2	How's Business in Central America?
4	Greece as a Market for Fish
6	Asbestonos Sells Abroad
8	General Notes
10	Ireland and Its Foreign Trade
12	Argentine Agriculture Aids Recovery
15	Fairs and Exhibitions
17	Credit Conditions in the Commonwealth
18	Assessing the Automotive Market
19	Diesels for Argentina
20	If Business Takes You to France
22	The Italian Machine Tool Industry
23	Commodity Notes
25	Doing Business with the Belgian Government
27	Business and the Brussels Fair
28	Trade and Tariff Regulations
30	Trade Commissioners on Tour
31	Head Office Directory
34	Foreign Exchange Rates
36	Transportation Notes

CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, MAY 15, 1954, Vol. 101, No. 8

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

cover Pictured here in the early stages of construction in 1952, the Rio Lempa dam in El Salvador will be completed later this year; will help to overcome the country's electric power shortage and stimulate industrial development. For more information on El Salvador and on the other Central American countries, turn to page two.
—Photo by United Nations

How's Business in Central America?

Terms of trade today favour the five Central American republics, where good returns from agriculture sustain prosperity. Keen competition among suppliers characterizes this market at the moment.

GLEN A. COOPER, *Assistant Trade Commissioner, Guatemala City.*

BUSINESS CONDITIONS in the five countries of Central America are good but Canadian exporters, already handicapped by unsatisfactory shipping facilities, find that competition is keen. European powdered milk, canned meats, electric wire, telephones, water meters, kitchenware and roofing sheets are being sold at prices which North American firms cannot always meet. But in flour, fish, drugs, automotive supplies, household appliances and chemicals, it is still American firms which win most of the business.

United States and European suppliers outdo each other in salesmanship, service, credit terms and advertising; Canadian exporters are apt to pay less attention to these and especially to advertising. The reason in many cases is that low price and a small volume of sales leave no margin for such promotion; in others, it is merely neglect or lack of personal contact with the market. There are, of course, always some Canadian firms which have a competitive product and are pushing it with skill and success.

With coffee prices soaring and the price of imports stabilized, the terms of trade are more favourable than ever for Central America. The present pace of development and prosperity is expected to continue in spite of the much smaller current coffee crop in El Salvador and Costa Rica. New projects in highway and port construction are planned and imports are still rising.

El Salvador: Coffee Crop Smaller

Drought and insect pests cut down recent crops of coffee, corn and rice. Cotton exports are down because of reduced acreage last year and a warehouse fire in February which consumed the remainder of exportable stocks. The present coffee crop, 35 per cent below last year's excellent yield, was mostly sold or committed before the price rise of December and January. Sales contracts have already been made for some of next year's coffee, the earliest advance sales in El Salvador's history.

These agricultural reverses will undoubtedly affect imports and collections this year until the next coffee crop in December, but the financial condition of the country is sound. Gold and net foreign exchange holdings of $45 million are now six times prewar. The budget for 1954 is set at $60·8 million, an increase of $4 million over last year, and this increase is earmarked for the building of new schools.

Industrial development has not progressed as fast as some people hoped, in spite of the Government's free import permits for capital equipment. The preference of local capital for agriculture rather than industry is one of the factors. Another factor will be removed when the electric power shortage is overcome by the advent of Rio Lempa power about mid-year.

The construction rate is still climbing and the cement plant built in 1952 is to have its capacity doubled. Tenders have been called for three new telephone exchanges of 10,000 lines each for the suburbs of the capital. Engineers from a New York firm are boring test holes at the ports of Acajutla and La Union, a first step in the construction of a first class national port. Plans to build a road from San Salvador through Honduras to Puerto Cortez have been discussed with Honduras; this would give El Salvador an outlet on the Caribbean independent of the railroad through Guatemala.

Nicaragua: Boom Continues

Ever since export earnings doubled in two years ($23·7 million in 1949, $46·2 million in 1951), agriculture, trade and construction in Nicaragua have been progressing at a boom pace. Business is not expected to slacken this year, although exports in 1953 did not match 1952's record $51·3 million. Coffee income will be maintained because the sharp rise in world prices early in January will more than compensate for any decline in current yield.

Credit expanded considerably last year and prices, which had levelled, started to rise again. Merchants are well stocked but no signs of inventory reductions or decreased imports have appeared. Importers still must deposit their funds in the National Bank in advance in order to obtain an import permit, so that

—United Fruit Co.

Bananas from a Costa Rican plantation are being lifted down from the mechanical fruit-washing machine and loaded on railway cars for speedy shipment to the seaport.

speedy delivery of orders is important. Government finances are sound and the new income tax has helped to pay for new projects and debt amortization.

Nicaragua now leads the Central American countries in the production of row crops, in farm mechanization and in diversification of agriculture. First sesame seed and then cotton were the lodestars of this agricultural revolution. Cotton and sesame exports were valued at $11 million in 1952, compared with less than $1 million a year during the war. Other export products include rice, sugar, corn, cattle, timber, cotton seed and beans. Gold, once the major export, now ranks second to coffee.

A system of farm-to-market roads will be financed by a second loan of $3·5 million from the International Bank for Reconstruction and Development. The first loan in 1951, for the same amount, was used to build trunk highways to connect the major cities and ports of the west coast. Other major projects under way or planned are: railroad improvement with equipment from Germany; an automatic telephone system and another diesel electric generator for the capital city; completion of a road to the east coast, started during the war; additional port facilities at Corinto, and eventually a major hydro project in the interior. Private construction is keeping pace and modern business blocks and residences are going up.

Honduras: Imports May Decline

Imports into Honduras have been running at $55-60 million a year but orders are expected to decline in 1954, demonstrating the usual business caution in an election year. The tariff preference for U.S. goods continues to act as a barrier against Canadian flour, milk, sardines and other foodstuffs, but does not seriously affect wheat, leather, paper, aluminum and metalwares. Canadian wheat is expected to start moving again to the three flour mills. There is only a small market in this country for electrical appliances and other luxuries.

Rather late to get into the postwar coffee boom, farmers are now reaping the first crop from trees planted five years ago. The current crop of about 400 thousand quintals should be worth about $25 million. However, the banana business is still the mainstay of the economy and the two American fruit companies the largest enterprises.

There is much to be done in developing agriculture, roads and education. A satisfactory start has been made in recent years within the limit of the Government's finances, which are sound. During the fiscal year 1952-53, revenues totalled $25·2 million and the last of the external debt was cancelled, leaving less than $4 million internal debt. The budget for the current year is balanced at $32 million.

Costa Rica: Tariffs Increased

This is a year of uncertainty for Costa Rica, marked by drastically increased tariffs effective April 1st* and a short coffee crop. As 1953 was one of the best years in the history of Costa Rican agriculture and business, the contrast is rather striking and pessimism in the business community is apparent.

Imports for the rest of the year will probably be below normal, especially of those products which were overstocked just before the tariff increases.

Canadian exports on which duties have been raised include leather, codfish, salmon, milk, oatmeal, malt, wrapping paper and bags, plastic and rubber hose, typewriters, ammunition, textiles, and aluminum. Duties on wheat and flour remain unchanged.

The new government which took office in November is committed to a new-deal program of housing and social reform which may require an external loan. In the meantime, it is re-negotiating the contract of the

* Businessmen who wish further details about the new Costa Rican tariff should write to the International Trade Relations Branch of the Department.

United Fruit Co. so that the Treasury can receive additional revenue from this source. Other innovations are the new Ministry of Security (police) and the opening of a trade office in Paris, with the intention of re-developing trade with Europe lost during the war.

Guatemala: Banana Exports Recover

The series of tariff increases, surcharges and import restrictions, and the labour problems of Guatemalan business, are expected to affect the volume of imports more this year than they did last. In 1953 government imports of construction equipment and of material for the National Fair made up for the loss of sales of agricultural machinery, automobiles and major appliances, but this year the total is expected to be down to about the $75 million of 1952. Food, drug and other essential imports should remain normal.

Collections are slower and longer terms of payment are more common than two years ago. Germany has now recovered the second place among Guatemala's trading partners, with the United States still leading by a huge margin. Competition from other European countries is also widely felt. Coffee exports and exchange reserves have been well maintained, although the sight liabilities of the Bank of Guatemala increased 23 per cent in the twelve months to the end of January.

The distribution of expropriated estates among the peasants is continuing and their need for short-term crop credit is to be met by the National Agrarian Bank opened six months ago. Corn is the peasant's staple crop and the Government expected a large surplus for export last autumn. However, in the face of a shortage which caused local prices to spiral at the end of the year, it had to cancel supply commitments.

Two new government banks are planned, one for industry and the other for foreign trade. The income tax proposal has not yet been made law. Construction of the national port of Santo Tomas and of the Atlantic highway leading to it continues on schedule.

Banana exports recovered last year from the poor showing in 1952, when hurricanes and labour troubles seriously reduced shipments. The principal fruit company shipped six million banana stems in 1953 compared with three million in 1952. However, government expropriation of land to be used for banana crop rotation may force the company in future to rely more on private planters for their supplies.

GREECE *as a market for fish*

Canadian codfish sells well in Greece but our share of this growing market could be improved by more competitive prices and easier payment terms.

H. W. RICHARDSON, *Commercial Secretary, Athens.*

CONSUMPTION OF FISH IN GREECE is increasing steadily and, in spite of a record catch in 1953, imports have continued high and demand steady. Because his standard of living is rising, the Greek farmer can afford to eat more seafood, but inadequate refrigeration and transportation facilities limit the markets where fresh fish can be sold. Sales of imported canned and salted fish continued steady, especially in the mountainous areas; the small decline in imports during the first eleven months of 1953 was not the result of slackening demand, but of the import restrictions which were in force until April and of the new high cost of foreign currencies after April.

