

1948 FOREIGN TRADE HIGHEST IN HISTORY

\$5,747,000,000 TOTAL: With all-time high figures for merchandise imports and with domestic exports exceeded only in the two war years, 1943 and 1944, Canada's foreign trade reached a record aggregate value of \$5,747,000,000 in 1948. This was about seven per cent higher than in 1947 and slightly more than a third greater than in 1946, the Bureau of Statistics reports.

Rounding out the year's total, the value for the month of December was \$551,300,000 as compared with \$465,100,000 a year earlier, a rise of 18.5 per cent. Substantial gains were shown in the month both for merchandise imported for consumption and domestic exports. Foreign exports were lower.

Canada ended the year 1948 with an over-all favourable balance of trade with all countries amounting to \$473,100,000, double the 1947 figure of \$237,800,000, and \$61,200,000 in advance of the 1946 total. The debit balance with the United States was cut to \$283,600,000, less than a third the 1947 debit of \$918,100,000. The favourable balance with the United Kingdom was reduced to \$389,200,000 from \$564,300,000 in 1947.

In December, the favourable balance with all countries was \$87,300,000, highest monthly total since December 1945, compared with \$58,200,000 in November and \$76,700,000 in the corresponding month of 1947. The deficit on trade with the United States was \$9,900,000 compared with a credit balance of \$1,500,000 in November and a debit of \$33,900,000 a year earlier. The favourable balance with the United Kingdom was \$24,000,000 -- lowest since April -- as against \$28,600,000 in November and \$52,500,000 in December, 1947.

Merchandise imports in 1948 were valued at \$2,636,900,000, showing a comparatively small gain of \$63,000,000 over the previous record aggregate of \$2,573,900,000 in 1947, but a rise of almost 37 per cent over 1946. In December the value was \$232,000,000 as compared with \$238,200,000 in November and \$194,200,000 a year earlier.

Domestic exports in 1948 were valued at \$3,075,400,000, an increase of 10.8 per cent over the 1947 figure of \$2,774,900,000, and a rise of 33 per cent over 1946. The value for December was \$316,400,000 -- highest monthly peacetime figure -- compared with \$293,900,000 in November and \$266,200,000 a year ago.

Foreign merchandise was exported in 1948 to the value of \$34,591,000 compared with \$36,888,000 in 1947. In December the value was \$2,902,000 compared with \$4,713,000.

Canada's merchandise imports from the United States declined in value last year from the record figure of 1947, while purchases from the United Kingdom and other British countries increased. Further offsetting the United States drop, imports from other foreign countries as a whole were also above 1947. On the commodity

side, there were substantial gains in iron and iron products and non-metallic minerals and a small advance by the chemicals group, while all other groups were down.

Imports from the United States in the year totalled \$1,806,000,000, down \$169,000,000 from the 1947 aggregate of \$1,975,000,000. During December, however, imports increased to \$159,400,000 compared with \$142,700,000 a year earlier.

Merchandise purchases from the United Kingdom rose to \$299,500,000 in 1948, showing a gain of \$110,000,000 over the 1947 total of \$189,370,000. Imports advanced in December to \$24,633,000 from \$20,254,000 in December, 1947. Total purchases from other British countries during the year moved up as a whole to \$205,000,000 from \$165,000,000 in 1947.

Imports from Latin American countries accounted for most of the gain in purchases from foreign countries, increasing to \$221,259,000 from \$159,142,000 the previous year. Most of the gain was in sharply increased imports from Venezuela, and substantial increases from Brazil, Mexico and San Domingo, imports from other major sources being generally lower and sharply down from Argentina.

Canadian imports from Europe in 1948 rose to \$71,400,000 compared with \$57,600,000 in 1947, a substantial rise being shown in December to \$12,770,000 as against \$3,354,000 a year earlier. Imports were higher from Belgium, Czechoslovakia, Denmark, France, Italy, and the Netherlands, and lower from Norway, Sweden and Switzerland.

Among British countries, imports from Australia totalled \$27,415,000 in the year as against \$14,222,000 in 1947, and from New Zealand rose moderately to \$11,603,000 compared with \$10,831,000. Purchases from Newfoundland increased to \$11,091,000 against \$9,427,000; British Guiana to \$15,380,000 compared with \$12,358,000; Jamaica, \$9,557,000 (\$6,371,000); Trinidad and Tobago, \$9,027,000 (\$5,654,000); Gold Coast, \$9,751,000 (\$6,493,000); British East Africa, \$9,543,000 (\$7,683,000); British Malaya, \$21,878,000 (\$16,908,000).

Due mainly to sharply increased import values for coal, crude petroleum and petroleum products, the non-metallic minerals group showed an outstanding rise from \$452,198,000 in 1947 to \$606,182,000. Value of coal imports climbed from \$138,950,000 the previous year to \$186,388,000, crude petroleum from \$127,459,000 to \$191,980,000, and petroleum products from \$79,735,000 to \$109,802,000. Clay and coal products were also higher, while glass and glassware declined.

