

Review of Conditions

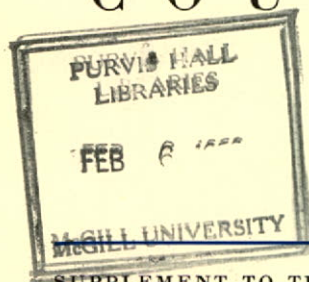
*in Canada
and other countries*

THE ROYAL BANK OF CANADA

R E V I E W O F
C O N D I T I O N S



I N C A N A D A
A N D O T H E R
C O U N T R I E S



SUPPLEMENT TO THE REPORT OF THE PROCEEDINGS
AT THE EIGHTY-FOURTH ANNUAL MEETING OF
THE ROYAL BANK OF CANADA
JANUARY 8TH, 1953

***T**his 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 84th Annual Meeting
which contains the addresses of the President
and General Manager dealing with the general
economic and financial conditions
in Canada and abroad.*

T H E R O Y A L B A N K O F C A N A D A

NEWFOUNDLAND

THE 1952 season was considered to be a successful one for the cod fisheries and modern methods continue to be introduced into the industry. Production is estimated to be 856,647 quintals as compared with 796,000 quintals in 1951. Prices averaged \$1.00 per quintal more than the previous year and contracts have been made for the majority of the catch. Italy, Puerto Rico, Jamaica and other West Indies are still the chief markets. The arrangement with the United Kingdom to pay for European exports in sterling was discontinued in 1952 with little apparent effect on the market. Production of crude cod liver oil was considerably below average in 1952 and was accounted for to some extent by an approximate 50% drop in prices. As the demand was average, little carryover to the 1953 season was anticipated.

Though the lobster catch decreased somewhat during 1952 from the previous season, increased prices prevailed and the bulk of the fish was exported in the live state. Herring exports were down again in 1952 to an estimated 39,000 barrels from 50,000 barrels in 1951, and, due to a poor price for oil, a decline showed also in the sealing industry. The catch was estimated at 85,245 valued at \$261,772 during the past year compared with 180,164 valued at \$385,403 in 1951.

Operations in the woods continued at a steady pace. There were 84 new sawmills licenced to operate in 1952 and sawn lumber was estimated at 50,000,000 board feet, an increase of 25% over the previous year's total. Pulp and paper mills operated at capacity and the estimated production of newsprint for the ten months ended October 31, 1952 was 191,200 short tons compared with 181,949 short tons for the same period in 1951. Mill expansion programmes are continuing and increased production is anticipated in the ensuing years.

As less than 1,500 persons depend on farming for their main source of income, agriculture still plays a minor role among the industries of the Province. The vegetable crop was considered to be satisfactory during the past growing season and was

disposed of at the prevailing high prices. Though the blueberry crop was down in quantity it was of exceptionally high quality and bought an export price of 28¢ per pound as against 22¢ during the 1951 season. Sheep are increasing in numbers and during the past year some farmers took advantage of the United States' embargo on Canadian cattle to establish good dairy herds.

The mining industry has seen unprecedented increases in exploration and development during the past year, with particular emphasis in the Quebec-Labrador boundary area. Though increased production has not resulted as yet, the Buchans mines are continuing their improvement programmes. Lead-zinc concentrates produced during January-October 1952 approximated 90,000 tons showing a slight increase over the 1951 figure. Shipments of iron ore from the Wabana mines for the first ten months of last year was estimated at 1,221,479 tons, compared with the corresponding 1951 figure of 1,282,349 tons. The production of fluorspar increased again in the past year, with possible new areas of potential deposits indicated.

A very high level of employment was maintained through 1952 with many new construction projects absorbing workers. Increased wages and social security benefits have kept retail sales at a high level. Business conditions on the whole were considered to be good and the Economic Development Programme has resulted in several new plants being brought into operation.

MARITIME PROVINCES

WEATHER CONDITIONS DURING the growing and harvesting season were generally favourable throughout the Maritimes. Vegetables and grain are grown primarily for local consumption in New Brunswick with the exception of potatoes, which in addition to domestic sales, are exported to the United States and Latin America. The 1952 crop was 10,974,000 bushels compared with 9,510,000 bushels harvested in 1951. The potato crop of Prince Edward Island also showed a substantial increase, the yield being estimated at 9,686,000 bushels or

approximately 55% greater than the previous year. Preliminary estimates of the recent apple crop in Nova Scotia were 1,695,000 bushels. It was expected that 600,000 bushels would be suitable for the fresh fruit market and the remainder available for the processing plants. Since the Apple Marketing Board was disbanded two seasons ago, crops have been small and no great marketing problem has arisen, although most fruit growers feel that the future of the industry lies in a strong central marketing agency and adequate cold storage facilities.

Butter production in New Brunswick was up 6% for the first ten months of 1952 over the corresponding period of 1951, while the production in Nova Scotia and Prince Edward Island declined very slightly. There were very large decreases in the make of cheddar cheese in New Brunswick and Prince Edward Island, namely, 39% and 29% respectively. This situation is caused to some extent by the imports of cheese at lower prices from New Zealand. Conditions in the poultry industry in all three Provinces were not as favourable as in 1951. There was a decided drop in the selling price of both poultry meat and eggs, and producers found it difficult to obtain profitable returns with increased production costs.

Lower meat prices brought about by the loss of the United States' market have caused a substantial increase in the cattle population of the Provinces, according to a livestock survey in June 1952. Hog production in Prince Edward Island continues to improve in both quantity and quality, while the low prices received by the farmers indicate a further reduction in the Nova Scotian pig crop. In New Brunswick, the spring pig crop was 15% higher than in the preceding season, but prices were generally lower.

Production of lumber from sawmills in Nova Scotia for the first nine months of 1952 was 204,693,000 board feet or 28.27% lower than the corresponding 1951 figure of 285,357,000 board feet. Heavy snowfall last winter hampered woods operations and some mills were forced to close down for lengthy periods. This retarded production and operators' profits from the prevailing satisfactory prices were down slightly. During the same period, production was also down in New Brunswick,

some 14.31%, to a total of 232,393,000 board feet. Export prices dropped and the demand from the markets in the United Kingdom and the United States declined somewhat. The demand for pulpwood and pitprops produced in both these Provinces has also fallen off and most mills are carrying large inventories.

The fishermen of Nova Scotia enjoyed a prosperous season, though many of the in-shore fishermen suffered loss of equipment, in severe storms. The landings from all sea fisheries for the first ten months of 1952 were estimated at 334,806,000 pounds valued at \$18,376,000 compared with 319,032,000 pounds valued at \$16,902,000 for the same period of 1951. This increased volume is accounted for by the larger commercial vessels, such as trawlers and draggers, which are gradually replacing the boats of the individual fisherman. Improvements in refrigerated transport and the expansion of freezing and processing facilities are also contributing to the steady growth of the industry. The fishermen of New Brunswick had good returns also, their catch for January-October 1952 being estimated at 237,719,000 pounds, lobsters accounting for approximately one-third of the total landed value, estimated at \$6,870,000. Lobster is the main source of revenue in the Prince Edward Island fishing industry and prices were up slightly in 1952. The catch for the first ten months of 1952 was estimated to be 8,462,000 pounds valued at \$1,889,000.

Coal mined from the Nova Scotian collieries for the first ten months of last year was 4,924,653 tons. Production in both this field and the gypsum mining industry showed a decrease from the same period of 1951, but reports received indicate that mining operations continued at almost peak levels.

Despite the curtailment of woods operations, the Province of New Brunswick generally enjoyed a satisfactory year. The tourist industry is becoming increasingly important to local business and more foreign vehicles entered the Province last year than in 1951, though little change was expected in the dollar value of spending. There has been increased activity in the construction field and the outlook for industrial and commercial activities in 1953 is promising.

In Prince Edward Island, the tourist season was good with most resorts and hotels filled to capacity. The drop in meat prices was offset to some extent by the excellent potato crop and the outlook for the Island is favourable in the coming year.

