

there were declines in asbestos, lead, lime, natural gas, salt and silver; in the quarter there were decreases in asbestos, clay products, lead, silver, and zinc. In both periods, the sharp fall in the production of asbestos was a result of the labour dispute.

**POPULATION OF NEWFOUNDLAND:** Of a total population of 242,946 in Newfoundland, 10 years of age and over at the 1945 Census, 210,064 or 87 per cent were reported as being able to read and write. Comparative figures for 1935 show that 221,384 persons were 10 years of age or over, and of these, 174,337 or almost 79 per cent were reported as being able to read and write.

The increase in the 10-year period in the number of persons who were able to read and write was 35,727, or more than 20 per cent. Conversely, the number of persons 10 years of age or over reported as being unable to read or write dropped from 40,458 to 29,072 during the same period. These facts are revealed in a report released by the Bureau of Statistics, based on the results of the Census of Newfoundland, taken by the Newfoundland Government in 1945.

Almost 89 per cent of the female population were reported as being able to read and write in 1945 as compared with 84 per cent of the male population. In the previous Census of 1935, 82 per cent of the female population and 76 per cent of the male population were reported in this class.

**INTERNATIONAL PAYMENTS:** The Bureau of Statistics on June 1 released a comprehensive report entitled "The Canadian Balance of International Payments, 1926 to 1948." The first chapter of this volume is devoted to a discussion of the uses and nature of balance of payments statements, while the second chapter deals with the characteristics of the Canadian balance of payments. Chapters three, four and five discuss the course of Canadian balance of payments during the interwar years, the wartime period, and the early post-war period. Chapter six deals with Canada's international investment position.

The volume is divided into three sections. Part one contains a description and analysis of trends in international transactions with statistics covering the period from 1926 to 1948. A description of the sources of information and statistical methods appears in part two -- bringing up to date the detailed description of methods developed in the period up to 1939 which were described in the report, "The Canadian Balance of International Payments, A Study of Methods and Results", published in 1939. Part three contains detailed statistical tables.

**LANDINGS OF SEA FISH:** Catch and landed value of sea fish were lower in April than in the corresponding month last year, decreases being shown on both coasts, according to the Bureau of Statistics. On the Atlantic, cod, pollock, and sardines showed the main reductions, while herring, clams and quahaugs were more plentiful. There were declines on the Pacific in the landings of cod and salmon, but an increase in herring.

Total landings in the month amounted to 32,733,000 pounds with a value of \$2,071,000 compared with 35,926,000 pounds valued at \$2,385,000 a year ago.

**LIST OF HOSPITALS:** A list of hospitals operating in Canada has been published by the Bureau of Statistics. The various types of hospitals -- public, private and nursing homes, hospitals and homes for incurables, tuberculosis sanatoria and tuberculosis units in other hospitals, mental institutions, and federal Government hospitals -- are shown by provinces and are listed alphabetically according to location. Figures on the bed capacity of each are also given.

**WORLD WHEAT CROP:** The outlook for the world's 1949 wheat crop has shown some improvement over the past month, states the Bureau of Statistics in its monthly review of the wheat situation.

The May 10 crop report of the United States Department of Agriculture placed the current winter wheat crop at 1,021 million bushels and indicated that with average yields on the prospective spring wheat acreage, a total wheat crop of 1,312 million bushels could be harvested. A crop of this order would approach the 1947 record of 1,367 million and would exceed by a wide margin the 1937-46 average of 943 million bushels.

In Canada, farmers, on the basis of their intentions at April 30, indicated they would seed 3,000,000 more acres to spring wheat this year than last, making a total of just under 27,000,000 acres seeded to wheat for harvest in 1949. During the latter part of May timely rains fell over large sections of the Prairie Provinces where drought had been imminent. Material improvement in crop conditions resulted but moisture reserves are still far below normal in many parts of the west. Frequent and ample rainfall will be required during the growing season to mature a satisfactory crop. Slight damage from frost has occurred on the Prairies and strong measures are being taken in many areas to combat serious infestations of grasshoppers.

A recent report from the Argentine indicates that planting of wheat is now under way with soil conditions mostly satisfactory.

