barrels.

Although Alberta has tremendous coal reserves, the output has decreased during the last year due mainly to the production of natural gas, fuel oil and propane. During 1951 there was increased activity in all phases of the petroleum industry in Alberta. The completion of the development of the Redwater field is near and substantial work is being carried on in many of the established fields, particularly Leduc. The average daily production of oil showed an increase with the completion of the Inter-provincial Pipeline in 1950 and at the present time one new pipeline is under construction and another has recently been completed, in order to curtail transportation costs between certain oilfields and the pipeline terminal in Edmonton. On December 14th last the Canadian Board of Transport Commissioners approved the application of the Trans-Mountain Oil Pipe Line Company to build a pipeline through British Columbia to Vancouver. Commencement is scheduled for early 1952 with completion in December 1953. When operating, the line will constitute the second major outlet for Alberta oil.

The Hudson Bay Mining and Smelting Company Limited have recently completed construction of a new zinc fuming plant and their copper-zinc mine at Flin Flon continues to be one of Manitoba's principal mineral developments. The Sherritt Gordon Mines Limited find at Lynn Lake represents the only major nickel discovery of the past twenty years and development is underway on a large scale. The encouraging discoveries of oil in Manitoba indicate that the present exploration programme will persist with increased activity.

While agricultural returns in 1951 are not expected to come up to previous expectations, the continuing expansion in the petroleum field and new industrial developments show a favourable outlook for the economy of Alberta. Saskatchewan is dependent largely on agriculture and, despite the low-grade crop harvested in 1950 with its corresponding low cash returns, business in the province was considered to be satisfactory during 1951. Business in Manitoba also experienced a favourable year and full employment has been maintained in almost all enterprises. It is thought, however, that the existing consumer credit regulations and increased taxes will show their effect to some extent on the economy of the Prairie Provinces in the forthcoming year.



British Columbia

THE PACIFIC COAST catch of salmon in general showed substantial increases in 1951, with pinks, sockeye and coho leading the way. Though the catch of chums was smaller than in 1950, it was larger than usual for an "off-year". The total pack expressed in 48 pound cases for the ten months ended October 1951 is estimated at 1,878,982 compared with 1,426,388 for the same period of 1950. There was no carryover from the 1950 pack and operators are of the opinion that the entire 1951 pack will be disposed of without difficulty, some 290,000 cases having already been sold to the British Ministry of Food. Halibut landings in 1951 were well above those of the previous year, but there has been a decided decline in prices. On the other hand, prices for herring reduced to meal and oil have increased. The meal is exported chiefly to the United States and its price in November 1951 averaged US\$2.30 per protein unit compared with US\$1.80 in November 1950. Production in the whaling industry in 1951 was larger than in any other previous season. There were 437 whales landed, an increase of 125 whales over the 1950 catch.

Due to frost damage and insufficient rainfall, the smallest apple crop in recent years was harvested in 1951. The estimated production is 5,103,000 boxes of one bushel each, a decrease of about 42% from the 1950 figure. There was also a considerable reduction in the yield of strawberries and loganberries, while all other small fruits had a successful season. The year 1950 was a poor one for pears and peaches, but the 1951 crop showed considerable improvement. There was little change in the acreage and production of vegetables in the past year and yields throughout the province were about average. The exceptionally dry summer in the Lower Fraser Valley and the Gulf Islands, together with high prices for beef and labour, caused an estimated drop of 10% to 15% in milk production in 1951 from 1950 and a 46% drop in creamery butter production for the first ten months in 1951 from the same period of 1950. Also

due to the dry season, hay production was far below normal and many farmers were forced to buy feed at high prices.

The logging industry began well in the early part of 1951, but with forests closed for a period of 2½ months from July 15th to September 30th, due to the very serious forest fires, a shortage of logs developed. Production of lumber from sawmills was greater for the first nine months of 1951 than for the same period of 1950, and is estimated at 2,631,776,000 board feet. However, as log stocks are low, it is doubtful whether there will be sufficient reserves to keep the mills in operation throughout the winter, if the weather is at all unfavourable. The pulp and paper industry continues to expand rapidly with new plants under construction at Port Alice, Port Edward and Duncan Bay. Production figures climb yearly and the market, particularly in the United States, remains strong.

British Columbia's mining industry has seen quite extensive development, particularly in the base metal field, during the past year. Coal production increased slightly for the first ten months of 1951 to 1,452,556 tons from the 1950 figure of 1,424,653 tons for the corresponding period. Gold mined from January to September of 1951 was 198,465 fine ounces showing a decrease from the January to September 1950 production of 227,864 fine ounces.

Shipping activity in the ports of Vancouver and New Westminster showed a substantial increase in the first nine months of 1951 from the previous year. There was also an increase in the foreign automobile traffic into the province, but due to a reduction in buying, it is expected that the dollar value of the tourist trade will be lower in 1951 than the 1950 estimate of \$50,000,000.

Business activity in the province was depressed somewhat in the past year by the prolonged dry weather during the summer. However, British Columbia is experiencing a period of industrial expansion, the most important single project being the aluminum development at Kitimat. This, together with the proposed pipelines to bring fuel from Alberta and the increased electrical power development, indicates further opportunities for industry and a continuing state of high employment.



Argentina

GENERAL Juan D. Peron and Dr. J. Hortensio Quijana were re-elected President and Vice-President for the six-year term 1952-1958, at the General Election held on November 11, 1951. All provincial governors, all national senators and all but fourteen deputies belong to the Government party. Women voted in the election for the first time in Argentine history.