Though there was an approximate 21% increase over the 1951 figure in the number of foreign automobiles entering Nova Scotia during the tourist season, there was a noticeable tendency towards curtailed spending on the part of the visitors. The port of Halifax showed increased shipping activity during the past year and all industries in the Province, with the possible exception of the lumbering industry, have enjoyed a satisfactory year and these conditions were expected to continue.

QUEBEC

THE ENORMOUS DEVELOPMENT of water power resources has been the chief factor in the continually expanding industrial production of the Province. One of the largest increases has shown in the field of manufacturing and it is estimated that the 1952 value of production from this industry will approximate \$5 billion, which would double the 1945 figure. Defence contracts have contributed to this high rate of production and with this industrialization has come a construction boom in plant expansion, housing and road building.

Lumbering still ranks first in the economy of Quebec with production from sawmills for the first nine months of 1952 estimated at 965,753,000 board feet compared with 1,004,122,000 board feet for the same period of 1951, a decrease of 3.82%. There was no labour shortage for bush operations reported in the past year and the value of production from pulp and paper mills was expected to reach \$500,000,000. The supply of forestry products is gradually catching up to the demand. Stocks held in the United States have shown a slight increase during the past year, but there has been a decided improvement in the British market.

Exploration in the mining industry has been extensive during the past twelve months. New iron ore deposits have been reported in the Ungava district and it is now hoped that the

railway linking the fields with Seven Islands will start transporting ore by the middle of 1954. An important step in mining in 1952 was the production of zinc from the Barvue Mines for the first time. It is hoped that zinc concentrates will eventually be processed in Quebec, providing a new industry for the Province. Development programmes for copper, especially in the Chibougamau and Gaspé Peninsula areas, are also being carried on to an extensive degree. Gold mined for January-September 1952 was 832,257 fine ounces showing an increase over the corresponding 1951 figure of 799,403 fine ounces. Asbestos produced in 1952 was expected to be down appreciably from the all time high in 1951; 762,487 tons being mined during the first ten months compared with 797,195 tons during the same period of the previous year. Another new development was the discovery of nickel in the Montmagny and Bellechasse Townships.

Due to dry weather, the total value of field crops was down in 1952 and statistics indicate the figure will be \$134,187,200 compared with \$193,371,000 in 1951. The average yield per acre of the grain crops showed a decrease, though the root crops, such as potatoes and sugar beets, increased from the preceding yield. Creamery butter production was 11% higher for the first ten months of 1952 than for the same period of the previous year, but a 30% drop was shown in the make of cheddar cheese. There was an increase in egg production during the past year, though a survey in June showed that there were fewer hens on farms than in June of 1951. In the same survey, census figures indicated that the cattle, sheep and lamb population was larger, this increase being accounted for by the United States' embargo on livestock. The sale of cattle dropped 35% in the first nine months of 1952 from the same period of 1951.

Favourable weather conditions resulted in a successful season for the maple syrup producers. Prices were higher and the syrup was of good quality. The 1952 production of maple sugar and maple syrup was 2,020,000 pounds and 2,777,000 gallons respectively compared with 1,500,000 pounds and 1,750,000 gallons in 1951.

Fruit growers had a disappointing season compared to the successful year enjoyed in 1951. Apple output was estimated at 1,400,000 bushels which was approximately 50% lower than the yield of the previous year. The strawberry and raspberry crops saw little change from 1951, but blueberries showed a 30% decline. Fortunately for the farmers the price was up and averaged \$3.25 for a 22 pound box.

Preliminary estimates of the tourist trade indicate that gross receipts were up 4.5% from the 1951 figure of \$136,860,000. The number of tourists increased in the past season, as did the number of foreign vehicles entering the Province. The employment situation was considered to be satisfactory during the past year. Favourable business conditions prevailed generally and the outlook for 1953 is promising.

ONTARIO

THE PRELIMINARY ESTIMATE of the total production of all grain crops in 1952 was 172,305,900 bushels, or 7.9% less than the revised 1951 figure of 186,976,000 bushels. Excellent weather conditions prevailed and the crop was harvested early in the autumn. While the hay, clover and alfalfa yield was quite light in the past year, it was considered to be of high quality.

As there was substantially less blight last season than in 1951, the potato crop increased to 11,264,900 bushels from the previous year's total of 9,661,000 bushels. On the other hand, the sugar beet yield decreased to 329,200 tons from the 1951 production of 341,532 tons. It is estimated that 100,000,000 pounds of granulated sugar, 16,000 tons of dried beet pulp for cattle and 13,000 tons of molasses will be obtained from the recent crop.

Increased imports of canned fruits, together with a heavy pack in 1951, were responsible for the lower prices of and decreased demand for most fruits. With the exception of peaches, the fruit crop was down in 1952, the apple crop showing as much as a 41% drop from the 1951 yield. A dry, hot summer adversely affected the crops, but conditions in the latter part of the season were excellent and the unharvested fruit sized well and was of good quality.

Due to the restricted export market and prospects of lower domestic consumption, the flue-cured tobacco acreage was cut approximately 30% in 1952. The harvesting of the crop was delayed by the inadequate rainfall during the summer months, but as good weather prevailed in the autumn, the yield was expected to reach 124,000,000 pounds compared with the 140,020,000 pounds produced in 1951. The acreage of burley tobacco was again reduced last year, this time by 40%, and the crop was believed to be 2,000,000 pounds from the 1,400 acres planted.

The United States' embargo on livestock increased the cattle population by 11% in June of 1952 from the previous June. This increase in dairy herds caused the production of processed milk products to be up approximately 3% from 1951, despite the fact that the pastures were badly affected by the dry summer. Creamery butter production for the first ten months of 1952 was 69,233,000 pounds, or 15% higher than in the corresponding months of 1951. On the other hand, the make of cheddar cheese was down 23% in 1952 to 45,105,000 pounds for January-October. This decrease was due to the large stocks in the hands of producers. The net production of eggs on farms and elsewhere for the first ten months of last year reached a total of 116,127,000 dozen, a large increase from 100,373,000 dozen produced in the same period of the previous year.

The Federal Government announced, effective January 1, 1953, an increase of \$2.00 per fine ounce in the price of gold paid under the Emergency Gold Mining Assistance Act which should alleviate the decrease shown in the dollar value of production during the past year. Despite the fact that 1,856,196 fine ounces were produced during the first nine months of 1952 compared with 1,817,229 fine ounces produced in the same period of 1951, profits were down due to rising costs of operations.

The daily capacity at the Creighton Mine of the International Nickel Company of Canada Limited has been increased from 10,000 tons to 12,000 tons and further developments and improvements have been made in the past year. A new hoisting shaft was completed in 1952 at their Froid-Stobie Mine. Also completed last year and now in operation, is the Canadian Industries Limited liquid sulphur dioxide plant at Copper Cliff.

The Falconbridge Nickel Mines, Limited are continuing their expansion programmes. The new Hardy Mine is expected to go into production this year and the company recently discovered a new deposit of ore at Fecunis Lake. The production of sinter from the Algoma Ore Properties Limited in 1952 was expected to exceed the 1951 figure of 1,200,000 tons. Another new development in the mining industry of Ontario was the discovery of kyanite, used in the glass and ceramic industries, in the North Bay district and a concentrating mill for this mineral is already in the planning stage.

The lumber produced from sawmills showed a 1.62% decrease for the first nine months of 1952, or a total of 826,842,000 board feet, from the corresponding period in 1951. The demand for lumber has been steady, but there has been a slight drop in prices and, although the paper mills are operating at capacity, the supply of newsprint has increased somewhat during 1952.

The construction business has shown increased activity in the past year, as most industries have embarked on extensive expansion programmes due in part to defence contracts and there is still a demand for low cost housing. It has been reported that the amount spent by American tourists was down in 1952 due to the exchange situation and the dollar value of the tourist trade was expected to approximate that of 1951. There has been a steady turnover in the wholesale trade and the removal of credit restrictions early in 1952 caused retail sales to break all previous records. The increased activity in almost all lines of business and a high level of employment present a very favourable outlook for the coming year.