Opportunity for Canadian Codfish

Wet salted codfish is a great favourite among the Greeks and the Canadian Government's decision to send part of the $500 thousand grant voted for the Ionian Islands earthquake victims in the form of 800 tons of Labrador wet salted cod was well received, except by the importers of the Scandinavian product. Because of the import restrictions in effect until last April and, recently, the more competitive prices and the c.a.d. terms offered by European suppliers, Canada's share in the Grecian market has been seriously limited. However, under the present liberal foreign trade regime, Canadian suppliers may find it worthwhile to revise terms and prices quoted to Greek importers in order to resume their exports to this growing market.

Before the war, Greece imported about 1,000 tons a year of Labrador-cure wet salted codfish. Present salt codfish demand in Greece exceeds 1,000 tons a month, but dry salted accounts for less than 10 per cent and only negligible amounts have come from Canada since the war, except for gift shipments. The big difficulty now will be to overcome the change in taste and buying habits which has followed the long absence from this market of the Canadian or Labrador cure of cod.

On the other hand, since freedom from the last remaining foreign exchange and import controls was granted last July, Canadian canned salmon has already regained its former leading place among the limited imports of this luxury fish product. There are good opportunities also for low-priced canned herring and sardines in oil.

The Greek Fishing Industry

With a coastline longer in proportion to its area than that of any other country in the world and its archipelago of hundreds of islands, Greece is a country of many seafarers and fishermen. The fishing fleet today has 8,500 small fishing craft and 750 trawlers and seiners, as compared with 6,500 and 500 in 1939. The first postwar efforts to rebuild the Greek fishing industry were undertaken by UNRRA in 1946 and later were continued with American aid. Supplies, equipment and craft worth $7 million were imported and distributed; local private capital added another 40 per cent to this investment. The results have been rapid and gratifying. New and larger craft now extend their fishing expeditions to Cyprus, Sicily and the northern coast of Africa, and three large ships with modern refrigeration are fishing in the Atlantic. All these developments have produced larger and better supplies of fresh fish and have kept prices lower, in spite of a relatively inefficient distribution system within the country.

Fish Exchange at Piraeus

A new fish exchange is being completed in the Port of Piraeus with modern facilities to handle 300 tons of fresh and frozen fish; plans have been made for similar facilities in five other ports. Legislation has been enacted and successfully enforced to protect the spawn and fry during the breeding season, and new fishing banks have been discovered and mapped. Deep-sea and coastal catches reached a record of 50,000 tons in 1953—double the prewar level and 20 per cent higher than in 1952. With more new craft soon to be put into commission, the industry looks forward to an annual catch of 80,000 tons in a few years' time. Lakes, streams and rice plantations, especially in Northern Greece, have been successfully restocked with trout and carp spawn and fry imported from Switzerland.

Distribution Facilities Needed

Lack of transportation and refrigeration facilities on land still limit the markets where fresh fish can be sold. The Greek farmer, living only a few miles from the sea, usually has to resort to canned or salted fish

This Greek fisherman mending his net illustrates the country's continuing need for fishing craft and equipment, despite the steady progress made in rehabilitation since the end of the war.

for his relished seafood. The local fish canning industry has made some progress, but foreign competition and meagre supplies of the raw material will continue to limit expansion in this direction. Therefore, Greece will continue to depend on imports for a considerable portion of its fish supplies until it can make the large investment in refrigeration, transportation and a wholesale-retail distribution system needed to extend the present limited market areas for fresh fish.

Main Suppliers

Denmark (Greenland), Iceland, the United Kingdom and Norway were Greece's chief suppliers of the 19,000 tons of canned and salted fish imported during the first eleven months of 1953. Codfish accounted for 10,900 tons, of which only four tons came from Canada. Higher prices, further increased by high ocean freight rates, have recently kept Canadian suppliers out of the Greek market and c.a.d. terms from Europe are now an important new factor. With Greece's surplus of dollar exchange sufficiently high to afford purchases from either Europe or the dollar area, and with the demand expected to increase, Canadian suppliers might well review prices and terms of payment quoted to Greek and other Mediterranean importers.

Tour of Territory

Kenneth F. Noble, Trade Commissioner at Johannesburg, will make a tour of the Federation of Rhodesia and Nyasaland during the month of June. Businessmen in Canada who are interested in trade with this area should write to Mr. Noble airmail. The address: Mutual Building, Harrison Street, Johannesburg.

Asbestonos Sells Abroad

Second in our series of export "case histories", here is the story of a Quebec firm which fashions the asbestos of the famous Thetford Mines into many products—and which maintains its exports at all costs.

H. LESLIE BROWN, *Director, Information Branch.*

ONE DAY IN 1918, M. Joseph Poulin drove into one of the few small garages then doing business at Thetford Mines, Quebec. Proud of his new *McLaughlin* purchased only two months before, he was dumbfounded when he was told that the brake linings were already worn out. The cost of renewal was high and the quality of the lining mediocre. Then and there he decided to start manufacturing a better brake lining at a lower price.

M. Poulin had long wished to launch a business making asbestos products. Earlier he had operated an asbestos mine but with small success because the market for asbestos fibre in Canada was then a restricted one. He had also had some experience in the weaving business. With these assets, and with a firm belief in the future of the automobile, he began the production of brake lining.

Launching the Company

The new company, Asbestonos Corporation, was founded in 1920. Operations began in a small wooden building in East Broughton which M. Poulin had formerly used as a woollen mill. Soon he discovered that his was the first factory in Canada to card and spin asbestos and weave the resulting yarn into brake lining.

His progress was slow at first and the inevitable problems appeared, but M. Poulin persevered. As the number of automobiles increased and highways improved, Asbestonos made a name for itself. Within eight years domestic and export business had increased to the point where the original mill was inadequate and the factory was moved in 1928 to St. Lambert, near Montreal. Today the plant provides work for 284 employees and covers 98,950 square feet of floor space. The company now has sales branches across Canada.

Getting into Export

And what of export? Asbestonos has gradually developed an export department suited to its needs. This department has long been under one of M. Joseph Poulin's three sons, E. B. Poulin, who has gained his knowledge of export routines and formalities through long experience with his father's company. He was delighted to be asked when his company started exporting. "Right from the very beginning in 1920," he was prompt to reply—and went on, "In fact, our first export shipment went to England and little by little we became interested in other export markets". He then gave an interesting footnote to automobile history: "In those days the majority of cars in Canada had to be laid up all winter because highways were not kept clear of snow. During the long winter months, export orders were more than welcome to compensate for the slack winter buying".

Foreign Sales in Thirties

The export volume grew slowly but steadily from 1920 to 1928, when sales abroad averaged about 15 per cent of total output. At that time Asbestonos exported to fifteen foreign countries. They prefer as wide a range of markets as possible, rather than dealing with a few because "we cannot be hurt so badly should any country be cut off as a market due to exchange or import restrictions".

Business in the depression years brought little profit but export kept the plant in operation. In fact, M. Poulin is frank to say that export sales actually saved the company from going under. By 1934 and 1935 exports constituted a third of total sales and from 1936 to 1939 ranged from 31 to 40 per cent of all sales. The Second World War brought a rapid decline to 20 per cent in 1940 and on down to less than one per cent of total sales in 1944. The company was, of course, producing almost altogether for the armed forces.

Postwar Exports

But Asbestonos kept in constant touch with its customers abroad. As soon as the war was over, it pushed export sales up again—to 12 per cent in 1945 and to 30 per cent in 1947. Despite exchange and other obstacles, it continued to export and the percentage of gross sales going to foreign markets has ranged from 11 per cent in 1949 to 24 per cent in 1951 to 11 per cent in 1953. Total turnover in 1953 was eleven times that in 1938 so that percentage exported today bulks far larger than before the war.

Principal Products

Asbestonos offers a complete line of friction materials, available in rolls or cut-to-fit segments, in the woven, rigid or semi-rigid form, to meet the various requirements of passenger cars, trucks, buses, tractors, hoist cranes, etc. Each type of brake lining and clutch facing has been carefully developed to serve a specific purpose.

Before a new product is announced, Asbestonos devotes a year or more to extensive research in collaboration with brake and car manufacturers—in laboratories, on test cars, on proving grounds and in normal use by critical drivers. Brake lining is now moulded rather than woven. The method of fastening to brake shoes by rivets is gradually being replaced by bonding; bonded brake linings are "pre-cemented".

Asbestonos also manufactures a wide range of clutch facings, available in woven, braided and moulded forms. All are made from high-grade asbestos specially impregnated and compressed into dense flat rings, ground and drilled, according to manufacturers' specifications. Other asbestos products brought into production since that distant day in 1920 include yarn, cloth, tape, listing, oil burner wick, blocks, moulded and woven sheet stock, and various packings. The company also makes hydraulic brake fluid, anti-freeze, sponge rubber weatherstrip and latex foam pillows, some of which they are interested in exporting.

The Future of Export

With such a wide range of products and with the Canadian market taking eleven times the 1938 sales, the question arises whether export is still worth the effort. M. E. B. Poulin gave an immediate reply—"Notwithstanding high taxes, unsettled world conditions and all the complications affecting international trade, an exporter must be a man of wide outlook, who does not get discouraged even though some of his best markets happen to be up against some financial difficulties and suspend their purchases. The job is big but all one has to do is to work all the harder in other markets to compensate for losses elsewhere".