Economic conditions during 1951 were adversely affected by the prolonged drought, reduced shipments of grains and meat products and shortages of imported raw materials for local industries. The cost of living continued to rise and work stoppages were settled by awards of higher wages. Official statistics of foreign trade for the seven months ended July 31st showed a valuation of 9,780,000,000 pesos which is 4,169,000,000 pesos more than in the same months of the preceding year. The excess of imports was 512,000,000 pesos. The greater part of the commercial dollar obligations outstanding in the United States were liquidated during the year from the credit of US\$125,000,000 made available by the Export-Import Bank of Washington to a consortium of Argentine banks in 1950. Remittances are now permitted of interest and dividends on foreign investments up to 5% of registered capital, to be made in four equal quarterly instalments. The budgets for 1951 and 1952 provide for revenues and expenditures of 12,944,760,000 pesos, compared with 11,258,466,000 pesos in 1950. As a result of increased rates, receipts from taxes in 1951 showed substantial gains.

Bi-lateral trade and payments agreements with a number of European countries were concluded during 1951. An extension of the mutual assistance pacts of 1947 and 1948 with Bolivia was effected by an exchange of notes on August 16th. Co-operation in the development of Bolivian resources calls for an Argentine contribution of 100,000,000 pesos in the five years 1952 to 1956, matched by a Bolivian contribution of US\$1,000,000 or its equivalent in Bolivian currency. In April, an additional protocol to the Argentine-United Kingdom 1949 Trade Agreement was signed, establishing

prices for meat; this permitted resumption of shipments, which had been suspended since July 1950. Argentina agreed to ship 200,000 long tons of meat and offal and not less than 30,000 tons of canned meats, within the period ending April 1952. As a result of reduced supplies, however, shipments were suspended at the beginning of August and only resumed on a reduced scale in October.

Slaughterings of beef cattle in August were less than normal local requirements and withdrawals from refrigerated stocks were necessary. Private estimates indicate that herds are now well below the 42,000,000 head reported in the last census in 1947 and inadequate to support present slaughterings of 8,000,000 head per annum. Small supplies of corn have reduced the hog population but the high prices for wool in 1950/51 prevented culling of flocks of sheep early in 1951. With the decline in wool prices, it is anticipated that supplies of mutton and lamb will increase and that further shipments to Great Britain this season will consist largely of these meats and of canned beef.

As a result of the larger number of sheep, 1951/52 wool production is estimated at 455,000,000 pounds, compared with revised estimates of 420,000,000 pounds in 1950/51. Quality of the new clip is good but, as Argentine prices are above the world level, few sales of the new clip have been reported. Argentina's urgent need for foreign exchange and the small exportable surpluses of grains and oilseeds are expected to prevent a withholding policy in 1952 such as prevailed in the last six months of 1951.

The second year of drought has had disastrous effects on the grain and oilseed crops, particularly in the great agricultural provinces of Cordoba and Santa Fe, and crop prospects were further reduced by frost damage and locust infestations. Unofficial estimates of wheat acreage sown for the 1951/52 crop were less than 11,000,000 acres, about 30% below the previous season and prospects pointed to an abandonment of 25% of the sown area. Estimates of yield are approximately 125,000,000 bushels, one of the smallest harvests on record and hardly more than domestic requirements. As an incentive to harvest low-yielding fields, the Government announced in November that premiums of 16 to 27 cents per bushel would be added to the official price of \$1.85 per bushel for the current crop, for wheat harvested in the drought areas, and that the discount

on under-weight grain would be reduced by 50%. The acreage sown to other small grains was below average and many fields were used for grazing during the winter-spring drought. Unofficial estimates of the area planted to corn are 6,500,000 acres, compared with a pre-war average of 16,000,000 acres. Dry weather retarded germination, but rains in November slightly improved growing conditions.