PRAIRIE PROVINCES

WEATHER CONDITIONS in Western Canada during the recent harvesting season were excellent and Prairie farmers gathered in record crops of wheat, barley and soybeans and above average crops of rye, oats, sugar beets and shelled corn. The latest estimates by the Dominion Bureau of Statistics, based on harvesting results up to October 31, 1952, are given in the following table, along with the 1951 production figures.

	<i>Alberta</i>		<i>Saskatchewan</i>		<i>Manitoba</i>	
	1951	1952	1951	1952	1951	1952
	(thousands of bushels)					
Wheat...	152,000	172,000	325,000	435,000	52,000	57,000
Oats.....	134,000	129,000	148,000	152,000	58,000	65,000
Barley...	105,000	118,000	73,000	92,000	56,000	71,000
Rye.....	5,345	7,800	9,800	14,200	835	924
Flaxseed..	1,570	2,000	2,300	4,300	5,000	5,700

The wheat crop for all of Canada is estimated at 688 million bushels which exceeds by 121 million bushels the previous record of 567 million bushels set in 1928. With this bumper crop and the carryover at the beginning of the crop year of 213,000,000 bushels, storage space is at a premium and delivery quotas, ranging from 4-12 bushels per seeded acre, for the 1952 crop were imposed. Because of this elevator congestion, a large quantity of grain was stored on farms. Marketing arrangements for grain remain unchanged from the previous year and Canada's quota under the International Wheat Agreement, which expires in July 1953, was set at approximately 235,000,000 bushels. Canada's overseas and domestic clearances of wheat remain at a high level but considerable sales will be needed to reduce the available supply to a normal carryover figure at the end of the crop year, July 31, 1953.

Unusually good weather prevailed during the growing and harvesting of the potato crop and production this past season was estimated to be 7,854,000 bushels as compared with the revised 1951 figure of 6,521,000 bushels. Though the total acreage for all three Provinces was reduced, the average yield per acre was exceptionally high. The yield per acre of sugar beets in Alberta in 1952 increased over the 1951 average and 480,000 tons were produced. The reverse situation prevailed in Manitoba and production was down in 1952 to 124,000 tons from the 1951 yield of 178,319 tons.

The outbreak of foot and mouth disease in Saskatchewan last February had serious repercussions in all phases of the livestock industry. The United States' government immediately placed an embargo on all imports and this ban is to remain in effect until March 1, 1953. The loss of this market resulted in sub-

stantial decreases in the prices of livestock products. During the epidemic, the Federal Government supported floor prices for beef and pork. Cattle holdings are high and many farmers seem content to withhold marketings in the hope that prices offered on the United States' market in the spring will be higher. However, prices on the American market have decreased somewhat and the outlook in the industry is not altogether clear. It is hoped that when the United States' embargo is lifted, cattle raisers will be able to dispose of their surplus and conditions will return to normal.

Exploration and development programmes continue to be carried on to an extensive degree in the oilfields of Alberta. Production of oil for the first nine months of 1952 was estimated to be 42,029,450 barrels compared with 33,517,757 barrels for the corresponding period in 1951. The pipeline to the Pacific Coast is expected to be completed late in 1953 and the maximum capacity is reported to be 200,000 barrels per day, though the initial throughput has been set at 120,000 barrels. It has also been announced that the Interprovincial Pipeline will link its present Superior terminal with Sarnia, thereby shipping a year-round supply of crude oil from Alberta to Ontario. The expansion of the natural gas industry is continuing at an accelerated rate and the Petroleum and Natural Gas Conservation Board has estimated the gas reserves to be 6.8 trillion cubic feet of which 6.5 trillion cubic feet are required for the Province's future needs. Production for the first nine months of 1952 was set at 55,663,823,000 cubic feet. Another phase of the petroleum industry has been the establishment of petro-chemical and related chemical industries in the Province. Alberta's coal production for the first ten months of 1952 was estimated to be 5,674,095 tons, a decrease from the 5,954,817 tons mined during the same period of 1951.

During the past year Saskatchewan has seen great activity in uranium prospecting. Since August 4, 1952, when concession areas in the Beaver Lodge and Black sections were opened to public staking, over 1,000 claims have been recorded at Uranium City. Uranium discoveries have also been reported from other northern areas. Development work is being carried

on by the Eldorado Mining and Refining Company and their mill is expected to be completed in 1953. In the Unity field, the salt production plant of the Western Potash Corporation Limited is now in operation and they are making progress towards the production of potash. Production of crude oil for the first nine months of 1952 was estimated at 1,215,511 barrels, an increase of some 290,000 barrels over the corresponding 1951 figure and the year's total production was expected to set a record. Exploration for natural gas is continuing. In the past year major gas reserves have been discovered in 12 strikes and 715,362,000 cubic feet were produced during the first nine months of 1952.

Production in the mining industry of Manitoba continues at a high level and the search for new deposits of copper, nickel and zinc has been rewarding. Work in the development of the copper-nickel ores at Lynn Lake by the Sherritt Gordon Mines Limited is proceeding on schedule and production of nickel in Manitoba is expected by the end of 1953. The Hudson Bay Mining and Smelting Company are developing new copper-zinc discoveries near to their plant at Flin Flon and shaft sinking is now in progress at their property at Thompson Lake, to be known as North Star Mine. Production of oil and natural gas is still in the early stages but exploration in the southwestern part of the Province has brought forth successful results. Total production of crude oil cumulative to the end of October 1952 was estimated at 63,110 barrels.

An increased amount of business and commercial activity has been evident throughout all three Provinces. Defence contracts have brought about an expansion of productive capacity and a demand for construction, resulting in an unprecedented industrial development. Despite low livestock prices caused by the United States' embargo on imports and delays in marketing last year's record wheat crop, farm income remained at a high level. The bumper crop of good quality grain and the new developments in the oilfields and mining fields have contributed to a successful year for the Prairie Provinces, with indications that these prosperous conditions will prevail through 1953.

BRITISH COLUMBIA

THE QUANTITY of all fish landed on the Pacific Coast for the first ten months of 1952 was larger than in 1951, but the landed value decreased approximately 10%. Due to strikes in the salmon fishing industry, the catch was down considerably during the past season. Landings were estimated at 13,484,000 pounds for January-October compared with the corresponding 1951 figure of 192,047,000 pounds. The pack of canned salmon at mid-September stood at 1,258,000 forty-eight pound cases, which is a large drop from the September 1951 total of 1,596,000 cases. The carryover into 1952 from the large pack of the previous year was quite substantial and difficulties were experienced in disposing of the surplus. Because of a shortage of Canadian dollars, the British market was unable to absorb its usual 300,000 cases. However, it is hoped that sales to the United States will improve, and in doing so, reduce the surplus by the time the new season opens on June 15, 1953. Herring landings for the 1951/52 season were high, about 30 million pounds heavier than average. Prices for meal were up and by the end of August 22,000 tons had been exported. Oil, on the other hand dropped in price, but exports for the first eight months of 1952 were 2,300,000 gallons compared with 1,500,000 gallons for the same period of 1951. Disagreements over the price of herring in October 1952 caused a strike in the industry and, at the time of writing, the outlook for the 1952/53 season was uncertain. The halibut catch for the first ten months of 1952 was estimated to be 22,106,000 pounds, an increase from the corresponding 1951 figure of 19,955,000 pounds. Whaling continues to expand and there were 465 whales landed in 1952, 28 more than during the previous season.

Apple growers enjoyed a successful year as the crop was estimated to be 6,000,000 bushels, a 25% increase over the small crop of 1951. The domestic market is good and a light crop in the United States created a demand at premium prices. Other fruits crops were larger during last season and, although a slight reduction was shown in prices, returns to the growers were

expected to exceed those of 1951. Vegetable production was well maintained and farmers received satisfactory prices. The quantity of dairy products improved substantially during the past year with little change in prices. On the other hand, the price of wool was down, reversing the trend of recent years. Raisers of poultry and hogs were confronted with higher feed costs and lower prices for their products.