In selling to foreign markets, Asbestonos prefers agents who are handling automotive lines. In some cases the first inquiry has been from an agent seeking the line. Sometimes the company consults with foreign commercial representatives in Canada about possibilities of doing business with the respective countries. After assessing prospects by gathering data from various sources, they seek the assistance of the Canadian Trade Commissioner in finalizing each agency arrangement.

In the past, neither M. Poulin nor any other representative travelled abroad for the company. This year Asbestonos decided it would be advantageous for a member of the firm to visit Cuba, Mexico and other Latin American countries. During the course of his travels, M. Poulin consulted with the Trade Commissioners posted in the various countries.

Maintaining Sales

I was greatly impressed by M. Poulin's realistic attitude to the changing conditions of export trade when he made the positive statement: "Asbestonos has on many occasions seen markets falling away while it regains still larger ones. Therefore, it is Asbestonos' strict policy to maintain its exports at all costs, even if we have to shade prices and allow better terms. Export business for many years has been simply coming without effort, as it has for other Canadian exporters. But now times have changed. We, as much as anyone else, realize that competition is the keyword to success and without it business would be far from interesting."

Federation Plans Future

A four-year plan proposed for the Federation of Rhodesia and Nyasaland envisages an expenditure of £120 million on railway extensions and new lines, on coal mining, and on the Kafue hydro-electric scheme. About half of this sum will come from local sources.

The opening of free markets in Nyasaland and Northern Rhodesia should bring expanded industrial activity, but this will conflict with the existing South Africa-Southern Rhodesia reciprocal tariff and poses a trade problem for the Federation. A decision on the relative advantages of preferential access to the South African market vis-à-vis a protected domestic market will have to be made.

The greatest single expenditure under the four-year project is for the Kafue hydro-electric scheme which will require a further £20 million to ensure power by mid-1960. Priority has been given to the scheme for these reasons: (a), the serious gap between needs and available power requirements in the Copper Belt; (b), the rapidly mounting need for power in other parts of Northern and Southern Rhodesia; (c), the lowering of power costs by as much as 65 per cent as hydro power replaces thermal units; (d), economy in the use of indigenous coal, and (e), the creation of a revenue-earning asset to encourage further hydro-electric expansion by 1960. Failing power from the Kafue development by mid-1960, power rationing in the Copper Belt and a decrease in government revenue appear inevitable.

General notes

Argentina

PAPER FACTORY PROPOSED—A new paper factory for Buenos Aires province, backed by local paper manufacturers, is being discussed. It would cost some 200 million pesos and would produce 70,000 metric tons a year. Date of initial operation would be late 1955. The National Economic Council is also studying the possibility of making Argentina self-sufficient within the next few years in cellulose pulp and paper by installing new mills at widely spaced points throughout the country. On January 1st, the price of locally made newsprint was reduced from 4 to 3.50 pesos per kilo—Buenos Aires, April 12.

TIMBER CONTRACT WITH CZECHOSLOVAKIA—Argentina has contracted with Czechoslovakia under the compensatory trade agreement between the two countries for timber valued at 14 million pesos—Buenos Aires, April 12.

Chile

BUDGET DEFICIT—The Chilean Controller-General announced that the 1953 Budget closed with a deficit of approximately 10,000 millions of Chilean pesos, of which 7,000 million correspond to government expenditure not authorized by Congress—Santiago, April 5.

COPPER FOR GREAT BRITAIN—Total amount of Chilean copper sold to Great Britain during the past few weeks is 20,000 tons, according to a statement made by a spokesman of the Central Bank of Chile (the only authorized dealer in copper) to the local government-controlled newspaper *La Nacion*—Santiago, April 12.

Costa Rica

BUDGET SURPLUS—The Ministry of Economy has informed the press that the Budget surplus of more than 19 million Colones (5·67 Colones to $1.00) will cover urgent government commitments. Among the most important are C3 million for speeding the work at the Coco airport, $500 thousand for the Inter-American Highway to cover Costa Rica's quota during the present year, and many other important public works—Guatemala, April 17.

Denmark

EXPORTS OF HAM AND BUTTER—Danish butter exporters have decided to continue until September 1955 their long-term agreement with the United Kingdom under which they are obliged to sell 75 per cent of their exports to that market at a price of 345 shillings per hundredweight. Danish meat processors have had to cut down their exports of ham to the United States by one-third to assure fulfilment of their bacon contract with Britain. Exports of ham to the United States have been running at some 1,500 tons a month during the first quarter of this year, but will now be cut to 950 tons of ham and 150 tons of Grade 2 products, and will continue at this level until June 30th. By that time, an improvement in bacon pig production is expected—Oslo, April 16.

Japan

NEW DRUGS—A Japanese pharmaceutical company is to produce ACTH (hormone) in May. Another firm is slated to expand production of tricomycin, currently produced in small quantities—Tokyo, April 10.

Jamaica

RADIO-TELEPHONE TO CUBA—On March 17th, direct radio-telephone communication between Jamaica and Cuba was begun. Hitherto such communication has been effected through Miami, Florida. The new service established direct connection between the Jamaica Telephone Co. Ltd. and Cuba-radio Internacional, Havana. The Jamaican company, largely English-owned, is the sole concessionaire in this Colony—Kingston, April 9.

Mexico

TRADE DEFICIT—An excess of imports amounting to 188·9 million pesos in the first two months of this year was reported by the Secretariat of National Economy. The deficit was 29·5 million in the same months of 1953. The Bank of Mexico confirmed a loss of $90 million in the nation's current account transactions during 1953 and reported a further loss of $15·5 million in January—Mexico, D.F., April 10.

South Africa

EXTERNAL TRADE—South Africa's adverse trade balance shows a decrease for the first ten months of 1953 compared with the previous year. With imports holding steady at about the 1952 figures, exports increased by £3 million. This trend was expected to continue till the end of the year because heavy wool shipments were made during the last two months at higher prices than prevailed earlier. South Africa removed all discrimination against imports of dollar goods this year—Cape Town, April 9.

FUNDS FOR KILEMBE MINES—Financing for the Kilembe copper and cobalt mines has been assured by agreement between the Colonial Development Corporation and the Uganda Development Corporation which have jointly subscribed £2·5 million, contingent upon investment of an additional £2 million by the private developers. Production, to begin in 1956, is based on the conversion of 40,000 tons of ore a month into an annual output of 9,000 tons of copper and 900 thousand lb. of cobalt—Johannesburg, April 9.

Sweden

AGRICULTURAL SALES TO U.K.—The 1954 trade agreement between Sweden and the United Kingdom contains a quota for 8,000 tons of Swedish bacon to be sold at about £240 a ton, approximately 6 per cent lower than the price during 1953. Other Swedish agricultural products included in the quotas of this agreement are seeds, fat-water emulsion, synthetic cream, cocoa milk crumb, vacuum dried meat, chocolate, hard bread, biscuits, ravioli, canned fruit and bakery albumen substitutes—a total value of about one million pounds sterling. These quotas cover goods to be delivered from July 1, 1954, to June 30, 1955. An open quota has also been included for the export of Swedish eggs, egg products and milk products—Stockholm, April 23.

United Kingdom

STERLING AREA RESERVES—The United Kingdom Treasury has announced that the sterling area's gold and dollar reserves increased by $102 million in March and now stand at $2,685 million. This increase included $14 million of defence aid from the United States and $2 million from the European Payments Union. The net increase of $86 million compares favourably with the corresponding figure of $2 million for February and $14 million for January.

The sterling area's surplus with the dollar area and the rest of the world outside the European Payments Union was raised by the March figures to an average of $34 million a month for the first quarter of 1954. This average, which compares favourably with those for 1953, is an indication that the sterling area has so far withstood the effects of the United States' recession without any serious damage—London, April 25.

OVERSEAS TRADE UP—Preliminary results for March issued yesterday indicate that both United Kingdom imports and exports increased sharply over earlier months in 1954. Exports were £258 million, compared with a total of £209 million in February and £233·9 million in January. The rate of U.K. exports in March was also higher than in the fourth quarter of 1953. Imports, amounting to £298·6 million, were the highest since May 1952 and compared with £241·9 million in February and £282 million in January.

Exports to North America, higher than in January or February, totalled £24·1 million. The average for the first quarter of 1954 was £22·4 million, 10 per cent lower than the previous quarter but only 7 per cent less than the first three months of 1953. Exports to Canada, influenced partly by seasonal factors, declined in March to £11·2 million, or 16 per cent less than the average for the final quarter of 1953—London, April 25.

United States

TRADE THROUGH MICHIGAN—Imports and exports passing through the Customs District of Michigan, of which Detroit is the principal city, amounted to $1,319·8 million in the first nine months of last year, or 12·7 per cent more than in the same period of the best previous year. Since April 1952, Michigan has led all of the nation's Customs Districts except New York in the combined value of imports and exports. Latest available figures indicate that foreign trade for this district approximated $1,773 million in the twelve months ending December 31, 1953, about 26 per cent higher than that of New Orleans and 70 per cent over Galveston, Detroit's chief competitors for second place among the nation's ports—Detroit, May 1.

MAINE ACHIEVING BALANCED ECONOMY—Maine is achieving a balanced economy based on diversified manufacturing, agriculture, commercial fisheries and marine products and a dynamic tourist industry. Of its 913 thousand population, non-agricultural employment totals more than 250 thousand, of which over 114 thousand are employed in 1,326 manufacturing establishments. These factories turn out more than a thousand different products with an annual value of over a billion dollars. Maine's cash farm crop averages $175 million a year, sea and shore fisheries, $75 million and tourist industries, $200 million—Boston, May 3.