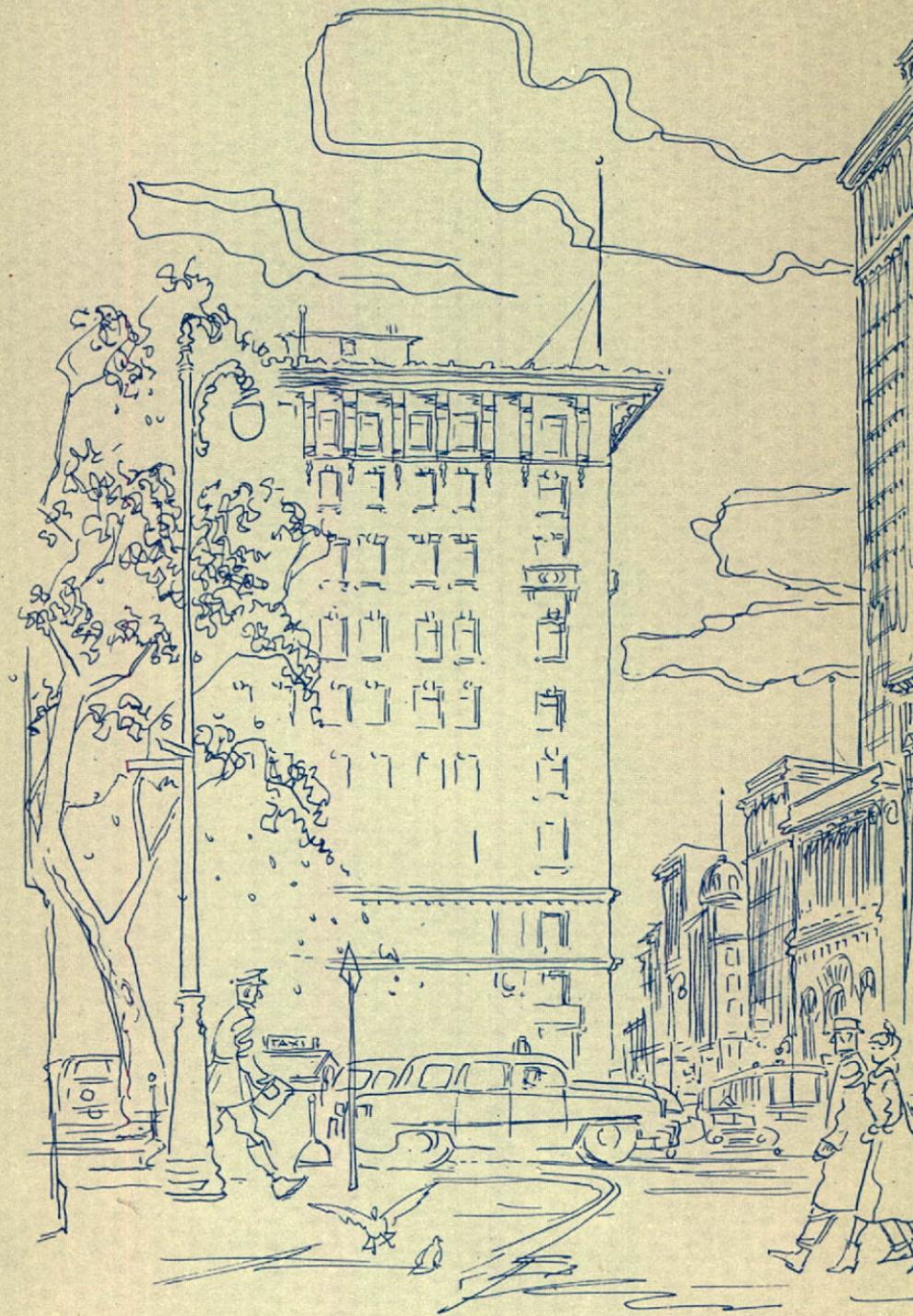
Flaxseed plantings were also reduced by the drought and germination and early growth were retarded. A record acreage of sunflower seed is anticipated, however, as a result of its use as a catch crop. Cotton production in 1950/51 was higher than in early estimates but below average; world shortages of cotton stimulated heavy shipments and, to protect local industry, the Government prohibited exports on May 10, 1951. No relaxation of the ban is expected until the next crop, for which a larger acreage is reported, is harvested next spring.