NO PRESENT EXTENSION OF FOREIGN CREDITS

**MR. HOWE'S LETTER:** Following is text of the reply of the Minister of Trade and Commerce, Mr. Howe, to W.D. Jewett, President, Canadian Exporters' Association, concerning the brief submitted by the Association under date of April 25:

May 19, 1949  
Dear Mr. Jewett:

I have read with care the brief on Canada's export trade that you submitted under date of April 25, and which was awaiting me on my return from a trade mission to the United Kingdom.

"I am well aware of the tightening up of export markets as a result of unbalance of exports and imports from dollar areas, and when I was in England I gave this problem the priority that it obviously deserves. We in Canada should appreciate the need for restrictions arising out of the dollar situation, since we in this country have the same dollar problems as every other country in the world, except the United States, and possibly one or two other smaller countries. The real correction of the situation lies in bringing about a better balance between imports and exports. This Government will continue its best efforts in that direction."

NINE RECOMMENDATIONS

"In your brief you make nine recommendations, but as in several instances two or more of the recommendations involve the same general principle, I will deal with the matters raised by the subject involved.

"Recommendations Nos. 4, 5 and 8 all involve the extension of credit to a foreign country. Recommendation No. 4 suggests direct credits, No. 5 suggests the holding of non-convertible currencies, which is, in effect, the extension of credit, although on a non-interest-bearing basis and without any definite maturity. Recommendation No. 8 deals with credits extended through the chartered banks.

"There are two prerequisites to the extension of foreign credits: one, the ability of the lender to finance the loan, and the other the willingness of the borrower to incur obligations. The measure of a country's ability to extend credit is the current surplus on its overall balance of payments, which means, generally, the surplus of its exports over its imports. Any extension of credits beyond this point could only be undertaken if the country concerned was in the position of being able to allow its foreign exchange reserves to be run down. Canada's reserve position, which has improved substantially from the low point that it reached at the end of 1947, is still not such that any substantial reduction can be contemplated through the extension of foreign credits. It is still too early to forecast

with accuracy the surplus on our balance of payments this year, since so much depends on the size of our crops. At present, however, it does not appear that there is justification for any substantial extension of the credits, grants, and other forms of assistance that have already been arranged.

"In so far as the potential borrowers are concerned, there is in a number of the more important cases considerable doubt as to whether the Governments concerned would be willing to go further into debt to Canada to purchase goods here, unless such goods were regarded by them as essential, and could not be obtained on more favourable terms elsewhere.

"In recommendation No. 8, the statement is made that Canadian chartered banks claim they are discouraged by the Canadian Government from financing exports which need extended terms of credit. I do not know of any basis for such a statement. No agency of the Canadian Government, so far as I am aware, has discouraged or would discourage such action by the Canadian chartered banks. Permission from the Foreign Exchange Control Board is of course, necessary, but in all bona fide cases such permission is readily granted.

CONTINUING BASIS

"In this connection, I would point out that while Part II of the Export Credits Insurance Act has lapsed, the Export Credits Insurance Corporation was established by Part I on a continuing basis. The Corporation is prepared to assist in the financing of undertakings that require short-to-medium-term credit. Indeed, a number of important transactions have been arranged through the Corporation's facilities.

"Recommendations Nos. 1, 2 and 3 are related, the intent of which appears to be best illustrated by my recent trip to the United Kingdom. You may have noted my address at the dinner at the Mansion House in London on the occasion of the opening of the British Industries Fair. I was gratified to see the full coverage that was given to my remarks in the British Press.

"In recommendation No. 6, it is suggested that the volume of Canadian trade is adversely affected by the requirement that goods exported to the United States dollar area must be paid for in U.S. dollars or some other currency convertible into United States dollars. The recommendation is for a change in the regulation to permit the acceptance of Canadian dollars from buyers in any market. I find it difficult to see how the proposed change would result in any real benefit to Canadian exports, although it would undoubtedly have adverse effects. At present, non-residents who hold Canadian dollars which are not good payment for Canadian exports sell these dollars among themselves at a price which represents a dis-