Strikes and forest closure owing to fire hazard caused a two and a half month delay in the logging industry. These factors resulted in the production from sawmills being down to 2,436,754,000 board feet for the first nine months of 1952 from the comparable 1951 figure of 2,631,776,000 board feet. Due to competition from Northern Europe, the British market has fallen off somewhat resulting in a slight reduction of prices. The pulp and paper industry is continuing to expand and diversify its products with production for 1952 estimated at one million tons.

Statistics indicate that mineral production was down somewhat in 1952, with the amount of coal produced for January-October in 1952 estimated at 1,367,706 tons compared with the 1,456,000 tons produced during the first ten months of 1951. A similar reduction showed in the gold mining industry, as the amount of gold mined in the first nine months of 1952 was 200,227 fine ounces compared with 217,431 fine ounces mined during the same period of 1951. Silver and tungsten are being produced in greater quantities and zinc production has increased to the point where the smelter at Trail is unable to handle all the metal.

Slightly more tonnage moved through the ports of Vancouver and New Westminster during the past year, due in part to increased grain shipments. The dollar value of the tourist traffic was not expected to differ to any great extent from the 1951 figure which was accounted for by the adverse effect of the United States' embargo on game and the decrease in value of United States' currency in terms of Canadian dollars.

Although strikes and dry weather had a somewhat detrimental influence on production in the basic industries in 1952, the industrial expansion of the Province is continuing rapidly.

This growth has swelled the value of construction and a high level of employment has been maintained in this industry. The Kenny dam which will supply the power for Kitimat, the pulp and paper mill at Castlegar and the oil pipeline from Alberta are a few of the major construction activities contributing to the industrial development of the Province.

THE ARGENTINE

THE ARGENTINE ECONOMY in 1952 continued to suffer from the effects of the prolonged drought, which reduced production and exports of the principal grain and livestock products; drastic control of imports was maintained, with a resultant shortage of raw materials for industry, shorter working hours in manufacturing and an increase in unemployment. The government is now giving encouragement to the country's basic agricultural and livestock industries and many of those unemployed in industry are reported to have returned to the land. Credit and collections have been tight, wholesale and retail trade slow, in spite of special sales, and imports restricted to articles of prime necessity. Foreign trade in the first six months of 1952 was valued at 7,199,500,000 pesos, compared with 7,979,500,000 pesos in the first half of 1951; the unfavourable balances of trade during the same periods were 3,143,100,000 pesos and 212,700,000 pesos respectively. The budgets for 1953 and 1954 call for ordinary expenditures of 8,354,500,000 pesos in each year, compared with 9,436,800,000 pesos in 1952; receipts from income, excise and sales taxes continued to rise, indicating that total 1952 revenues would exceed the record of over 10,000,000,000 pesos collected in 1951. President Peron and the new administration took office on July 4, 1952; the death of the President's wife, Señora Eva Peron, on July 26th was followed by unprecedented demonstrations of national mourning.

Bilateral trade and payments agreements were concluded during the year, with Chile, Czechoslovakia, Finland, Italy, Poland and India, providing for the barter exchange of products.

The Anglo-Argentine Trade and Payments Agreement expired on April 24, 1952 and prolonged negotiations for a new agreement are still in progress. Shipments of Argentine meats under the former agreement were completed in June and since then only 4,000 tons of beef have been shipped, on a "price to be agreed" basis.

Cattle slaughterings in 1952 were slightly below the average of 1951, largely as the result of the establishment of one meatless day a week and the suspension of slaughtering for local consumption on that day. In order to provide the frigorificos with peso returns in line with production costs, the effective rates of exchange for canned meats, salted and cured beef and certain by-products were increased in September. Supplies of hogs are small, because of the high prices and short supplies of corn, and slaughtering in 1952 was approximately 1,600,000 head; on the other hand, lower prices for wool encouraged culling of sheep flocks and slaughterings of both sheep and lambs increased. A livestock census was taken on November 11th, the first since 1947.

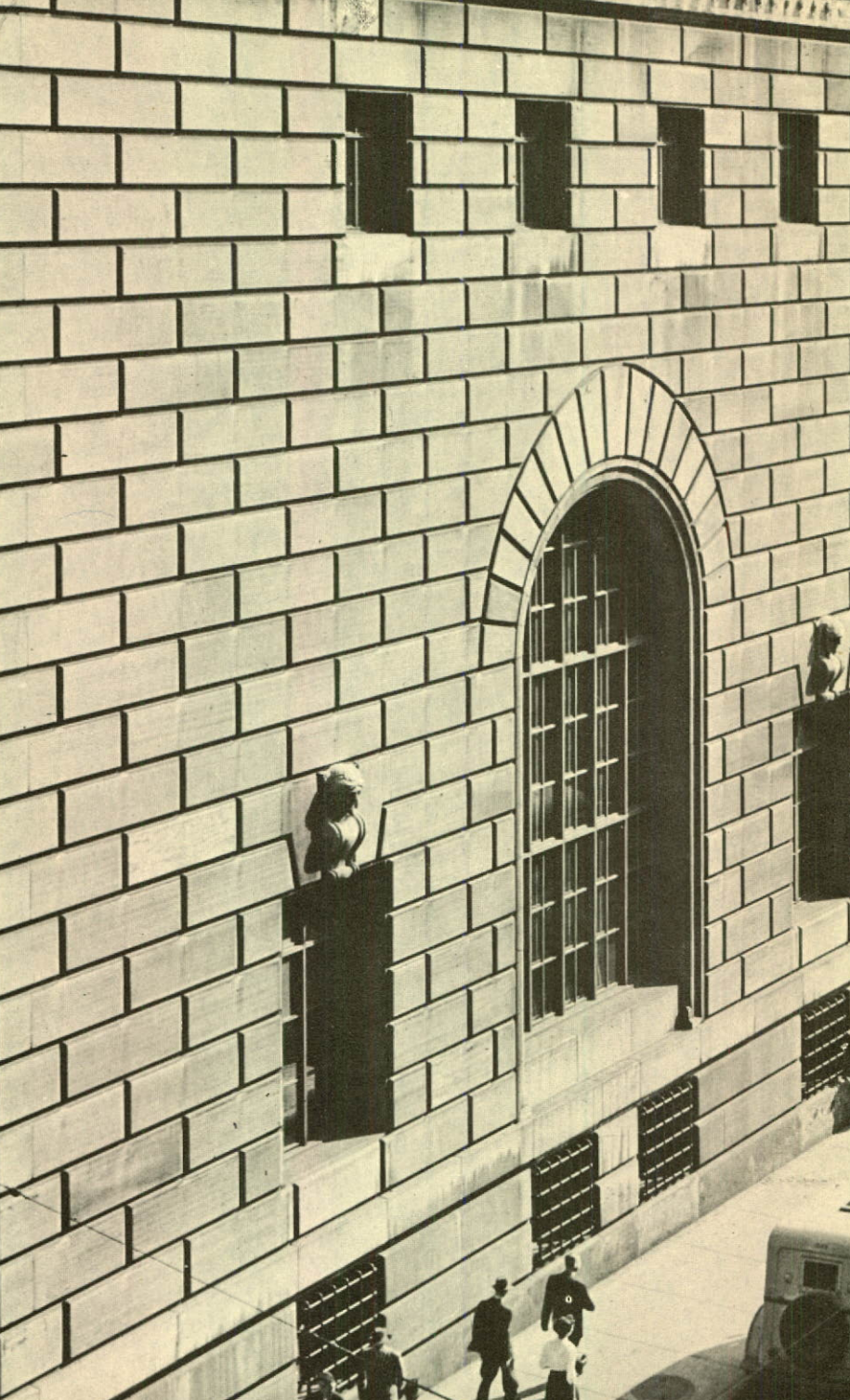
Movement of the new wool clip has been encouraged by higher world prices and the favourable exchange rates granted in July. The 1952/53 clip is estimated at 190,000 metric tons, of which 50,000 tons are required for local consumption. Because of the virtual suspension of shipments in late 1951 and early 1952, the carryover from the 1950/51 clip was heavy and available stocks in November were estimated at approximately 200,000 tons. The latest official estimate of the 1951/52 cotton crop was 592,000 bales (500 pounds gross), a yield only exceeded by the record output of 653,000 bales in 1949/50. A record acreage was planted but yields were reduced by insect and frost damage. In view of the large 1951/52 crop and reduced domestic consumption, an export allocation has been made for the current crop year of 115,000 bales, but exports are impeded by the U.S. government support price of about 60 cents per pound for type D, the principal type available this year.