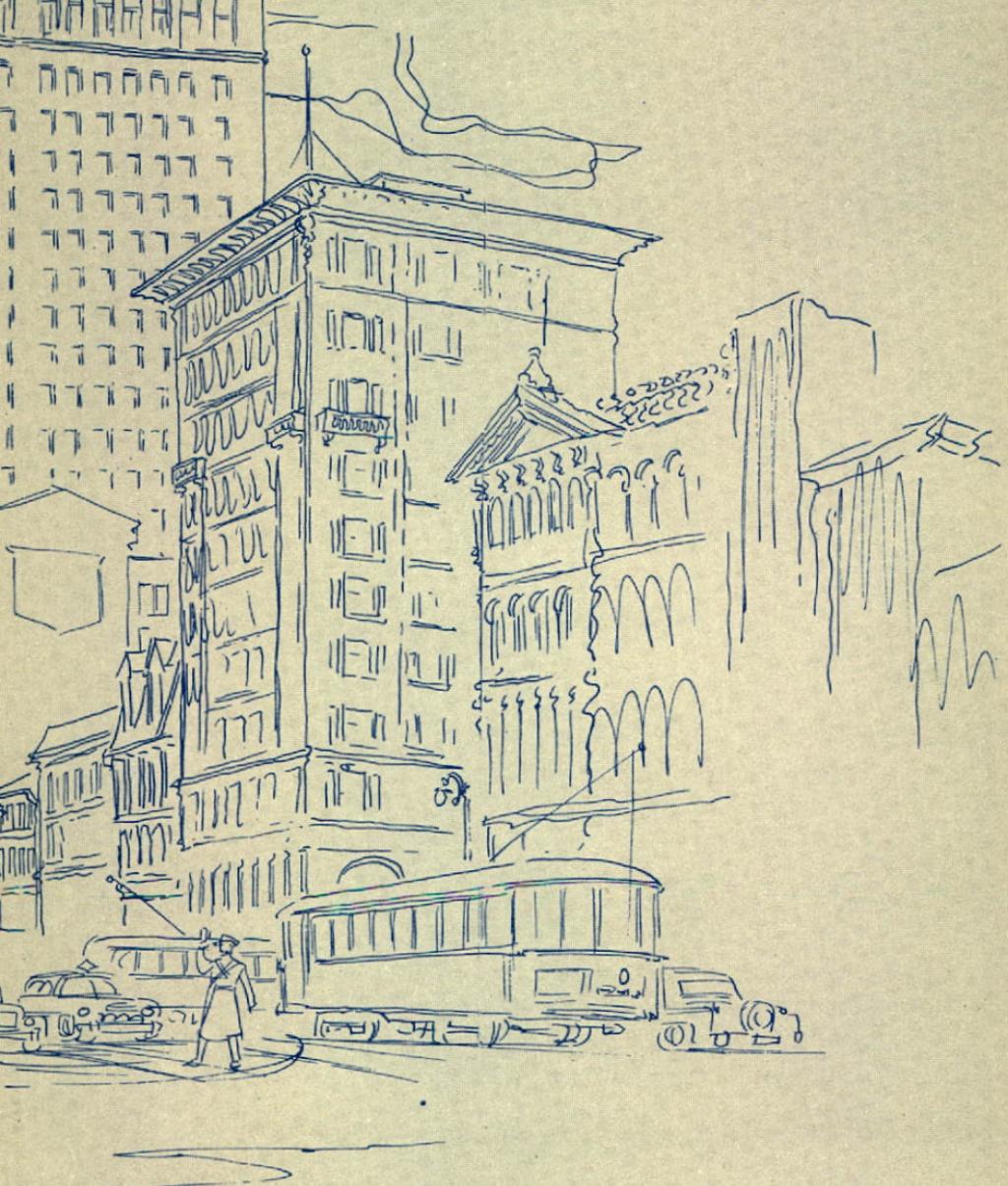
Brazil

LOCAL coffee prices continued at the high levels of the previous year but exporters were caught between these prices and the ceiling prices in the United States, as well as handicapped by a system of port quotas in recent months. Toward the end of the year retail and wholesale trade reported excessive stocks of local and imported goods and customer resistance to the high prices. The cost of living in Brazil has been rising rapidly. Local industries were affected by difficulties in securing raw materials, but new industries are being established throughout the country, and production of aluminum at Ouro Preto was resumed on August 17th. The plant, constructed during the war but closed for some years, has an annual capacity of 2,000 metric tons, one-fifth of total consumption.

The Joint Brazil-United States Economic Development Commission started its study on July 17th and has considered primarily the



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transportation system, and the co-ordination of existing railways. A programme of expansion of port and railway facilities and increased output of electric power has been announced by the Government. Total outlay is estimated at Cr\$20,000,000,000, and will probably be financed jointly by Brazil, the Export-Import Bank of Washington and the International Bank for Reconstruction and Development. The Government proposes to raise Cr\$10,000,000,000 within five years largely through additional surtaxes on personal and corporate incomes and on undistributed profits and reserves.

Exports in the eight months ended August 31st were valued at Cr\$21,036,391,000, compared with Cr\$14,153,034,000 in the same months of 1950. Imports also increased substantially in value and there was a small unfavourable balance of trade in the first half of the year. Import licences were not granted for goods produced locally and the system of barter trade was discontinued. There was a general improvement in the exchange situation and remittances of sterling and most hard currency commercial obligations for preferential and first category goods were brought up-to-date.

Exports of coffee in the crop year ended June 30, 1951 were 16,592,765 bags, compared with 16,900,000 bags in 1949/50. Shipments to the United States increased slightly, but those to Argentina, Canada and most European markets declined. The crop harvested in 1951 and marketed in 1951/52 is unofficially estimated at 15,800,000 bags; drought during the flowering season, small beans and a recurrence of "broca" disease reduced early estimates. Flowering for the current crop, which will be marketed in 1952/53, was encouraged by rains in September, but later dry weather may have reduced the set of fruit.

Severe drought in Northern Brazil in February and March, followed by leaf caterpillar pest, seriously reduced the cotton crop; private estimates indicate an output of 230,000 bales (of 500 pounds) against the normal yield of 450/500,000 bales. The shortage has become so acute that 40,000 bales were purchased from Sao Paulo, although ordinarily shipments are the other way. The output in Southern Brazil appears to be limited to its present 1,000,000 bales per annum by scarcity of farm labour, competition for land with coffee and scarcity of fertilizer. Jute production in 1951 is estimated at 20,000 metric tons and prospects for 1952 indicate an output of

32,000 tons. In spite of this dramatic increase from the 3,200 tons produced in 1942, imports have been necessary; if the 1952 crop reaches present indications, Brazil will be self-sufficient.

Production of vegetable oilseeds in 1951 appears to be even less than the small output of 1950. Only peanuts and soybeans show significant increases and the drought seriously reduced cottonseed and castor bean crops in Northern Brazil. The supply and market for edible oils, particularly in Central Brazil, are expected to remain tight, as they were in 1950. Babassu and other oils for soap-making are feeling competition from Philippine copra and demand for drying oils has been weakening.



Colombia

THE YEAR 1951 saw many important changes and developments in the Colombian economy. An extensive programme of public works has been undertaken, to improve the transportation system and provide electric power for cities and industries. A number of new industrial enterprises commenced operations. On March 20, 1951 the peso was devalued from 1.95 to 2.50 to the US\$, except for dollars received from coffee exports; under a recent law this latter rate is being increased monthly and the full 2.50 pesos will be reached on February 15, 1955. On August 3rd, the import and export of foreign capital and the remittance of profits thereon were freed from restrictions, subject only to registration. Two decrees published on November 15th abolished price ceilings, and control of prices and rents in general. Other laws have removed eleven small "nuisance" taxes on consumption, restored import trade in cigarettes to private hands, and provided that imports from adjacent countries be exempt from import prohibitions.

Congress convened on October 30th and President Gomez announced his temporary retirement because of ill-health. Vice-

President Roberto Urdaneta Arbelaez was sworn in as acting president on November 5th.

Foreign exchange acquired by the Banco de la Republica up to November 14th amounted to US\$379,526,797; sales in the same period were US\$403,836,430. It was anticipated that the deficit of US\$24,309,633 would be balanced by the end of the year. Commercial bank advances were held to the level of September 30, 1950, until May 15, 1951, when the ceiling was removed.

Coffee accounts for 80% of Colombia's exports and it showed an increase in both volume and value in the crop year ended June 30, 1951. Shipments were 4,903,000 bags of 60 kilos, valued at US\$344,901,000, compared with 4,679,000 bags, valued at US\$254,603,000 in 1949/50. Preliminary unofficial estimates indicate that the new crop is substantially larger and that 5,700,000 bags will be available for export in 1951/52. Exports of sugar and bananas also improved but increased local demand absorbed all available production of other crops. Field crops in 1950 were reduced by unfavourable weather and, in spite of better yields last year, imports of wheat, cocoa, copra, dairy products and cotton were necessary.