Ireland : *and its foreign trade*

E. FINEGAN,
Office of Commercial Counsellor, Dublin.

With over 90 per cent of exports going to Britain and with the Government urging greater self-sufficiency, Ireland's trade with dollar area has suffered. Trade with Canada showed interesting shift in main commodities.

THE FOREIGN TRADE POLICY of the Republic of Ireland is governed largely by dependence on the United Kingdom both as a source of supply and as a market for exports. In 1953, 50·8 per cent of total imports came from and 90·6 per cent of total exports went to the United Kingdom. In exports, a shift of trade to Britain is noticeable compared with 1952, when the corresponding figure was 86·2 per cent.

The problem of sterling inconvertibility continues to be the chief deterrent to increased trade with the dollar area and the Government will only grant dollars when supplies cannot be obtained elsewhere. In addition, policy has for many years been protectionist with the object of encouraging the growth of home industries. Recently, however, the Government has announced that it considers it desirable to review the effect of protection on the efficiency and costs of protected industries.

In agriculture, self-sufficiency is the goal and it is expected that in 1954 the Republic will grow sufficient wheat to meet home demand and make imports unnecessary. Some 56 per cent of export trade in 1953 was based on agriculture and cattle constituted 22·6 per cent of this. The future of the Irish livestock and meat trade, whose main market is Great Britain, is at present hanging in the balance pending the result of consultations before decontrol in Great Britain later this year.

Expansion of exports to North America appears to depend on the ability of Irish exporters to meet competition both in quality and price. In 1952 exports to the United States reached over £3 million but they dropped to £2·3 million in 1953. The chief cause was the fall in meat prices in the United States relative to Irish prices which resulted in the suspension of the recently expanded trade in meat.

Trade Balance

Valued at 1938 prices, imports to the Republic have grown from £41·4 million in 1938 to £57·4 million in 1953 and exports from £24·2 million to £32·9 million. Valued at current prices, imports for 1953 totalled £183·4 million and exports £114·0 million, leaving an unfavourable balance of £69·4 million. Some £22·6 million resulted from dollar trade and £30·2 million from trade with non-sterling EPU countries. The following table shows the pattern of trade by monetary areas in 1952 and 1953:

Area (*Origin for imports Destination for exports*)	*Imports* 1952	*Imports* 1953	*Exports (Including re-exports)* 1952	*Exports (Including re-exports)* 1953
	(£ million)			
Sterling	103·4	113·8	88·8	104·6
including United Kingdom	87·7	93·2	87·5	103·3
Dollar	32·8	25·4	3·5	2·8
including United States and dependencies	18·5	16·5	3·2	2·4
including Canada	10·9	5·7	0·3	0·4
Non-sterling EPU	29·3	34·5	6·8	4·3
All other areas	6·8	9·7	2·4	2·3
Total	172·3	183·4	101·6	114·0

Export Trade

Classification into broad groups reveals that exports during 1953 consisted of cattle, £25 million; other live animals, £7·5 million; foodstuffs of animal origin, £29·8 million; other foodstuffs, £24·1 million; drink and tobacco, £5·8 million; other raw materials and manufactured goods (including parcel post), £18·9 million. "Other foodstuffs" increased noticeably over the 1952 figures—from £17·3 million to £24·1 million, largely because of a rise in exports of chocolate crumb, chocolate confectionery and other confectionery. Re-exports amounted to £2·5 million, the largest single item being aviation motor spirit, £1·38 million.

In 1953, £102·2 million of Irish exports were consigned to Great Britain and Northern Ireland, with agricultural products accounting for over half of this and including cattle (chiefly store) and horses; fresh, chilled, frozen and tinned meats; poultry; fish; dairy produce; raw wool, etc. It remains to be seen how decontrol of the meat trade in Great Britain will affect some of these commodities. Most of the chocolate crumb and chocolate confectionery exports went to the United Kingdom; other large exports to Britain included ale, beer, porter, whisky and other beverages, £5·1 million; hides, skins, fur skins, leather and manufactures, £1·2 million; paper and cardboard, £1·1 million.

Other important markets were the United States, £2·29 million, Belgium, £1·2 million and Germany (Federal Republic), £893 thousand.

Import Trade

Imports for 1953 totalled £183·4 million, of which £3·8 million were live animals; £46·6 million, food, drink and tobacco, and £126·3 million, other raw materials and manufactured goods.

These imports came largely from the following sources:

Country	*Value*	
United Kingdom	£ 93	million
United States	16·4	"
Netherlands	8·6	"
Canada	5·7	"
Germany	5·2	"
Australia	4·8	"
Sweden	3·8	"
Belgium	3·6	"
France	3·2	"
All others	39·1	"
	£183·4	"

Wheat imports dropped from £8·7 million to £6·9 million but this decline was partly compensated for by an increase in maize imports from the United States. Imports of refined sugar, cocoa butter and paste, and other chocolate and cocoa preparations rose sharply as a result of the expansion in the chocolate crumb and chocolate confectionery industry. Imports of iron and steel and manufactures fell from £9·4 million to £6·3 million; aluminum, copper, coal and cement imports also decreased.

There was a general decline in lumber imports; sawn softwood lumber fell by 40 per cent, although hardwood imports nearly doubled in value. Imports of poles and railway ties declined.

Increases over the 1952 figures took place in tobacco, up to £4·5 million; wool and wool tops, up to £4·7 million; hides, skins, fur skins, leather and manufactures, up £·8 million, to reach a total of £1·6 million. Canada was an important supplier of the latter. Imports of wood pulp, newsprint, and animal and vegetable oils declined.

Trade with Canada

The adverse balance of trade with Canada fell from £10·6 million in 1952 to £5·4 million in 1953, mainly because of reduced imports, though exports also rose.

Total exports from the Republic of Ireland to Canada rose from £271,277 in 1952 to £344,349 in 1953. Main commodities in this trade were:

Commodity	*Value*	*Increase or decrease over '52*
Raw wool	£87,637	+£68,000
Chocolate and chocolate confectionery	36,577	(new export)
Jute fabrics	33,830	— 20,939
Pork	28,987	(new export)
Frozen beef and veal	2,410	— 99,033

Other exports included dead fowl; ale, beer and porter; plasterboards; woollen and worsted fabrics; sisal matting, cordage and cables—all of which, with the exception of the last two items, did not appear in the 1952 trade figures.

Imports from Canada dropped from £10·7 million in 1952 to £5·7 million in 1953. Imports of wheat fell from £6·6 million to £4·1 million and further decreases may be expected in the future because of the Government's self-sufficiency drive. Imports of machinery and electrical goods fell from £75,000 to £2,900, and of aluminum bars and rods from £133,953 to £18,851. Imports of copper bars and rods, which stood at £70,195 in 1952, ceased altogether in 1953. In both cases total imports dropped and Great Britain was the chief supplier.

Imports of lumber dropped drastically—from £2·5 million to £324 thousand in 1953 and, though total imports under this heading have declined, nevertheless the trade has clearly shifted to Sweden, Finland and the U.S.S.R.

No chemical wood pulp was imported from Canada in 1953; about £64,879 was sold to Ireland in 1952. Sweden continued to be the main source of supply of this commodity. Newsprint imports dropped from £780,729 to £688,340, with a larger proportion coming from Great Britain. No paperboard was imported from Canada in 1953 compared with £129,122 in 1952, because of increased domestic production.

Commodities in which trade expanded include hides, skins, and wastes of leather, imports of which rose from £8,883 to £158,432, and linseed which rose from £38,193 in 1952 to £85,934 in 1953.

Tour of Territory

D. H. Cheney, Vice-Consul and Trade Commissioner in Boston, plans to visit Providence, Rhode Island, from May 24th to 27th. Businessmen interested in this city should write to Mr. Cheney at the Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16.

Argentine Agriculture Aids Recovery

With good grain crops expected for the second successive year and the livestock and dairy industries staging a come-back, agriculture is making a vital contribution to the country's economic recovery.

W. F. HILLHOUSE, *Agricultural Secretary, Buenos Aires.*

ARGENTINA'S PRODUCTION of livestock and agricultural products in 1953-54 maintained the improvement of the previous year and permitted further economic recovery. Current trade information suggests that, although the output for individual crops has fluctuated considerably, total production of the main crops will approach that of last year. Production of meat, hides and wool remained about constant as farmers rebuilt herds; dairy production increased.

The excellent crops of 1952-53 permitted larger grain exports and these, combined with a restrictive import policy, served to treble Argentina's net holdings of gold and foreign exchange during 1953. Based on present estimates, export availabilities of grain and products for the present year will exceed 1953 exports by more than 50 per cent. If these and reasonable quantities of animal products can be sold, Argentina will probably be able to maintain her present exchange position and increase imports of sorely needed primary materials. However, further expansion of basic agricultural exports will be necessary before import controls can be noticeably relaxed and this expansion will not come quickly. Nor can a return to the prewar trading pattern be expected.

Agricultural Policies

During the past year the official policy towards agriculture incorporated in the second Five Year Plan has not changed fundamentally. Under the present plan, producer prices were increased for the 1952-53 crop by 30 to 50 per cent for the main grain and oilseed crops, planned agrarian credits were made available at reasonable interest rates, and farm wages were increased. Despite the fall in international grain prices, heavy international stocks, and a good Argentine harvest, the prices set in 1952-53 have been maintained for the present crops and, for sunflower seed, even raised slightly.