The effect of two years of drought in the grain-growing areas is reflected in the exceedingly low volume of exports of all varieties of grain in 1952. Only corn exports showed an increase

and that was largely the result of a complicated three-way barter arrangement whereby Argentina imported wheat for the first time in its history. Argentina received 196,000 tons of North American wheat, 254,000 tons of Argentine corn were shipped to France and the triangle was completed by French shipments of 200,000 tons of barley to the United States.

Weather conditions have been generally favourable for the small grain crops and the area sown to wheat was approximately 16,000,000 acres, compared with 12,000,000 acres in 1951/52. Rust and frost damage have been slight, yields in early areas good and the total crop is now estimated at 240,000,000 bushels, compared with the practical crop failure of 1951/52, when only 75,000,000 bushels were harvested. The area and estimated yields of barley and oats have also increased substantially and the favourable condition of natural pasturage throughout the country will permit cutting of a larger acreage; in the previous year, much of the coarse grain acreage had to be used for grazing. Corn planting was completed before the end of 1952, with excellent moisture conditions for germination, but the total area planted was less than half the pre-war acreage. It is still too early to estimate the output.

Stocks of flaxseed and linseed oil from the two previous crops were still on hand at the end of the year. Planting for the 1952/53 crop was completed in September under favourable weather and moisture conditions; the acreage, while considerably above that of the previous year, is estimated at one-third the prewar average. Total production of edible vegetable oils was reduced by the small sunflower seed crop, although the output of olive oil established a new record. Frost during the flowering season reduced the 1951/52 tung oil crop, but flowering in September 1952 was exceptionally good and a record output in 1952/53 is not impossible. The 1951/52 crops of most varieties of fruit were larger than in recent years, but heavy stocks of canned fruits are still on hand and are depressing the market.





Entrance on St. James Street, Montreal to the Head Office of The Royal Bank of Canada—headquarters of one of the world's great banking institutions, with over 775 branches in Canada and abroad. Assets exceed \$2,675,000,000.

BRAZIL

COFFEE PRICES WERE MAINTAINED on Brazilian markets at the high levels of the preceding year and, in spite of the narrow profit margin between these prices and United States' ceiling prices, shipments were large and year-end stocks not excessive. Both wholesale and retail trade have been slow, with large stocks on hand, and consumer resistance to high prices reported. Although imports have been restricted by lack of import licenses, importers have not been realizing profitable prices. Local manufacturers have continued to be harassed by difficulties in securing imported raw materials and machinery, but the establishment of new industrial concerns continued during the year. Demand for cotton textiles has been dull but, with increased tariff protection, the synthetic fibres industries have expanded production.

Loans recommended by the Joint Brazil-United States Economic Development Commission and granted by the Export-Import Bank of Washington and the International Bank for Reconstruction and Development have reached US\$100,000,000. A majority of these have been granted for the development and extension of electric power facilities, with smaller amounts for railway modernization and imports of agricultural machinery.

Exports in the seven months ended July 31st were valued at Cr\$14,637,973,000, compared with Cr\$18,102,525,000 in the same months of 1951; imports in the same periods were valued at Cr\$25,509,939,000 and Cr\$19,432,534,000 respectively. This unfavourable trade balance of Cr\$10,871,966,000 has had a serious effect on the exchange situation and drastic curtailment of imports has been necessary. This appears to have had some effect and preliminary statistics indicate a slight favourable balance in September. The deterioration in the exchange situation is indicated by the lag in remittances; up-to-date at the beginning of 1952, commercial obligations in all currencies except French francs and Argentine pesos are now some months in arrears. The delay in remitting sterling is most serious,

attributed to small British purchases of cotton, as a result of the high prices; an agreement to barter jet planes for cotton has been concluded. Barter agreements with other countries, notably Czechoslovakia, Austria and Poland, have been concluded, whereby Brazil will secure industrial products and machinery.

Exports of coffee in the crop year ended June 30, 1952 were 16,361,000 bags, compared with 16,593,000 bags in 1950/51; the continued high prices encouraged exports and local stocks were low at the end of the crop year. The crop harvested in 1952 for shipment in 1952/53 is unofficially estimated at 18,500,000 bags of which 14,200,000 bags will be available for export. Heavy rains in Sao Paulo in June and July brought premature flowering for the 1953 crop, to be exported in 1953/54, and a reduction in both volume and quality is anticipated. The 1952/53 cacao crop is also expected to be small, 206,000,000 pounds, compared with 231,000,000 pounds in 1951/52.

Cotton exports in the crop year ended July 31, 1952 were only 338,000 bales (500 pounds gross), less than half 1950/51 shipments of 697,000 bales, and only one-third pre-war average shipments of 1,065,000 bales per annum. This decline is due to the short crop in Northern Brazil and high support prices maintained by the government in 1952; late reports indicate government purchases of over 1,000,000 bales under the support programme. A substantial gain in yield is reported for the crop now being picked in the North; the 1951/52 crop in Sao Paulo was 1,250,000 bales; quality was reduced by heavy rains late in the season and delayed picking as a result of a labour shortage. Present indications point to a smaller acreage for 1952/53.

Slaughter of cattle and hogs continued its upward trend in 1952, but the booming local demand has reduced exports to the lowest level in the past twenty years. In addition to the larger output of animal fats, the supply of vegetable oils is expected to be large in 1952/53, with a probable resumption of exports. Cottonseed will be almost at its pre-war level and a record soy bean harvest is anticipated in Rio Grande do Sul. The small 1951/52 babassu harvest was below local requirements and domestic prices reached record levels; the 1952/53 crop is also reported to be small.

COLOMBIA

COLOMBIAN BUSINESS CONDITIONS in 1952 were generally satisfactory, with trade and collections normal. Local factories had no difficulty in securing essential raw materials and inventories are heavy, particularly finished textiles. In spite of this, further extension of textile operations is reported. The improvement of the transportation system continues to receive priority and contracts have been awarded for the reconditioning and construction of nearly 2,000 miles of highways. The construction of a 235 mile railway along the Magdalena River from Puerto Salgar to Capulco has been approved and a loan of US\$25,000,000 has been obtained from the International Bank for Reconstruction and Development to finance the purchase of equipment. This railway, which should be completed in 1956, will provide a link between the present western and eastern rail networks. The newly-improved Canal del Dique, which connects the seaport of Cartagena with the Magdalena River, was inaugurated on August 23rd and will speed the movement of traffic; work is in progress to improve navigation conditions at Barranquilla, through the extension of jetties which should force the Magdalena to scour out sandy shoals now preventing larger ships from reaching the port.

Foreign exchange acquired by the Banco de la Republica to November 19th totalled US\$409,230,085; authorized sales during the same period amounted to US\$407,766,726 and the favourable balance was US\$1,463,359. Further adjustments in import and export regulations were made during the year, to improve the balance of trade and encourage exports of minor products. As a result of increased local consumption, exports of cattle were made subject to license on July 14th. Under a trade and payments agreement effective August 19th, Colombia has extended special import privileges to Great Britain, who, in return, has agreed to authorize purchases of Colombian coffee to a value of US\$10,000,000.