Production of petroleum continues at record levels, output in the first six months of 1951 reaching 19,280,000 barrels. To facilitate supplies of oil products to consuming centres in the Republic, five pipelines totalling 416 miles are being laid in various sections. On August 25, 1951 the Empresa Colombiana de Petroleos took over the De Mares oil concession for the Government and entered into a contract with International Petroleum for exploration and administration. Preliminary work on the construction of a refinery and catalytic cracking plant at Barrancabermeja has commenced. There is great interest in exploration under the new oil law, and it is hoped that present resources, equivalent to only ten years' supply, will be supplemented.



Peru

HIGH PRICES and good demand for Peru's principal exports—cotton, sugar and petroleum—were maintained during 1951. Imports of those items which were freed from all restrictions on November 24, 1950, rose much more rapidly than exports. The increase was most notable in imports from the United States, as those from the sterling area had been free since August 1949. Total imports in the first five months of 1951 exceeded exports by the equivalent of US\$52,606,703, compared with an excess of imports of only US\$1,637,907 in the same months of 1950. The resultant over-stocked position of wholesalers and retailers created a need for credit facilities and bank advances rose from 839,000,000 soles on December 31, 1950 to 1,212,000,000 soles on July 31, 1951. In May, banks were forced to increase their legal cash reserves and in September they were prohibited from making advances against luxury goods or for investment in lands, mines, and construction. While no import restrictions have been imposed, orders by importers have been substantially reduced, and wholesalers and retailers are granting credit to move stocks. Instalment buying has steadily risen.

Government revenues and expenditures were above budget estimates, and a small surplus was realized. An ambitious public works programme calls for the expenditure of 3,200,000,000 soles on roads and irrigation projects during the next six years. It is hoped that foreign loans will cover part of the cost, but present negotiations for a settlement of the outstanding foreign debt, both dollar and sterling, must first be concluded. The Government has paid the first two of the twelve instalments, payable over a period of four years, on account of exchange differences on outstanding commercial debts contracted at the official exchange rate of 6.50 soles to the US\$, prior to the freeing of exchange on November 14, 1949. Peru became a contracting party to the General Agreement on Tariffs and Trade on October 8, 1951, on which date tariff rates under the Torquay protocol went into effect and the trade agreements with Great Britain and the United States were superseded.

Prices for cotton in the first six months of 1951 were substantially above 1950 levels, but exports were smaller as a result of late picking of the 1950/51 crop. Exports in the nine months ended September 30th were 965,894 quintals, compared with 1,047,345 quintals in the same months of 1950. After a decline in July and August, prices recovered in the later months of the year. Weather conditions are favourable for the growing crop. Sugar production remains constant at 475,000 short tons; local consumption is increasing but exports in 1951 were below those of the previous year. To fill deficits in other producing areas, the 1951 United States quota for Peruvian sugar was increased from 12,530 to 21,131 tons. The 1951 rice crop of 118,601 metric tons is adequate for local consumption until the middle of 1952, and no imports were required in 1951.

Production of crude petroleum in the seven months ended July 31st was 9,208,118 barrels, compared with 8,560,511 barrels in the same months of 1950. Legislative action has not yet been taken on the petroleum law. Statistics for the early months of 1951 indicate further expansion in base metal output.



Uruguay

VERY HIGH PRICES and heavy exports of wool in the first quarter of 1951 had a disturbing effect upon economic conditions throughout the country. A trend from cattle raising to sheep became noticeable, although the sheep population of 23,000,000 is already more than the country can profitably support, slaughtering of sheep for domestic consumption and export declined and the increased receipts of foreign exchange permitted larger imports of all categories of goods. Retailers and wholesalers are over-stocked, collections are slower and the cost of living, particularly prices of prime necessities, continues to rise, with concomitant demands for higher wages and strikes in certain industries and in transportation. Budgetary deficits totalling 170,000,000 pesos are causing concern to

the Government, which has asked Congress for authority to issue 80,000,000 pesos in bonds; revenues in 1951 have been above those of 1950, but are reported less than current expenditures. Foreign trade in the first six months of 1951 was valued at US\$311,928,000, compared with US\$192,491,000 in those months of 1950. The favourable balance of US\$11,378,000 was, however, slightly lower.

Weather conditions were uniformly favourable for pasturage and crops. Yields of all grains were higher than in the previous year, but smaller acreages reduced total output and all stocks were disposed of before the end of the crop year. The area sown to wheat for 1951/52 is the second largest on record, but there was a corresponding decline in linseed sowings, which competes for the same land. The increased 1950/51 output of vegetable oils, including linseed, sunflower seed and peanut oils, was all sold at reasonably profitable prices. No estimates of 1951/52 plantings of sunflowers and peanuts are yet available. The corn crop was sufficient for domestic requirements, in contrast to 1949/50 when imports were necessary.

After prolonged negotiations the Tenth Meat Contract between Uruguay and Great Britain was concluded in April, providing for the shipment of 20,000 long tons of fresh and 3,000 tons of canned meat during the year ending April 23, 1952. Shipments went forward rapidly and the stipulated amounts were completed in October; no further shipments have gone forward. Slaughtering of cattle and sheep for local consumption was below requirements and official meat prices were recently increased 60%. The slaughter of calves was prohibited to safeguard cattle herds.

As a result of the unprecedently high wool prices early in the year, shipments in the first quarter of 1951 represented 60% of total exports and had a value of US\$76,617,000, compared with US\$17,728,000 in the same period of 1950. The market was then inactive until October when buyers made offers for the new clip, which were below sellers' expectations. Only small sales have been made. Total exports in the year ended September 30, 1951 were 154,006 bales, compared with 176,790 bales in the previous year. The high prices for wool and small slaughterings of cattle and sheep, reduced production of hides and sheepskins and the market was inactive during most of the year.