Export Grain Pricing

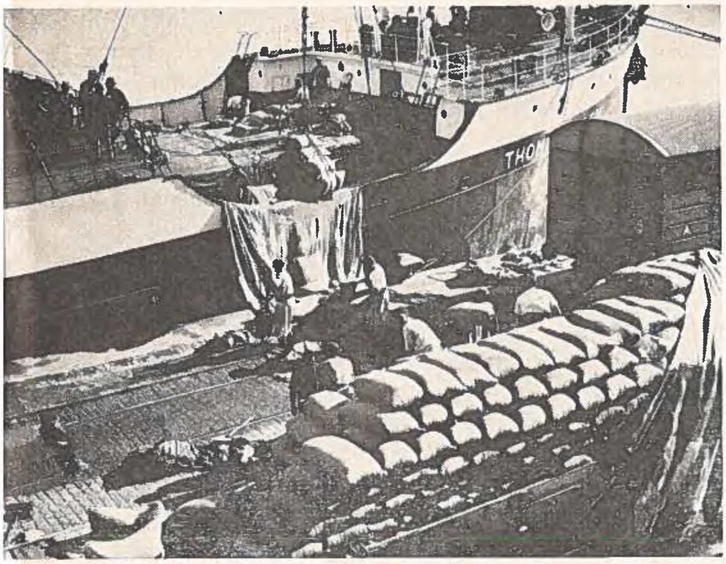
An important change in export price policy, particularly on grains and their by-products, became noticeable in the second half of 1953 when I.A.P.I. (Argentine state trading agency) began considering all reasonable offers. Previously I.A.P.I. had set specific prices on each commodity, usually above world levels. Under the new policy, export of grains rose from 1·4 million tons in the first half of 1953 to 3·3 million tons during the second half. There is every indication that, with substantial carryovers from last year and good harvests in 1953-54, I.A.P.I.'s export prices will remain competitive.

Farm Machinery Imports

In response to postwar international shortages of farm equipment and in sympathy with Argentina's industrial aims, domestic production of all the simpler implements and some of the complex machines increased to the point where imports were excluded. However, tractors and certain special machines are still not manufactured in any volume and many complain that the quality of the domestic production of some items is unsatisfactory. In December 1953 the Central Bank cancelled requests for imports to the value of 500 million pesos which had been pending since July. Further requests will only be considered if they are accompanied by a firm commitment to begin manufacture (not merely assembly) in Argentina. The nominal deadline for such requests was March 31, 1954. One of the greatest stumbling blocks to increased agricultural production is the lack of sufficient farm machinery of good quality at reasonable prices. Hence the present import policy on these commodities demonstrates Argentina's determination to industrialize.

Co-operatives Play Larger Role

One of the most publicized objectives of the Second Five Year Plan is the elimination of the middlemen in the marketing of agricultural commodities. A major step in this direction was taken in November 1953 when a new method of purchasing grain from the producers was inaugurated under the title "Justicialism in the Marketing of Grain". Under the new regulations the producer may sell his fine grains, coarse grains and flaxseed in three ways only: (1), to the National Board of Grains and Elevators; (2), through his local co-operative; or (3), through grain merchants which have been authorized by I.A.P.I. to act in its



—Direccion Nacional de Granos y Elevadores

Flat cars loaded with sacks of Argentine grain draw up on the dockside, the sacks are swung aboard the ship and the grain emptied out in the hold. Bags are then returned for re-use.

behalf. These regulations eliminate the grain broker completely and greatly reduce the activities of the grain merchants. As the co-operatives develop to the point where they can handle more grain, it is expected that I.A.P.I. will authorize fewer and fewer merchants to act in its behalf.

Production Goals

The second Five Year Plan establishes specific production and acreage goals for the important field crops and farm animals, to be attained by the end of the Plan. Contrary to last year, specific goals were not set for 1953-54 but before and during the planting season an active campaign was conducted to increase sown areas—especially of wheat, corn, flaxseed and sunflower. Official statistics already issued suggest that the campaign met with little success.

Field Crops

Sown area of wheat, flaxseed, oats, barley and rye has been officially estimated at 12,194,400 hectares, compared with 12,313,500 hectares for 1952-53 and the 1947-51 average of 10,946,100 hectares. Private estimates indicate that there has been a reduction this year of about 10 per cent in the area sown to corn.

The first official estimates of the 1953-54 grain crops, based on conditions several months ago and just released, place production of wheat, oats, barley, rye and flax at 8,779,400 metric tons, compared with 11,996,600 the previous season. No official estimate on the size of the current corn crop is available, but trade circles forecast at least five million metric tons, which will give Argentina a total grain crop of approximately 14 million tons—slightly smaller than last year.

Wheat—Growing and harvesting conditions for the wheat crop, although they were certainly not ideal in all sections, were generally above average. As a result, trade estimates of production, which in November ranged from five million metric tons and lower to about six million, now range from six to seven million metric tons. The first official estimate, based on conditions last November and just released, places the crop at six million metric tons, compared with 7·56 million tons in 1952-53. It is expected that the subsequent official estimate will be revised upwards.

In spite of some wet harvesting weather, especially in the north, the quality and specific weight of the crop is generally good. Planted area at 6,136,000 hectares is only slightly more than last year's 6,000,500 hectares.

Corn—Largely because of shortage of moisture at the beginning of the sowing season, the area seeded to corn this year is privately estimated at approximately 10 per cent below last year's 3,354,000 hectares. However, from November through January growing conditions were practically optimum for the crop in almost all zones. Some dry, hot weather early in February and since has reduced prospects slightly but the present outlook is for a crop of at least five and possibly six million tons, compared with 3·55 million tons last year and an average for the previous five years (1947-51) of 2·84 million tons.

Barley, Oats, Rye—Because these crops (especially rye and oats) are grown primarily for forage, their production of grain fluctuates very widely from year to year and is therefore exceptionally difficult to estimate. As an extreme example, the output of rye rose from 81,000 tons in 1951-52 to 1,334,800 tons in 1952-53 on an acreage increase of 31 per cent. Seeded area has been officially estimated at within one per cent of last year's. However, nowhere in the country were winter grazing conditions as ideal as they were in 1952 and in certain sections of the west and northwest, where rye is an important crop, there was a severe drought for several months. On the other hand, there are persistent reports of high barley yields in some areas.

The first official estimate of production of these three grains is 2·43 million tons, compared with the all-time record of 3·78 million tons last year. However, the total production of these grains exceeds the average of 2·01 million tons during the period 1943-44-1952-53.

Grain Exports—Exports of all these grains and wheat by-products in 1953 reached five million metric tons. Although this was the highest figure since 1948 and exceeded combined exports of the two previous years, it fell far short of the ten-year prewar average of 10·8 million tons. On the basis of trade estimates of carry-over and production this year, and allowing for reserves and domestic consumption, export availabilities in 1954 will undoubtedly surpass 1953 exports by more than 50 per cent.

Vegetable Oils—Flaxseed, the export of which for the twenty years preceding World War II averaged 1·4 million tons, has steadily been losing favour with the Argentine farmer. The trend has been assisted during the past two seasons by official price policy and few private observers expect the crop this year to be much over 400 thousand tons. Sunflowerseed, the most important source of edible oil, is enjoying no more success than flaxseed and despite a 10 per cent increase this year in the producers' price, output is not expected to equal even last year's unsatisfactory 428,300 tons.

Apples—The Argentine apple crop this year is much larger than last year especially in the Delicious and Red Delicious varieties. Exportable surpluses of the smaller varieties desired by the European markets have already been committed at prices higher than last year. Pending the finalizing of the Argentine-Brazilian trade agreement, sales to that market have not started, although an advance of 20 million agreement dollars has reportedly been allocated for the export of fruit to Brazil.

Livestock and Products

The Argentine livestock industry is slowly recovering from the adverse effects of the first Five Year Plan and several years of severe drought. Very high prices have been paid both at home and abroad for first-class breeding stock. High prices for feeders and scarcity of grassland for rent suggest that the prices being paid by the butchers and packers are attractive and that herds are being rebuilt. However, this gradual improvement has not yet been reflected for any extended period in increased entries into the major markets and frigorificos. There is still one meatless (beefless) day per week and the Government continues its campaign to diversify the national diet.

Export commitments under the 1953 protocol of the Anglo-Argentine Meat Agreement were met for all commodities except beef sides, shipments of which by December 31 fell short by 54,000 tons, or exactly one-third. Shipments continue against this commitment and against a six-months pro-rata extension of the one-year 1953 protocol. The extension covers the period until June 30, 1954, when the 1949 Anglo-Argentine agreement expires. Shipments in January were satisfactory but good grazing conditions reduced cattle entries to an alarming degree and February shipments were cancelled. To bring cattle to market, a new producer price schedule was put into force, with penalties for heavyweight cattle commencing March 1, later extended to March 10. The immediate short-term effect of these new prices was to multiply daily entries to frigorificos and stockyards; the long-run effects are as yet unknown. To date, the improved entries in late February and early March have not affected materially shipments to the United Kingdom. The excess over present requirements has been put into storage for possible future domestic use, should daily entries again fail to meet the domestic demand.

In view of the present rate of export under the Agreement, it is expected that shipments will continue beyond June until all commitments under both the 1953 protocol and the extension have been completed. Quantities of meats involved in the extension are exactly one-half those stipulated in the 1953 protocol and total 127,900 long tons, including canned meat and offals. Prices and classes of meat are identical with those of the previous year.

Beef and Lamb

Exports of beef and lamb carcasses in 1953 were limited almost entirely to the United Kingdom. One point of interest was the revival on a limited scale of shipments of chilled beef to Britain; 47,621 quarters were shipped. Under the agreement there is a price premium for chilled beef of at least £20 per ton (12·4 per cent) and Argentina would be delighted to increase such shipments. Inadequate transportation facilities and short supplies of the proper type of steer present the most serious obstacles.