Imports of iron and its products showed a moderate rise of \$20,000,000 from \$762,400,000 to \$782,300,000, with increases in most of the main items. Largest advances were recorded for farm implements and machinery and mining and metallurgical machinery, while smaller in-

creases were shown in iron ore, scrap, rolling mill products, pipes and tubes, business and printing machinery, automobile parts, and engines and boilers. Major decrease was in automobiles, lower values being shown also for household machinery, hardware and cutlery, and cooking and heating apparatus.

Imports of chemicals and allied products -- the only other group to increase -- advanced from \$113,085,000 to \$118,380,000 due mainly to gains in inorganic chemicals, paints and varnishes, and drugs and medicines.

Among the groups showing lower totals, agricultural and vegetable products declined from \$356,278,000 in 1947 to \$349,919,000; animals and animal products, from \$86,909,000 to \$84,702,000; fibres, textiles and products, from \$390,589,000 to \$350,619,000; wood, wood products and paper, from \$89,548,000 to \$73,730,000; non-ferrous metals, from \$160,926,000 to \$155,812,000; and miscellaneous products, from \$162,053,000 to \$115,346,000.

LABOUR INCOME: Canadian labour income in November is estimated at \$633,000,000 as compared with \$637,000,000 in the preceding month and \$567,000,000 in the corresponding month last year. The decrease from October was chiefly due to seasonal contraction of employment in agriculture and construction. Aggregate of wages, salaries and supplementary labour income for the first 11 months of 1948 stands at \$6,512,000,000, or 15 per cent higher than the estimate of \$5,684,000,000 in the same period of 1947, according to the Bureau of Statistics.

MEAT STOCKS LOWER: Stocks of meat were lower on February 1, totalling 79,652,000 pounds compared with 80,060,000 on January 1 and 135,659,000 on the corresponding date last year, according to the Bureau of Statistics.

Current stocks of frozen meat amounted to 50,322,000 pounds compared with 52,020,000 on January 1 and 88,467,000 a year ago. February 1 holdings included 14,458,000 pounds of pork, 22,055,000 pounds of beef, 3,981,000 pounds of veal, and 4,858,000 pounds of mutton and lamb.

B.C. LUMBER: Production and shipments of sawn lumber and ties in British Columbia showed declines in October, according to the figures released by the Bureau of Statistics. The month's output amounted to 207,383 M feet as compared with 236,872 M in September, a decrease of 12.4 per cent, and a drop of 13.6 per cent from the October, 1947 figure of 240,084 M.

Shipments in October totalled 207,467 M feet, a decrease of 8.4 per cent from the September total of 226,562 M, and a decline of 11 per cent from the October, 1947 total of 233,220 M. Stocks on hand at the end of October amounted to 266,541 M feet as against 275,671 M at the end of September and 247,333 M a year ago.

PRIMARY IRON AND STEEL: Shipments of primary shapes by Canadian steel mills, exclusive of producers' interchange, totalled 219,363 net tons in November compared with 236,424 net tons in October. The November total includes 6,934 tons of semi-finished shapes, 12,641 tons of structurals, 19,314 tons of plates, 29,570 tons of rails, 5,160 tons of tie plates and track material, 53,841 tons of hot rolled bars, 12,945 tons of pipes and tubes, 25,635 tons of wire rods, 15,389 tons of black sheets, 8,229 tons of galvanized sheets, 9,800 tons of castings, 4,383 tons of miscellaneous hot rolled products, and 15,522 tons of all other products.

NEW JET ENGINE TESTED: The Minister of National Defence, Mr. Claxton, announced on February 11 that the first test runs have been held of the RCAF's big new jet engine being developed at the A.V. Roe and Co. plant in Toronto. Running tests were held on February 10 and the engine performed "very satisfactorily".

The new engine, known as the Orenda, is the largest known to have reached a comparable stage of development in North America. The engine is of the axial-flow type, which allows great power to be contained within a slender design. It is being groomed as a possible power unit for the new long-range jet fighter being developed for the RCAF, also by A.V. Roe.

The initial tests were attended by Air Vice Marshal A.L. James, CBE, Air Member for Technical Services at Air Force Headquarters, Ottawa. The Minister quoted AVM James as reporting that the tests were "very satisfactory in every way, and the RCAF and A.V. Roe officials are pleased with the engine's performance at this stage."

The larger Orenda engine follows the successful testing of the design and engineering of a smaller prototype jet unit, the Chinook. The Chinook engine was successfully tested last March, and lessons learned from its performance have been applied to the bigger power unit at various stages in its development. The Chinook and Orenda engines are the first gas-turbine engines ever produced in Canada.

Mr. Claxton stated that testing of the Orenda engine marked a milestone in Canadian aeronautical engineering, and that A.V. Roe and the RCAF should be congratulated. He added, however, that experience with engine developments in other countries showed that many months of testing were usually required before a new engine emerged as an actual aircraft power unit. Engines fully-tested eight years ago are still being improved. The first tests of the Orenda have proved satisfactory, but many more months of hard work lie ahead, and many difficult problems may have to be solved, before we shall know whether the engine, and the aircraft for which it is intended, will do the job required to fill Canada's needs.