Venezuela

THE DEMAND for Venezuelan oil showed no slackening during the year and total production was expected to exceed the record of 546,771,000 barrels established in 1950, by a wide margin. Output reached a new daily record of 1,738,397 barrels in the week ended October 1st and it is believed that this represents the present maximum capacity of the industry. Drilling of wells has been stepped up and interest in new areas is increasing but the Government has not released acreage for exploration for some years. Iron Mines of Venezuela (Bethlehem Steel) began exporting iron ore in March 1951 and shipments are now at the rate of 900,000 tons per annum, with an eventual annual output of 3,000,000 tons. It is expected that preliminary operations at the Cerro Bolivar concession of Orinoco Mining Company (U.S. Steel) will commence early in 1952 and that production will start in 1955.

Imports into Venezuela during the seven months ended July 31st were valued at 1,297,422,121 bolivares, compared with 985,660,394 bolivares in the same months of 1950. The largest increase was in commercial goods and the resultant high inventories were followed by some distress selling. Sales of foreign exchange by the Central Bank exceeded purchases in the first nine months of 1951, but no loss of reserves was anticipated for the year as a whole. Government revenues in the year ended June 30, 1951 were 2,112,000,000 bolivares and expenditures were 2,134,000,000 bolivares, a deficit of 22,000,000 bolivares. Income and expenditures in 1951/52 are estimated at 1,951,000,000 bolivares, including substantially increased allotments for public works and the encouragement of agriculture.

This government encouragement of agriculture, designed to reduce the country's dependence on imported foodstuffs, has been handicapped by labour shortages and unfavourable weather conditions, but long-term prospects are deemed satisfactory. Rice and sugar crops were above those of 1950, but still below local demand. Output and shipments of coffee and cocoa, the principal agricultural exports, were below those of the previous year. The outbreak of

hoof-and-mouth disease, reported in 1950, has been largely eradicated and the cattle industry is prosperous. The 1951/52 cotton crop, estimated at 15,000 bales, is adequate to supply the local textile mills and other manufacturing industries are operating to capacity.



Cuba

ANOTHER LARGE SUGAR CROP, satisfactory yields of other crops and high prices for exports resulted in a generally high level of business in 1951. Inventories are large but both wholesale and retail sales continue good. Available statistics indicate an increase in the value of both exports and imports during the year. Treasury receipts during the year ended June 30, 1951 were \$325,410,990, an all-time high, and should more than cover the 1950/51 budget of \$242,637,246 and supplementary appropriations. The budget for the fiscal year 1951/52, as approved by Congress, calls for expenditures of \$299,812,841. The United States dollar ceased to be legal tender on June 30, 1951 and Cuban currency is now the legal medium of payment.

The sugar grinding season was long, from December 17, 1950 to August 7, 1951, and the output was the third largest on record—5,589,232 Spanish long tons of sugar and 288,625,358 gallons of molasses. The basic United States quota for 1951 was 2,712,600 short tons, but after a number of adjustments, the quota was finally set at 2,947,175 short tons, or 2,594,749 Spanish long tons. Demand for sugar on the world market was exceptionally strong during the year and prices reached a high of more than 8¢ a pound f.o.b. Cuba in June; the price for the year for all quotas was expected to average 5.3¢ per pound f.o.b., compared with 4.85¢ in 1950. As a result of the strong demand, carryover at the end of 1951 was not more than normal working requirements. A larger production is anticipated in 1952. During the year trade agreements were concluded with

Great Britain and Canada, whereby the two countries will purchase 500,000 and 75,000 tons per annum respectively, during the three-year period ending December 31, 1953.

The 1951 tobacco crop was unofficially estimated at 480,000 bales, compared with 662,100 bales in 1950. Prices were generally higher and sales have been good. The Government has placed a limit on the quantity of sun-grown tobacco to be produced in 1952 and, on this basis, the total output would be approximately equal to the last crop. Pasturage was not good during the early months of the year and there was a scarcity of marketable cattle; production of butter, cheese and condensed milk was well maintained but below local requirements.

The 1950/51 coffee crop amounted to 713,595 cwt., or 150,611 cwt. less than in 1949/50, and necessitated the importation of 136,950 cwt. to meet consumption requirements. Ceiling prices for raw and roasted coffee were increased on May 28, 1951. Excessive rains delayed harvesting and reduced yields of the 1951/52 crop, which was estimated at 675,000 cwt. The production of rice continues to increase, but is still only about 20% of local consumption. Pineapple production in 1951 was 14% above that of 1950 but only 64% of the peak output of 1948. Approximately 50% of the crop was canned or processed but, although prices were higher, exports were below those of 1950.



British West Indies British Guiana and British Honduras

THE YEAR 1951 will long be memorable in the British Colonies of the Caribbean for the variety of natural catastrophes which struck at a number of points, including hurricanes, high winds, drought and earthquakes. It is the more remarkable, therefore, that large outputs of many of the staple crops were achieved and their sale at remunerative prices helped to maintain the economies

of the colonies. These were also assisted by further improvements in transportation facilities, notably roads in British Honduras, and in facilities for packing and processing crops. The encouragement given by a number of the colonies to new industries through tax remissions has been followed by the establishment of a number of factories in Jamaica, Trinidad and Barbados.