Coffee continues to be the most important export, accounting for 80% of total shipments abroad. Although the 1951/52 crop did not reach earlier expectations, exports in the crop year

ended June 30, 1952 were 4,798,522 bags of 60 kilos, valued at US\$366,741,675, compared with 4,903,052 bags valued at US\$344,900,573 in 1950/51. Favourable weather conditions prevailed during the past year and preliminary estimates indicate a further gain in output for 1952/53.

The cacao crop was also larger and rice production showed a substantial increase. It is now more than four times pre-war production and practically equal to local requirements. In spite of government encouragement, other crops have not noticeably improved and imports of wheat, beans, dairy products and cotton are still necessary.

Production of petroleum is at record levels and exploration and development continues active. Plant construction and other improvements at the Barrancabermeja refinery are in progress. The 87 mile pipeline from Puerto Salgar to Bogota was inaugurated on May 24th; three additional pipelines, totalling 251 miles, are under construction in various parts of the country and the survey of a further 132 mile section has just been completed.

PERU

ALTHOUGH WORLD PRICES for Peru's principal exports were lower in 1952 than in 1951, the volume of shipments was substantially higher and total values were well maintained. Imports declined slightly, perhaps 5%, and there was little reduction in the heavy stocks held by manufacturers, wholesalers and retailers. Credit and collections continued tight and a further substantial increase in bank advances was reported. The cost of living rose nearly 8% in the year ended September 30, 1952, adversely affecting retail sales in all lines. The textile mills have been operating on reduced schedules, due mainly to the large imports of foreign textiles. By a resolution dated October 16, 1952 and effective ninety days thereafter, import duties were sharply increased on 79 textile and clothing items; the full effect of these increases will not be felt for some months, as heavy import orders had been entered in anticipation of the change.

Government revenues and expenditures were maintained in balance and the surplus of 171,327,950 soles achieved in 1951 was utilized to pay off prior deficits and for public works. The government has prepared plans for highway development and irrigation projects over the next six years, to be financed partly by foreign loans; it is the government's expressed intention, however, not to exceed its income and the work will proceed as funds become available. On November 15th the government paid the fifth of the twelve instalments, payable over a period of four years to settle exchange differences on outstanding commercial debts contracted at the official exchange rate, prior to the freeing of exchange on November 14, 1949.

The passage of the new Petroleum Law on March 12, 1952 inaugurated a new era of exploration and development for Peruvian petroleum. National companies were given priority in applying for concessions. By the end of October, nine national and nine foreign companies had entered applications totalling nearly 4,000,000 hectares, of which 500,000 hectares are for development and the rest for exploration. Production of petroleum and natural gasoline in the eight months ended August 31st was 11,666,945 barrels, compared with 11,361,128 barrels in the same months of 1951. The output of base metals in the early months of the year was large, but the recent decline in world prices will adversely affect some of the smaller lead-zinc mines. The Cerro de Pasco Corporation inaugurated the first zinc refinery in Peru in September.

Conditions were favourable for the 1951/52 cotton crop and a record yield of 1,900,000 quintals was reported; the total output was sold by the end of the crop year and, up to November 14, 1952, contracts for the sale of 70,000 quintals of the 1952/53 crop had been concluded. Coffee production has gradually increased in recent years and the current crop is estimated at 6,000 tons; exports are prohibited, unless there is a surplus over local demand, which is between 4,000 and 4,500 tons annually. Sugar production remains constant; exports and local consumption in the first eight months of 1952 were 178,772 and 115,145

metric tons respectively, compared with 133,143 and 108,558 tons in the same months of 1951. The final 1952 quota for United States' imports of Peruvian sugar was 23,110 short tons and the initial 1953 quota is 44,504 short tons.

URUGUAY

IN CONTRAST TO 1951, prices and sales of Uruguayan wool were low in 1952, and business conditions were generally slow. Both wholesale and retail trade declined, but the cost of living continued to rise. In spite of increasing unemployment, particularly in textiles and meat packing, a number of strikes for higher wages occurred and in most cases, the demands were granted. Declines in government receipts from customs duties and exchange profits resulted in a further rise in budgetary deficits and increases in taxes are anticipated. An issue of 80,000,000 pesos in internal bonds was made during the year to cover accumulated deficits to the end of 1950. The 1952 budget, which would also apply to the years 1953 and 1954, totalled 456,100,000 pesos, as presented to the National Assembly which has not yet approved it. Foreign trade in the seven months ended July 31st was valued at US\$227,987,000, compared with US\$358,533,000 in the same months of 1951; imports were reduced but the substantial decline in exports resulted in an unfavourable balance of US\$51,349,000, compared with balanced trade in 1951.

Following the plebiscite of December 1951, a new "collegiate" system of government became effective on March 1, 1952. The office of President has been replaced by a Council of Government of nine members drawn from the leading political parties, which will remain in office until March 1955. A new Cabinet was named by the Councillors.

In spite of drought late in 1951 and early in 1952, agricultural and pastoral conditions were generally favourable. The yield of most crops was sufficient for local consumption and small exports; wheat and flour exports to Brazil reduced excess stocks and the basic price for the 1952/53 crop, which is expected to be of normal size, has been set at the same rate as in 1951/52. The

corn crop was adversely affected by the drought and prices are now double those at the beginning of the year. Increased sowings and yield of linseed and the producers' reluctance to accept prevailing prices left an unsold stock of 50,000 tons at the end of the crop year and the 1952/53 crop is estimated at 200,000 tons. Exports of edible oils have been authorized.

The Tenth Meat Contract between Uruguay and Great Britain expired in April 1952 and negotiations for the new contract have not yet been concluded. In recent months, 10,800 tons of meat were shipped to Great Britain, prices to be arranged later, and this relieved the congested storage space of packing houses and freezing plants. The market for sheepskins was inactive during the year, but lively demand for cattle hides during June and July resulted in sale of the greater part of accumulated stocks, although at lower prices than those of 1951.

Resistance to world wool prices on the part of Uruguayan producers reduced shipments in the first six months of the 1951/52 season to less than 5% of the clip. To stimulate exports, the government granted exemption from export taxes on wool and authorized preferential exchange rates for wool tops, both effective to November 30, 1952. Exports in the year ended September 30th were 103,041 bales, compared with 154,006 bales in the preceding year. Stocks of old clip wool were estimated at 50,000 bales and the 1952/53 clip at 160,000 bales; sales to November 20, 1952 were 35,600 bales.

VENEZUELA

VENEZUELA is the second largest oil producing country in the world and the largest exporter. Output in 1952 continued to increase, averaging 1,800,405 barrels a day for the nine months ended September 30th, compared with a daily average of 1,704,643 barrels in the year 1951. Final figures for the year should exceed the 1951 record of 622,200,000 barrels. Approximately 10,000 producing wells are reported and in October 1952, 107 new wells were being drilled; refinery capacity is also increasing and is now approximately 350,000 barrels daily. Shipments of iron ore by Iron Mines of Venezuela (Bethlehem

Steel) were increased during 1952 and the anticipated stabilized output of 3,000,000 tons per annum is now expected to be reached by the end of 1953. Development continues at the Cerro Bolivar concession of Orinoco Mining Company (U.S. Steel) and the date for initial shipments has been moved forward to late 1954. Republic Steel Corporation have commenced exploratory activities on the concession granted in 1951.

The existing duty-free entry of Venezuelan iron ore into the United States was bound and further United States' tariff concessions on petroleum were included in the Venezuelan-United States Trade Agreement signed on August 28th and effective on October 11, 1952. By this agreement, which supplements and amends that of 1939, Venezuela granted tariff concessions on 179 items, compared with 88 items in the original agreement. The commercial *modus vivendi* with Canada of October 11, 1950 was extended for another year to October 11, 1953. Imports during the seven months ended July 31st were valued at 1,414,671,638 bolivares, compared with 1,297,422,121 bolivares in the same months of the previous year. The major increase was in imports by petroleum and mining companies, but commercial imports were well maintained. Inventories, however, are not excessive.