There is much speculation about the implications for Argentina of the impending freeing of the meat trade in the United Kingdom. In unofficial circles at least there are hopes (unsupported to date by official action) that Argentina will follow a somewhat comparable course—i.e., turn exports back to the trade.

Wool and Hides

The Argentine Wool Federation has estimated wool production from the 1953-54 clip at 180 thousand metric tons, 2½ per cent below that of the previous season. The clip contains a somewhat higher percentage of coarse wool than usual because Patagonian production of the finer wools was reduced by the severe drought of 1953.

Wool exports during the 1952-53 season (October 1-September 30), at 214 thousand metric tons, were second only to the 234 thousand tons shipped in 1945-46. Ample carryover from the 1951-52 season and a clip of approximately 185 thousand tons provided the supplies necessary for this movement, which went mainly to the United States, the United Kingdom, Belgium, Japan and Germany. Carryover at September 30, 1953, was estimated at 11,000 tons and exportable surplus at 146 thousand tons.

At the end of the last season, with the previous exportable surplus almost depleted, the 8 per cent sales tax on wool exports was restored. Earlier in the year private sales for sterling lost the preferential rate of 6·25 pesos per U.S. dollar (basic rate is 5·00 pesos per dollar). As a result of these actions and the producers' reluctance to accept less, Argentine wool prices have been above world levels and shipments limited, even though several of Argentina's bilateral trade agreements include important quantities of wool. From October 1, 1953, through February 25, 1954, exports are unofficially reported to have been only 44,240 bales, compared with 220,428 bales during the same period in the previous year.

Exports of hides (except horse hides) during the calendar year 1953 were below those of recent years. Exhausted stocks at the end of 1952 contributed to the decline. Export exchange rates have been increased twice in the past six months in an effort to stimulate sales. Western European countries, led by the Netherlands and Germany, provided the major markets. Sheepskin exports at 20,000 tons were three times those of either of the two preceding years.

Dairy Products

Production of dairy products continued to revive in 1953 and exports of casein, cheese and butter all increased materially, rising to 36,000 tons, 4,600 tons and 14,800 tons respectively from the previous year's 18,000, 2,600 and 950 tons. In an effort to stimulate exports of powdered, condensed and malted milk, stocks of which were becoming burdensome, the Central Bank in November 1953 allowed foreign exchange from exports of these commodities to be negotiated at the official free rate, approximately 14 pesos per U.S. dollar. The former rate was a combination one, equalling approximately 10 pesos per dollar. The dairy cattle population is rising noticeably and production should increase. As internal economic conditions improve, however, domestic consumption may increase and reduce export availabilities. ●

fairs and exhibitions

From Looms and Knitting Machines

THIRTY CANADIAN MANUFACTURERS of sportswear and knit goods will display their products in the Canadian Showroom in Rockefeller Center, beginning May 18th. Planned in co-operation with the Department of Trade and Commerce, the display will run until the end of June.

An array of beautifully styled women's suits, skirts and coats, made from loomed and hand-woven tartans, cashmere, pebble cloths and knitted fabrics, will be attractively displayed to catch the American buyer's eye. Canadian-made sports clothes, already popular in the U.S. market, will be represented by ski suits, sweaters and headwear, jackets and coats for the hunter, the fisherman and the golfer, and by tartan skirts, caps, socks, etc.

The Canadian sports clothing and knitwear industry has made impressive progress, especially since the end of World War II. Manufacturers have worked to develop distinctive Canadian styles made from the materials best suited to the wide range of climate on this continent. The American demand for Canadian sports clothing and knitwear has been particularly noteworthy and many of the firms taking part in this new exhibit at Rockefeller Center have already established outlets for their products in various parts of the United States.

France Goes to Colombia

BOGOTA'S NATIONAL MUSEUM was the setting recently for a display of French industrial power and French skills—a display ranging from steel mills and hydro power developments to clothing, Limoges china and objets d'art. The Exposicion Francesa, held from February 19th to March 7th, demonstrated that France has a great cultural stake in Latin America and is prepared to make a concerted drive to build up her business relations as well. Many thousands of Bogotanos and visitors to the capital saw the displays of goods valued at some $2½ million.

Foire de Paris

SPRING IN PARIS brings the chestnut blossoms—and the fifty-year-old Paris International Trade Fair. At this year's fair (May 22nd-June 7th), tools, machinery and plastics will hold the spotlight among the 130 sections. Latest types of household goods and new processes in packaging and handling will also be shown. A section will feature products and equipment of interest to restaurant and hotel proprietors and department store managers.

The Canadian Government exhibit just shipped to Paris is designed to promote Canada's fur industry, and to illustrate the market opportunities here for French products. Ranch mink, ranch fox and some wild furs, worth $60,000 to $70,000, will be displayed on figures wearing original dresses by a famous Paris designer.

The Trade section, which is entirely graphic, illustrates the theme, "Know Your Canadian Customer," and is planned to encourage French exports to this country.

"Canada-Holland: Trading Partners"

THESE WORDS SET THE THEME of Canada's exhibit at the Royal Netherlands Industries Fair, March 30th to April 8th, and were prominently displayed on one of its main panels. Probably the most striking single feature of the display, this panel symbolized the two-way trade between Canada and the Netherlands with model ocean freighters steaming across it in both directions. Behind the panel were displayed the products Canada offers to Holland —minerals and metals, chemicals and synthetics, wood and paper, fish and fish products, wheat and grain.

Other panels featured Dutch immigrants to Canada, with coloured photographs showing how they have found life in their new country; the standard of living in this country and the market for Netherlands' products; the Canadian International Trade Fair, and the CBC International Service.

The exhibit was designed and produced by the Canadian Government Exhibition Commission.

Part of the display of Canadian footwear at the Canadian Showroom in Rockefeller Center this spring. Shearling-lined winter overshoes and after-ski slippers and moccasins drew much attention.

Mechanical Handling

THE 4th BRITISH MECHANICAL HANDLING EXHIBITION is expected to attract visitors from more than 30 countries. It will be held at Olympia, London, from June 9-19, and is said to be the world's largest and most comprehensive display of labour-saving and ancillary equipment. Some 75 per cent of this equipment will be shown in operation.

A convention will be held in conjunction with the Exhibition, featuring eleven papers read by authorities in their differing fields; six experts will take part in an "Any Questions" session and attempt to solve problems submitted from the audience.
For details on the Exhibition and Convention write to: *Mechanical Handling,* Associated Iliffe Press, Dorset House, Stamford Street, London, S.E.1.

Coming—in Canada and the U.K.

7th Canadian International Trade Fair, Exhibition Park, Toronto, May 31 to June 11. Information from: The Administrator, at above address.

7th London Fashion Fortnight, June 9-23. For information: A. J. Dannhorn, Mantle and Costume Manufacturers' Export Group, 7, Montagu St., Portland Square, London, W.1.

14th Antique Dealers' Fair, Grosvenor House, Park Lane, London, W.1, June 9-24. Information from: Captain C. S. Platts, The Antique Dealers' Fair and Exhibition, at the above address.

37th Conference and Exhibition of the Chemical Institute of Canada, Toronto, June 21-23. For Information: J. G. Holland, The Chemical Institute of Canada, % Monsanto Canada Ltd., 183 Front Street, East, Toronto.

Building Plant Exhibition, Reading, June 24-30. For information: W. H. Wilson, Acting Chief Information Officer, Ministry of Works, Room 117, Lambeth Bridge House, London, S.E.1.

"Production for Plenty" Exhibition and Conference, at Olympia, London, July 7-14. For information: Organizing Secretary, Room 11, Avenue Chambers, 4 Vernon Place, London, W.C.1.

21st National Radio and Television Exhibition, London, August 25-September 4. For information: Radio Industry Council, 59 Russell Square, London, W.1.

76th Canadian National Exhibition, Toronto, August 27-September 11.

3rd British Food Fair, at Olympia, London, September 7-18. For information: Mr. J. O'Shea, 57 Catherine Place, London, S.W.1.

Credit Conditions in the Commonwealth

Higher rate of business activity in the Commonwealth, plus increased exports, has meant stronger financial conditions and has helped individual firms to enhance their credit standing in early months of 1954.

THE PROCEEDINGS at the Conference of the Commonwealth Finance Ministers at the beginning of this year were in themselves convincing testimony that the financial crisis in the sterling Commonwealth has been mastered and a much sounder credit basis for the area restored. Gold and dollar reserves held by the Bank of England for the sterling area increased by $672 million during 1953, from a level of $1,846 million at the end of 1952 to $2,518 million at the end of 1953. The first two months contributed additional surplus dollar earnings of $65 million. The recovery resulted from sound internal monetary and credit management, active industrial and commercial conditions, and more favourable foreign trade experience. Unquestionably, all the major factors that influence commercial credit conditions were increasingly favourable.

Business Trends Encouraging

The March 20, 1954, issue of *Foreign Trade* reviewed economic developments and commercial conditions in each of the Commonwealth countries, so that it is only necessary to stress some of the highlights here. With the exception of Malaya and Ceylon, these reports demonstrated a generally higher level of economic activity. On balance, Pakistan and Hong Kong had a difficult year, neither better nor worse than 1952. Throughout the Commonwealth, crop experience was more favourable than in the previous year and the world market for most of the important primary commodities was satisfactory. Only tin, rubber, and jute suffered from a serious decline in world demand and falling prices—and jute prospects have brightened in 1954. Industrial output over the year rose, not only in the United Kingdom but also in India, Australia, South Africa, Pakistan and the West Indies.