The severe hurricane which swept over the island of Jamaica on August 17th was the most devastating of the natural catastrophes. Slowly recovering from the 1944 hurricane, the banana and coconut industries were again seriously damaged. Approximately 50,000 buildings of all types were materially damaged, of which 18,000 required complete reconstruction. Substantial allocations of funds for this purpose have already been made. It is anticipated that relief and rehabilitation will absorb the £2,000,000 colonial surplus built up in recent years, large sums contributed by individuals in Canada, Great Britain and elsewhere to the Governor's Hurricane Relief Fund and generous grants from the Imperial Government. The latter will amount to £4,600,000, of which £3,100,000 will be a free grant and £1,500,000 an interest-free loan.

The hurricane did not seriously affect the island's principal tourist resort areas and, although reports in the North American press reduced reservations temporarily, a good winter season in 1951/52 is anticipated. Visitors in the first ten months of the year were already more than in the whole year 1950. Other islands, particularly the Bahamas, Barbados and Trinidad, anticipate an increased influx of tourists this season. Expansion is still handicapped by lack of suitable accommodation.

Trade in most of the colonies was well maintained, although the cost of living continued to rise. Imports of necessities from Canada and the United States increased, under the Trade Liberalization Plan effective the beginning of the year. Constitutional reforms were underway in many colonies, increasing the responsibilities of elected members of the Legislatures and providing for adult suffrage. The new unified currency of the Eastern Caribbean colonies went into circulation in August and the old individual currencies are being gradually retired.

Despite unfavourable weather in Trinidad and labour difficulties during harvesting in Antigua, sugar production was well maintained

and new records were established in Barbados and St. Kitts. Total output is estimated at 850,000 tons, approximately the same as in 1950. Early prospects for the 1952 crop were favourable and, as in recent years, the entire exportable surplus will be purchased by the British Ministry of Food.

Cocoa yields in Trinidad, Dominica and Grenada were heavy and sold at satisfactory prices. The Trinidad crop was more than 18,000,000 pounds, or 2,000,000 pounds in excess of 1950. The higher prices and a new high-yielding, quick-bearing variety have renewed interest in cocoa in the Eastern Islands. The 1950/51 crop in Jamaica was slightly smaller than in 1949/50 and a Cocoa Marketing Board was established to regulate the industry. The 1950/51 Jamaica coffee crop was only half that of 1949/50, but an improvement is anticipated for the current season.

Approximately 90% of Jamaica's banana plants were destroyed by the hurricane and exports in 1951 did not exceed 3,700,000 stems of both Gros Michel and Lacatan varieties. 1952 output is tentatively estimated at 7,000,000 stems. High winds also destroyed plantations in Dominica and normal shipments are not expected before June 1952. The first shipment of Lacatan bananas from British Honduras was made in 1951 and citrus fruit cultivation showed further expansion. Adverse weather conditions early in the crop year reduced the citrus fruit crops in both Jamaica and Trinidad and prospects for yields in 1951/52 are not bright, further reductions being anticipated. Great Britain remains the principal market for fresh fruit and juice, although the New Zealand market for fresh Jamaica fruit continues to expand. A new packing shed in Dominica is expected to improve the condition in which grapefruit and oranges reach the British market. Dominica and Montserrat report unusually large crops of limes and large shipments of juice have gone forward, principally to Great Britain, Canada and Australia.

Favourable weather conditions resulted in good yields and quality of Sea Island Cotton and production was substantially higher in Antigua, Montserrat, St. Kitts and Nevis. Output in Barbados was reduced by a decline in the planted area. A new variety, developed at the Antigua Cotton Station, is being widely planted in the island; it is reported to give high yields of superior quality cotton. Prices during the year were satisfactory.

Just as recovery from the 1944 hurricane was becoming evident, the coconut plantations in Jamaica were again devastated by the hurricane of August 1951. Copra production in 1951 is now estimated at 6,000 tons, approximately half the island's requirements, and the outlook for 1952 is for a yield of only 3,000 tons. Imports from the Philippines have become necessary, to supply the factories producing soaps, edible oils and margarine. A programme of rehabilitation has been submitted to the Government, which, provided no further catastrophe occurs, would restore pre-1944 production by 1960. The output in Trinidad has increased but reports from British Guiana indicate disappointing results in the expansion of the coconut industry.

Remunerative prices were received for Grenada nutmegs and mace in 1951, but the heavy demand of the previous year was not maintained. Exports of mace in 1950/51 were almost as large as in 1949/50, but shipments of nutmegs were less than 50%. The Jamaica 1950/51 pimento crop was the largest since 1939, but the 1951/52 crop is estimated at only 2,000,000 pounds. The ginger crop, as a result of increased planting and favourable weather, was larger and demand on world markets was strong.

Rice production continues to increase in British Guiana and for the past two years contracts with the Eastern Islands have been filled and shipments have been made to Jamaica. Higher prices have encouraged interest in the industry. Disease caused a failure of the 1951 tomato crop in Jamaica, but a 1952 yield of 7,000,000 pounds is anticipated, compared with 12,000,000 pounds in 1950. Increased production and exports, largely to Canada, are reported from the Bahamas and Montserrat. Production of vegetables and other food crops for local consumption continues to be encouraged in all the colonies; weather conditions in 1951 were not favourable and scarcities were reported.

Petroleum production in Trinidad during the first six months of 1951 was 10,283,319 barrels, approximately the same as in those months of the previous year. Drilling for new wells was at double the rate, exploration continues in British Honduras and Barbados and an exploration licence has recently been granted in Jamaica. Expansion of bauxite mining operations in British Guiana is underway and three separate bauxite mining projects are nearing the

production stage in Jamaica; small shipments are expected in 1952.

Increased demand and favourable weather conditions resulted in a larger cut of mahogany in British Honduras, all of which has been floated to seaboard. Exports of logs declined, but the value of lumber shipments was more than double that in 1950. Pine lumber continues to command high prices and all concessions are being worked to capacity; cedar also finds a ready market, particularly in Jamaica for the manufacture of cigar boxes.