Government revenues in the fiscal year ended June 30, 1952 were 2,282,183,318 bolivares and expenditures were 2,238,173,528 bolivares. The 1952/53 budget provided for receipts and expenditures of 2,300,000,000 bolivares, including substantially increased provisions for public works and encouragement to agriculture. Self-sufficiency in rice, sugar and vegetable oils is the goal; rice production in 1951/52 was 90,000,000 pounds, compared with 55,000,000 pounds in 1950/51. The output of coffee showed a further gain in 1952 but the cacao crop continued to decline; these are the two principal agricultural exports. Cotton production exceeded local consumption but imports had been permitted early in the year, when a small crop was anticipated; stocks are heavy and a good yield is anticipated in 1952/53. The government has announced that it will purchase any part of the current crop not taken up by the local mills.

CUBA

BY A COUP D'ETAT on March 10, 1952, General Fulgencio Batista was placed in control of the government; on April 4th a constitutional law, replacing the Constitution of 1940, was approved and General Batista took the oath of office as President. It has been publicly stated that general elections will be held in November 1953. Treasury receipts for the fiscal year ended June 30, 1952 were Cbn\$354,499,768, sufficient to cover both ordinary and extraordinary outlays during the year. The budget for 1952/53 provided for expenditures of Cbn\$336,285,931. The value of exports in the first six months of 1952 was slightly less than that in the same months of 1951, but the favourable balance of trade has been maintained.

The sugar grinding season lasted from December 4, 1951 to August 1, 1952 and the total output of 7,011,393 Spanish long tons of sugar and 397,909,172 gallons of molasses was the largest in Cuban history. Because of the difficulty of disposing of such a large crop, a stabilization reserve of 1,750,000 long tons was established, to be sold over a period of five years at 350,000 tons annually; this reserve is being financed by the commercial banks, under an agreement with the Sugar Institute and the Banco Nacional de Cuba. In order to avoid the creation of further surpluses during the period covered by the agreement, it provided for the control of future crops; the 1953 crop will be restricted to 5,000,000 Spanish long tons. The basic quota for 1952 shipments to the United States was originally set at 2,134,641 Spanish long tons (2,424,571 short tons) but, after a number of adjustments, was finally increased to 2,543,460 Spanish long tons. The 1953 United States' quota was announced on December 5th at 2,286,720 short tons. A sale of 200,000 tons of Cuban sugar was made under an agreement with France, providing for 30% to be paid for in U.S. dollars and the remainder by the establishment of a credit in francs, at a fixed rate, to be used for the purchase of French merchandise over a period of three years.

The 1952 tobacco crop was estimated at 602,000 bales, compared with production of 580,742 bales in 1951. Demand was

good, prices higher than in 1951 and the crop moved rapidly. The output of sun-grown tobacco in 1953 is restricted to approximately the same as in 1952, but excessive rains have delayed planting. With favourable pasturage conditions during the year and an increase in the official price, the cattle industry enjoyed a satisfactory year; factories producing butter, cheese and condensed milk operated successfully and a further increase in production is anticipated in 1953.

Coffee harvested in the crop year 1951/52 amounted to 625,169 quintals, compared with 713,595 quintals in 1950/51; the 1952/53 yield is also estimated at 625,000 quintals. Marketing progressed normally with satisfactory prices. The production of rice continues to expand rapidly but is still less than one-third of local requirements. Competition from other sources and relatively poor quality are reported to be reducing shipments of fresh pineapples and tomatoes to the United States and the greater part of the crops are canned for export and local consumption.

BRITISH WEST INDIES BRITISH GUIANA AND BRITISH HONDURAS

WHILE LOCAL DROUGHTS and unseasonable rains reduced yields in some areas, production and sales of most staple crops were normal. Prices of the principal products remained satisfactory. Generally speaking, purchasing power and trade were well maintained, in spite of a continued rise in the cost of living, and labour conditions were quiet. The tourist trade continues its steady expansion, but the announcement that the service of the C.N.R. "Lady Boats" to the eastern islands would be discontinued at the end of 1952 has raised doubts about tourist trade and communication in the smaller islands. Many tourists, however, now travel by air.

Industrial development and agricultural diversification continue to receive support from the local governments and from the Colonial Development Corporation. Road construction is active, particularly in British Honduras, where the Humming Bird Highway, linking up Belize and Stann Creek, is scheduled for completion in 1953. Improvement of electric power facilities

and the erection of food processing plants are under way in a number of islands. The development of secondary industries, encouraged by tax remission and other advantages for pioneer industries, is reaching satisfactory proportions in Jamaica and Trinidad; similar legislation has been introduced in the Bahamas, but early results have not been as large as anticipated.

An Industrial Development Corporation was established in Jamaica on June 1, 1952 to assist in the expansion and growth of existing industries. The corporation has available funds of £735,000, of which £235,000 was provided by the Jamaica government, which is also guaranteeing a loan of £500,000 from the Colonial Development Corporation. The Jamaica Agricultural Corporation began operations on May 1st, with the primary objective of making Jamaica self-sufficient in rice, of which it now produces only 25% of local consumption. Progress in mechanization and the clearance of suitable land is already reported. A team of experts from the International Bank for Reconstruction and Development visited the island early in the year and its report, to be made the basis for the future lending policy of the Jamaica government, is expected shortly.

A conference will be held early in 1953 of representatives of the legislatures of Jamaica, Trinidad and Tobago and the Leeward and Windward Islands to discuss details of the proposed federation of the Caribbean colonies. The proposal has been approved in principle by these colonies but not, as yet, by Barbados, British Guiana or British Honduras.

Despite unfavourable weather conditions in the early months of 1952, sugar production was well maintained in the area; the Barbados crop of 168,000 tons was 10% below the record of 1950/51, but was still the second largest in history and the output in St. Kitts established another new record. Although production in most areas is expected to be smaller in 1953, an anticipated increase in the Jamaica crop should hold total output at recent levels of 850,000 tons and the higher prices under the Commonwealth Sugar Agreement are expected to maintain returns to growers.

Cacao prices continued satisfactory during the year and shipments from Dominica and Grenada were well maintained; exports from Trinidad during the crop year ended September 30, 1952 were slightly less than 15,000,000 pounds but favourable weather conditions for the current crop indicate a 1952/53 output in excess of 20,000,000 pounds. Coffee production in Jamaica increased and arrangements are underway to restore the trade to private hands. Production of nutmegs and mace in Grenada was at the low levels of 1951, substantially below previous years. Stocks of nutmegs are large and competition from Indonesia increasing. The 1952 pimento crop in Jamaica, while small, was larger than anticipated but exports of ginger declined. Prices for vanilla on the world market showed further declines, exports from Dominica were small and the heavy stocks on hand from the 1951/52 crop make the outlook for the industry uncertain.

The Jamaica banana plantations made a remarkable recovery from the damage caused by the hurricane of August 1951 and exports in the first eleven months of 1952 were in excess of 3,000,000 stems, compared with 3,600,000 stems in the same months of 1951. Bulk purchasing of Jamaica bananas by the British Ministry of Food will continue until 1954, unless other arrangements satisfactory to the local industry are concluded. Leafspot disease has adversely affected production in British Honduras and Dominica, but shipments from the latter island in the nine months ended September 30, 1952 were in excess of total shipments in the year 1951 and future prospects are considered good.

The citrus fruit crops in Jamaica did not recover from hurricane damage so quickly and the 1951/52 output was 580,764 boxes of oranges and grapefruit, compared with 802,126 boxes in 1950/51. Yields of grapefruit in Trinidad were slightly higher but that of oranges was nearly double the output in 1950/51; a better-than-average crop is anticipated for 1952/53. The 1951/52 grapefruit crop in British Honduras was the largest on record, 220,737 boxes, but unseasonable rains are reported to have reduced the set of fruit for 1952/53 by 25%; orange production in the colony has doubled in the last three years and,

with new plantations coming into bearing, the next crop may show a further increase of 100%. All the producing areas report increased processing of fruit, with a consequent gain in shipments of canned fruit and juice at the expense of fresh fruit exports. Production and shipments of limes and lime products from Dominica and Montserrat have been normal.