No reliable data on business failures are available for many of the Commonwealth countries. However, the higher rate of business activity is in itself convincing evidence of stronger credit conditions. Higher national income in all countries except those noted meant a stronger financial situation. Certainly the credit situation was easier on a commercial banking level and individual firms have shared in the improvement and have enhanced their credit standing. The implications at least are strong that if the rate of business failures showed any change during 1953, it was for the better.

A higher level of exports, combined with restrictive controls over imports, made 1953 a successful trading year for the Commonwealth. Careful attention to the dollar trade balance was an important factor in the successful rebuilding of sterling area gold and dollar reserves. Several Commonwealth countries like Australia, New Zealand, the Federation of Rhodesia and Nyasaland, the Union of South Africa, and the West Indies have responded to the improvement by easing the restrictions on dollar trade for 1954.

Trade experience with the Commonwealth has firmly established the conviction that this group of countries has an exceptionally high standard of commercial morality. The restrictive and discriminatory import and exchange regulations remain, of course, as an obstacle for dollar goods seeking entry into the far-flung Commonwealth trading area. At the same time, the incidence of these restrictions upon Canada's exports has been substantially reduced in recent years. It is generally true that trade liberalization is a Commonwealth aim that will keep pace with the improvement in the area's capacity to pay.

Collection Experience

The Export Credits Insurance Corporation reports highly satisfactory experience on collections in the Commonwealth. Delays were recorded on only a minor percentage of insured exports shipped to the British West Indies and the Union of South Africa. Larger payments fell into arrears in Ceylon and New Zealand. Elsewhere in the Commonwealth, the experience was prompt payment on practically all accounts.

Summary of Changes during 1953

	Trade Balance	*Business and Credit Conditions*
Australia	much improved	improved
British West Indies	improved	improved
Ceylon	less adverse	still difficult
British East Africa	little change	unchanged
Hong Kong	weaker	still uncertain
India	stronger	improved
Malaya	weaker	more difficult
New Zealand	improved	improved
Pakistan	recovering	recovering
Federation of Rhodesia and Nyasaland	improved	improved
Union of South Africa	little change	readjusting
United Kingdom	improved	improved
West Africa	slightly weaker	more satisfactory

Assessing the Automotive Market

First-quarter production and sales figures bear out the prediction of the automotive industry in the United States that its total 1954 business will be only slightly below that of 1953, which was the second best year in its history.

J. H. BAILEY, *Vice Consul and Assistant Trade Commissioner, Detroit.*

EARLY IN JANUARY 1954, the U.S. automotive industry scheduled first-quarter production of cars and trucks at 1·7 million units. It was able to maintain a pace which saw 1,764,900 units roll off the assembly lines by the end of March. This is 187,600 cars and trucks less than it produced in the same period of 1953—or less than seven days' vehicle output at the current rate. Car assembly is about 8 per cent under last year and truck production is down 17 per cent.

The total U.S. market for cars and trucks in 1954 is still expected to range between 6 and 6·5 million units and there is nothing in the sales picture so far to suggest that this target will not be reached. By the end of March, the excess of production over sales during the first quarter had resulted in the dealers carrying heavy inventories. Leaders in the industry feel, however, that the lower sales rate for the first quarter will be more than offset by the traditional big car-selling months of the spring. This spurt usually begins about mid-March and continues through to the end of June. Higher production was therefore maintained during the first quarter than actual sales warranted, in order to build up inventory for the expected spring surge.

Market for Used Cars

Industry analysts believe that the volume of new car output during the second quarter may depend to a large degree on the liquidation of used car stocks. The combined efforts of the manufacturers and dealers to clean up used car stocks are bearing fruit and reports from the field show a steady decline in the number of used cars at new car dealers.

The new car market is thus drawing much of its strength from the improving demand for used cars. Used car sales at new car dealers in March reached a five-month high and equalled the volume sold in March of last year. The new car dealer is over-allowing on trade-ins as well as offering substantial discounts on his new car sales. He is now finding that he must sell used cars himself, instead of following the former practice of wholesaling them to used car dealers, if he wants to realize a profit on the combined deal. The car manufacturers are assisting in this program and are holding clinics to train dealer salesmen and mechanics in how to make the most from a used car taken as a trade-in.

Standard models are the biggest drug on the used car market because buyers who formerly purchased them can now obtain deluxe models with many accessories, including a radio, for about the same outlay. On the large cars being traded in, there is a substantial dollar depreciation but percentage-wise they are not being depreciated as much as some of the middle-priced models. The highest depreciations, as in the past, are in the models produced by the independents; the low-priced models of the big three continue to hold their lead as far as low depreciation rates are concerned.

Dealer Profit Margins Narrow

Prices of both new and used cars showed signs of firming as spring approached and this should improve second-quarter profits for the dealers. As a result of liberal trade-in allowances and big discounts on new car sales, some dealers were practically trading dollars during the first quarter. There have been new car sales reported where the dealer's gross profit was as low as 4-5 per cent as he went all out to sell the allocations of vehicles he was receiving from the factories.

Some new car dealers have even been selling new cars at practically cost to used car dealers, in order to keep their stock of cars turning over. This system is known as "bootlegging" new cars and, although it is frowned upon by both the manufacturers and the dealer associations, it is not illegal.

Another reason for the dealers' low profits during the past winter has been the expensive gimmicks they have employed to attract customers. To drive along the new and used car rows in the car capital of the nation has been, at times, like driving past a giant circus: blazing lights, bands, powerful searchlights swinging through the heavens, loud speakers booming until late at night, free snacks, and so on. It is problematical how long the new car dealers can keep up this high-pressure selling and already a large number of used car dealers have been forced out of business.

Finally, where it was formerly almost impossible to buy a medium to high-priced model without the dealer adding a number of high-profit accessories, it is now possible to buy a stripped-down car with only those accessories specifically ordered by the customer. Only in the top price cars does the buyer still have to take the accessories added by the factory and the dealer.

Replacement Business Booming

Outlook for automotive replacement parts is that 1954 sales volume will exceed that of 1953. The tire industry in Ohio and Detroit, for example, expects that dollar sales volume for 1954 will be maintained at about the same level as last year, because of an increase in replacement tire sales. The dollar return from such sales is much higher than from sales for original equipment and the profit margin is also greater.

For some six months now, wholesalers of replacement parts have been realigning their inventories to get the best balance for fast turnover and the best possible profit. With parts manufacturers once more fully competitive, jobber stocks have been carefully scrutinized. Although the dollar volume of such inventories is estimated as about the same as a year ago, nevertheless they are considered healthier because of completeness and quality.

A new plan is now operating in well over a hundred cities throughout the country whereby the buyer can obtain repair service or parts on a time payment plan. Wholesalers are reported to be counting on this to step up their sales to dealers and hence are promoting the plan whenever possible.

Export Sales Up

Comparative figures for vehicle export sales for January and February, including sales to Canada, are:

Jan. and Feb.	*Cars*	*Trucks*	*Buses*	*Total*
Export sales, 1954	40,680	26,770	50	67,500
" " 1953	36,820	24,240	40	61,100
Total sales, 1954	897,600	183,200	700	1,081,500
" " 1953	939,400	208,300	400	1,148,100
Percentage of export sales to total sales, 1954	4·5	1·5	7·2	6·2
1953	3·9	1·2	10·2	5·3

Export sales during the first two months of 1954 have actually improved over the same period last year. As a result of both this increase in unit sales in the export market and a decrease in domestic demand, sales abroad this year have accounted for a higher percentage of the industry's total business than in 1953. As in domestic business, the spring is considered the best part of the year for export sales. The industry, however, is expecting to maintain for the year as a whole at least the same volume as in 1953. The biggest export markets, excluding Canada, are South America, Mexico, and Europe—in that order of importance. ●

Diesels for Argentina

Argentina plans to equip all of the State railways, i.e., all public carriers, with diesel electric locomotives by gradually replacing the steam locomotives now in use.

The plan, which has been in force at least since 1950, is to purchase over a period of years about 1,000 diesel electric locomotives exceeding 1,000 h.p. and from 250 to 400 industrial and switching locomotives of between 300 to 600 h.p. each. Of the major type, 135 units had been delivered by the end of 1951 and came largely from European countries. Since that time the General Electric Company in the United States has delivered 100 locomotives; the last of these arrived in October, 1953. A further 10 main-line locomotives were also delivered by the Werkspoor N.V. factory in Amsterdam. Some 16 out of a total contract for 26 Diesel-Ganz locomotives have already been delivered and the remainder are expected shortly.

Of the industrial and shunting locomotives, the Werkspoor N.V. factory has a contract for 50 shunting units for broad-gauge lines and 30 units for narrow-gauge lines. Some of these have already been delivered and it is expected that the entire contract will be completed before the end of 1954. All of these contracts were placed by the early part of 1951. Since then, no contracts have been let and there is no indication that further orders will be placed in the near future. There is, however, a definite intention to turn away from steam locomotives to the diesel electric type and the realization of the plan to purchase at least 1,000 of these units will depend upon the compensatory trade agreements now in force with several European countries and also upon the foreign exchange available to purchase the locomotives outside of such agreements.

Production within Argentina of diesel electric locomotives has been started by Messrs. Fábrica Nacional de Locomotoras, an official dependency of the Argentine Ministry of Transport. The first unit successfully passed its tests in October 1951. It consists of two coupled units and has four motors of 735 h.p. each which supply current to four traction motors fixed to each axle. Each motor group is completely independent, thereby permitting power distribution according to requirements. The four-axle motor bogies and the system of axle suspension are said to be of a special design already patented in Argentina.

—C. S. BISSETT,
Commercial Counsellor, Buenos Aires.

If Business Takes You to France . . .

. . . you will find in this article suggestions for making your stay both pleasant and profitable and for widening your business contacts.