Dominican Republic

AS A RESULT of high prices and good demand for Dominican export products, total foreign trade in the nine months ended September 30th was valued at RD\$135,654,000, compared with RD\$99,945,000 in the same months of 1950; exports increased by 30% and imports by 14%, and the favourable balance of RD\$53,454,000 was substantially higher than that in any previous calendar year. The financial position of the Government is sound and revenues and expenditures in 1951 were expected to exceed the budget estimates of RD\$74,000,000. Activity continues in the public works programme and a number of transportation and engineering projects were inaugurated during the year. The capital of the Agricultural and Industrial Credit Bank has been increased, and this new capital will be used to encourage agricultural and livestock industries.

The 1950/51 sugar crop established a new record of 531,650 metric tons, 12% larger than the previous record of 475,331 tons in 1949/50. The bulk of the crop was sold to the British Ministry of Food, at an average price of US\$5.75 per cwt. Another record crop of approximately 600,000 tons is anticipated in 1951/52 and it is reported that the output, aside from 64,000 tons for local consumption, 21,500 tons for the United States quota and 64,500 tons

for Canada, has been sold to the British Ministry of Food. An average price of US\$5.10 has been fixed for the first 100,000 tons, the remainder to be priced on the basis of New York quotations. Shipments of cocoa in 1951 were smaller in volume but higher in value than in 1950 and exports of chocolate continued their rapid increase. The 1950/51 coffee crop was of good quality and average size and exports, both raw and roasted, showed substantial gains in value. Harvesting of the 1951/52 crop commenced in September and reports indicate a substantially larger yield.

Drought reduced both the size and quality of the 1951 tobacco crop, but all stocks were readily sold, principally to Europe. The rice crop was below local requirements of 80,000 quintals annually and the duty-free importation of 30,000 quintals had to be authorized to meet the summer demand. The new crop is average in size. Adequate supplies of corn and meats for consumption were available.



Haiti

LARGE COFFEE and sugar crops, which sold readily at high prices, and substantial imports of foodstuffs and necessities, maintained the value of foreign trade at record levels. Government revenues, largely derived from export and import duties, were also buoyant. The budget for the year which commenced on October 1, 1951, provides for expenditures of 124,479,082 gourdes, compared with 105,240,430 gourdes in 1950/51. A capital budget of 200,000,000 gourdes was also approved by the Legislature to finance the Government's five-year plan for economic development. The programme includes the Artibonite Valley project of improved transportation and agricultural development; the total cost will be US\$20,000,000, of which US\$14,000,000 will be provided by the Export-Import Bank of Washington under an agreement signed August 22nd. A National Institute of Agricultural and Industrial Credit has been created to make loans to small agricultural and industrial enterprises.

Foreign trade in the ten months ended July 31, 1951 was US\$81,310,800, compared with US\$63,856,700 in the same months of 1949/50. Coffee continues to be the most important export and the 1950/51 crop of 325,000 bags sold well at high prices. A poor yield in the lowlands has reduced estimates of the 1951/52 crop to 310,000 bags, but the quality is reported to be good. Sisal is now the second crop with 1950/51 production of 31,000 short tons compared with 27,000 tons in 1949/50. A steady increase in planting is reported, but new plantations now require the prior approval of the Department of Agriculture; this is to restrict sisal culture to the arid or semi-arid land for which it is suitable and prevent its encroachment on the limited area of fertile land suitable for food production. Sugar output in 1950/51 was 64,000 short tons, substantially above the preceding crop. Two new mills are under construction and may be ready to grind the coming crop. Another mill has just been approved by the Legislature. Boll weevil damage again reduced the cotton crop to 5,000 bales, the lowest since 1937; most of the lint is consumed by local textile mills. The shortage of cottonseed has reduced supplies of edible oils and imports of crude oils and oilseeds have been declared duty-free.



Puerto Rico

CONDITIONS were generally satisfactory during 1951, although many dealers were still holding excessive inventories at the end of the year. The number of manufacturing industries established under the tax remission law of 1948 continues to increase rapidly and iron ore was mined and exported for the first time in history. The value of trade with the continental United States in the fiscal year ended June 30, 1951 was US\$654,953,174, compared with US\$528,008,584 in 1949/50. Price controls were established in the island at the same time as in the United States, but on the basis of

a fixed mark-up, rather than a specific price. The sugar crop of 1,238,234 short tons was slightly smaller than that of 1950; the United States quota was increased in October to 956,479 tons and local consumption is estimated at 110,000 tons. In anticipation of a surplus, sales were made on the world market early in the year, but these were officially prohibited and the carryover into 1952 is now estimated at 125,000 tons. As a result of larger acreage and ideal weather conditions, estimates of the 1952 crop have been as high as 1,500,000 tons. Higher grades and prices were reported for the tobacco output and estimated production of 256,000 quintals was all sold by the end of the year. The current coffee crop of 300,000 quintals is the largest since 1927 and substantial exports are anticipated. Drought seriously reduced the pineapple harvest and also prevented planting for the 1952 crop. The small yields are seriously affecting the canneries. For the first time statistics of coconuts have been published; in 1950/51, 23,187,000 nuts were harvested of which 13,084,000 were exported to the continental United States as fresh fruit. Exports of needlework products in the fiscal year 1950/51 showed a marked gain, but increases in statutory minimum wages on June 4th are reported to have restricted volume in the later months of the year.

SUPPLEMENT TO THE REPORT OF THE PROCEEDINGS
AT THE EIGHTY-THIRD ANNUAL MEETING OF
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