Drought and black boll damage in Montserrat reduced the Sea Island cotton crop to slightly more than half the output in 1951 but increased production in Antigua and St. Kitts offset this decline and the total yield is estimated at approximately the same as in 1951, 1,975,000 pounds. As in recent years, the crop was purchased by the British Raw Cotton Purchasing Commission, but they will not be handling the 1953 crop and the outlook for prices and production is uncertain.

Production of coconuts and copra in Jamaica during 1952 was approximately half of that in 1951 and imports of substantial quantities of copra were necessary to maintain operations at the soap and edible oil factories. Although devastated by hurricanes in 1944 and 1951, the industry has prepared plans for expansion which, provided no further catastrophes occur, should restore normal output by 1960. Copra output in Trinidad for 1952 was expected to establish a record in excess of 18,000 tons, but drought early in the year reduced estimates of the 1953 crop to approximately normal levels of 14,000 tons.

Conservative estimates indicate a record rice harvest of 68,642 tons during the 1951/52 crop season in British Guiana and, despite unfavourable weather during planting, the new crop should also be large. Higher prices have encouraged exports to the other British West Indian colonies. Exports of tomatoes from Jamaica, the Bahamas and other eastern islands in 1951/52 suffered from severe competition from the large Florida crop; production of vegetable and other food crops for local consumption continues to be officially encouraged but unfavourable weather in some areas resulted in temporary, local shortages.

Petroleum production in Trinidad remains constant at approximately 21,000,000 barrels per annum, but there is a steady small increase in the number of producing wells. Larger imports of crude oil for refining and re-export are reported and

the output of asphalt has shown an increase. Exports of bauxite from British Guiana continue to increase and improvement of mining methods is under way. Work on mining, shipping and processing facilities at the three bauxite projects in Jamaica is reaching the stage where production should commence shortly. The discovery of commercial quantities of columbite, essential for jet engines, in British Guiana has been followed by intensive exploratory and development operations.

The market for mahogany in the United States has been weak and it is anticipated that logging operations in British Honduras this season will be reduced. The utilization of mahogany timber not up to export specifications in the local furniture industry is being encouraged by the milling of small timber and the introduction of a kiln seasoning plant. Demand for pine and cedar continues strong and export control is still necessary to retain supplies for local requirements.

DOMINICAN REPUBLIC

FOREIGN AND DOMESTIC TRADE in 1952 were maintained at the record levels of the previous year, in spite of lower sugar prices and a smaller cacao crop. Total foreign trade in the nine months ended September 30th was valued at RD\$132,865,000, compared with RD\$132,998,000 in the same months of 1951 and the favourable balance was RD\$46,513,000, slightly higher than that of RD\$46,110,000 in the previous year. The financial position of the government continues sound and revenues in 1952 were expected to equal budgetted expenditures of RD\$83,000,000. Public and private construction continued active throughout the year and further highway developments and building projects are in progress.

Excess rains during the grinding season reduced sucrose content of the cane, but the larger area planted resulted in a new record sugar crop of 588,189 metric tons, 12% larger than the previous record of 531,650 tons in 1950/51. Great Britain continued to be the principal market, the Ministry of Food purchasing the bulk of the crop at an average price of US\$4.426 per cwt. Favourable weather conditions and a further

increase in plantings indicate another record crop in 1952/53. The British Ministry of Food has definitely agreed to purchase 300,000 long tons and possibly another 50,000 tons, at the average price on the free world market during the months March to October inclusive. Other certain contracts include 60,000 tons for Canada, 40,000 tons for the United States' quota and 40,000 tons for local consumption, leaving 110/160,000 tons to be sold on the free world market.

The 1951/52 cacao crop was below normal in size but sold readily at high prices; exports of cacao beans were smaller but those of chocolate showed a further gain. The coffee crop was large but of below-average quality; the exportable surplus was all marketed at satisfactory prices. The new crop is short but of good quality and is being sold at prices very slightly below those of last year. The tobacco crop was larger than in 1951 and sold readily. Production of rice, corn and livestock products was adequate for local consumption.

HAITI

INCREASED EXPORTS OF COFFEE and sugar more than compensated for lower values of shipments of sisal and minor crops, and foreign trade was maintained at the record levels of the previous year. Government revenues, largely derived from export and import duties, were slightly less than budgetted expenditures of 124,479,082 gourdes for the fiscal year ended September 30, 1952; the budget for the current year calls for expenditures of 138,956,000 gourdes, the largest on record. As a result of changes in plans for the Artibonite Valley flood control, irrigation and agricultural development, work is not yet in progress but the project is expected to get under way in the next few months. When completed, some 77,000 acres of land will be brought under cultivation. Preliminary operations in the bauxite mining concession of the Reynolds Metals Company in the Southern Peninsula have been initiated and should be completed during the current year.

Foreign trade in the eleven months ended August 31, 1952 was valued at US\$97,017,500, compared with US\$87,191,000

in the same months of 1950/51. The near-record coffee crop of 720,000 bags (132 pounds) sold at high prices; the new crop, now being harvested, is estimated at only 600,000 bags. The price of Grade A sisal fibre fell from 25 cents a pound at the beginning of April to less than 16 cents a pound at the end of June and the market is still weak. The volume and value of exports showed a corresponding decline. Production and sales of sugar were well maintained and three new sugar mills are at various stages of construction. Average yields of food crops for local consumption were obtained but the output and export of bananas continued to decline.

PUERTO RICO

MARKETING RESTRICTIONS slowed movement of a record 1952 sugar crop, but trade was generally maintained at the level of the previous year, although with greater use of credit facilities. Early in the year, a month-long stevedore strike adversely affected foreign trade and reduced stocks of food and other essentials; after the strike was settled, the rush of imports caused dock congestion and resulted in heavy inventories, but these were reduced to normal by the end of the year. Exports in the fiscal year ended June 30, 1952, were valued at US\$257,030,000, compared with US\$271,242,000 in 1950/51. Government revenues during the fiscal year increased, particularly returns from income taxes, and the budget for the current year calls for total expenditures of US\$155,122,632. The new constitution which provided for commonwealth status and a larger degree of self-government, was approved by the United States Congress on July 1, and went into effect on July 25. Despite an unusually low sucrose content of cane harvested, a record sugar crop of 1,359,840 short tons was produced in 1951/52 and the excess from the previous crop was approximately 118,000 tons. The final 1952 quota for shipments to the continental United States was 970,599 tons, that for local consumption was 110,000 tons and, up to November 16, 1952, around 143,888 tons were shipped to world markets. The 1953 crop will be restricted to 1,100,000 tons, which will not permit

harvesting of all available cane. The United States' quota for Puerto Rican sugar is 1,080,000 tons and local consumption has again been set at 110,000 tons. A larger tobacco crop of 281,297 quintals, but of only fair quality, was all sold by the end of the year at reasonably satisfactory prices. Following the largest coffee crop in twenty-five years, estimated at 270,000 quintals, the 1952 crop was small, only 150,000 quintals, and below local consumption requirements. The insular government has made arrangements to import 20,000 quintals from the Dominican Republic and to intervene in marketing to prevent excessive speculation. A small pineapple crop was largely marketed as fresh fruit at good prices and a larger yield is anticipated in 1953. Exports of fresh coconuts have increased steadily but Philippine competition in the processed coconut market in the continental United States has caused the closing down of the local processing plant. Philippine competition also reduced the volume of needlework produced for export but activity is reported to have increased in the later months of the year.

SUPPLEMENT TO THE REPORT OF THE PROCEEDINGS
AT THE EIGHTY-FOURTH ANNUAL MEETING OF
THE ROYAL BANK OF CANADA
JANUARY 8TH, 1953

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