J. H. STONE, *Assistant Commercial Secretary, Paris.*

IT'S NOT SURPRISING that many Canadian businessmen visit France each year. Traditionally, this country has been one of Canada's important customers and suppliers. Although trade with Canada has fallen off in recent years because of the French dollar shortage, the volume is still substantial and reached a value of over $63 million in 1953. Another reason—Paris lies at the crossroads of Europe and is frequently included in a European business itinerary.

If you are planning a trip to France, the information in this article may help you to simplify your arrangements and make your visit more enjoyable and profitable. The Canadian Commercial Counsellor, whose office is at 3 rue Scribe in Paris (telephone: OPEra 42.30), can help you in many ways and will welcome the opportunity.

• Planning Your Itinerary

However essential it may be for you to visit Paris, a business trip confined to this city alone may not be adequate. Some products come almost entirely from other regions of France and a French public holiday coinciding with a short stay in Paris could eliminate any chance of doing business, especially now that the five-day week is fairly general.

For these reasons, you will probably find it useful to consult the Commercial Counsellor before you draw up your final itinerary. It is important to remember that in the summer, and especially in August, many French companies close down completely for a month-long holiday. The French Commercial Attachés in Montreal, Ottawa and Toronto can also be of great assistance and the offices of the French Tourist Bureau have a wide range of interesting literature on France.

• Contacts in France

The Commercial Counsellor can make some advance preparations for your visit if you let him know in good time when you will arrive, how long you plan to stay, and which industries or products you would like to see. He can draw up a list of potential customers or suppliers, collect prices and small samples, and initiate arrangements for visits to industrial plants or regions.

• Regulations

Health—Although the French authorities do not require a vaccination certificate or inoculations, you must have a valid vaccination certificate to re-enter Canada. It is generally more convenient to attend to this before you leave home.

Customs—You do not need a visa for a stay of less than three months in France. The normal baggage carried by a traveller will be cleared through French Customs without difficulty or delay. You can bring into France one thousand cigarettes and one bottle of an alcoholic beverage per person free of duty.

Currency—You can exchange Canadian dollar travellers' cheques or bank notes easily in Paris or the larger cities. However, United States funds are more widely known, especially in smaller towns, and at least a proportion of your funds should be in U.S. dollars.

Sometimes you can make a substantial saving by purchasing French bank notes in Canada before you leave. There is no legal limit on the amount of French money which a visitor may carry in (but not send). Do not, however, bring more francs than you will need for your stay in France. A visitor cannot buy foreign currency here in exchange for French francs, although he can obtain other European currencies in Paris if he gives dollars in exchange.

Discounts—Retailers are authorized to give discounts of 12 to 16 per cent if goods are paid for in dollar cheques or notes. Such sales are considered as exports and the discount corresponds to the tax drawback on exported goods.

• Transportation

European railways and airlines provide frequent, comfortable services between most cities, and travel by automobile often is neither practicable nor economical because of the distances involved and the high cost of car rental and gasoline. On the other hand, where

—French Information Service

Most visitors to Paris find time to do a bit of shopping and the department stores, such as the well known Galeries Lafayette, are a good place to start, especially if you are a first-time tourist.

business and pleasure are combined, or for regional travel, you can hire a small car for about $6.00 a day and up, plus gasoline. If your visit is to extend over several months or longer, the purchase of a car is worth considering, but you will have to use it fairly steadily to justify the substantial depreciation and insurance costs. When you travel by air or by rail, cut down your luggage to the amount you can keep with you, in view of the danger of its going astray.

• Hotels and Restaurants

In the smaller French towns, the business visitor is well advised to stay at the leading hotel. In the larger cities, the more modest hotels provide a high standard of comfort and convenience at a reasonable cost. Meals can be surprisingly expensive even at ordinary restaurants and a reliable guidebook is well worth buying. The names of recommended hotels and restaurants are available from the Commercial Counsellor at Paris who will also make hotel reservations if requested.

Laundry often takes four days in hotels; visitors in a hurry should carry linen requiring no ironing.

• Food and Drink

Many Canadians visiting Paris suffer from indigestion and kindred ills brought on by over-eating. French food and wines tend to be rich by Canadian standards and moderation at both bar and table is strongly recommended. Bottled mineral water is usually a wise choice for those who do not stop long enough to become accustomed to local tap water—which is, however, perfectly safe to drink almost everywhere in France.

• Tipping

Porters at stations are entitled to a fixed charge per piece of luggage; the rate is usually posted up in the station or the porter can tell you. Fifty francs will cover checkrooms, theatre ushers, taxis and most other small tips.

A service charge covering normal tips is almost always added to hotel and restaurant bills. An additional token tip of a few francs is quite sufficient.

• Gifts

Your French friends will appreciate articles made of nylon—and you should take flowers with you when you are invited to a French home. As for presents to take back home, your wife will appreciate an evening bag, costume jewellery, engravings or handicrafts, all of which are reasonably priced. If you are in doubt where to buy, go to a department store. Your duty-free exemption on returning to Canada is $100.

• Translation

The Commercial Counsellor will provide translation services for business purposes. Most hotel staffs speak some English and department stores in Paris have translators on their staffs.

French Trade Improves

Metropolitan France's exports to foreign countries during the first two months of 1954 increased almost 11 per cent over those of the same period last year, rising from 141·9 billion to 158·3 billion francs. Imports from foreign sources were also slightly higher, increasing from 194·1 billion to 197·9 billion francs, or about 4 per cent. These trends reflected the recovery of industrial production in recent months which has resulted in increased need for raw materials and has permitted lower imports and larger exports of consumer goods.

Exports of machinery and equipment rose in the first two months of this year to 23 billion francs compared with 17 billion in the same period last year; consumer goods advanced from almost 31 billion to over 40 billion francs. Exports of raw materials showed little change.

Imports of raw materials increased substantially during the first two months of 1954, rising to 104 billion francs compared with 90 billion during the same period last year. Consumer goods imports were substantially lower at 29 billion francs, compared with 35 billion last year. Machinery and equipment imports fell slightly—from 22 billion to 19 billion.

The Italian Machine Tool Industry

Some 140 plants now turn out a wide range of first-quality, high-accuracy machine tools; many of them will be on display at the CITF in Toronto next month.

A. A. CARON, *Assistant Commercial Secretary, Rome.*

THE MACHINE TOOL INDUSTRY in Italy had its origin at the beginning of this century, when a few machine shops located in the north began to build the simplest types of machines, such as centre lathes, milling machines, shapers and planers. The First World War gave the industry a great impetus because Italy was cut off from Germany, her normal source of supply. Within a short time the Italian manufacturers were able to produce well-designed machines though these did not compare in precision and quality with German and Swiss production.

High-Quality Production Begun

It was only after 1929 that production of high-quality machines, mainly for railroad shops and ball-bearing plants, got under way. In 1934 the machine tool industry was helped along by import control made necessary by currency shortage. The Italian manufacturers availed themselves of the opportunity to expand production, making use of the newest ideas of German and American builders in designing their machines. From 1938 to 1940 they actively sought improved quality and accuracy; production was extended to the whole line of machine tools—even the most complicated, such as boring machines, grinders and gear-cutting machines. Italian machine tools were by then known and appreciated not only at home but also in South America, Africa, Japan and other countries. The Italian industry soon was employing 25,000 people and turning out 42,000 tons a year.

After the last war the situation changed. Several shops had to try new lures; others had to reduce the number of employees; a few had to concentrate on the reconstruction of plants. The large metal industry plants were short of funds and had a surplus of manpower for their peacetime output; they therefore were not in a position to renew their equipment. The Italian manufacturers had to reduce their production but they did not neglect either improving their plant or designing new models. They were able to survive the critical years from 1946 to 1950, after which the international situation again permitted the resumption of normal business, especially for export.

There are at present nearly 140 machine tool plants in Italy employing from 20 to 800 workers each; the total number of employees is 12,000. Over 50 plants, mostly in the north, have modern equipment and their output is of high standard. Several of the manufacturers are linked in a voluntary association called U.C.I.M.U.—Unione Costruttori Italiani Macchine Utensili—(Italian Machine Tools Builders Association), and this association is largely responsible for the organization of the Italian exhibition of machine tools at the forthcoming Canadian International Trade Fair on May 31st. The exhibit will cover 3,600 sq. ft.

Many types of machines are produced in Italy, including complicated models of high accuracy. Types of lathes produced, in addition to centre lathes of any dimension, include relieving lathes, multi-tool, turret, duplicating and chuck lathes, vertical lathes (or boring mills), roll-turning lathes and railroad ship lathes. Power milling machines are produced in all sizes. Planer type milling machines and planers up to the largest capacities are also standard production. Slotting and shaping machines in any capacity are widely manufactured. Multi-spindle drilling machines, single or combination drilling units belong to the standard line of three important plants.

Export to Many Countries

In 1951 the United Kingdom and the United States turned to Italy as a source of supply for machine tools for their defence program. In 1952 shipments to the U.K. reached 5,085 tons and shipments to the United States 5,449 tons. Brazil, Argentina, Yugoslavia, France, Switzerland, Turkey, Venezuela and Canada also import Italian machine tools in appreciable quantities.

The following table (Canadian statistics) shows the value of the imports into Canada of Italian machine tools (for metal-working only) in 1952 and in 1953:

	1952	1953
	Can. dollars	
Metal drilling machines and parts	11,381	27,425
Metal grinding machines and parts	95,128	76,949
Metal working lathes and parts	165,435	226,751
Metal milling machines and parts	3,213	199,589
Metal working presses and parts	8,581	nil
Metal shapers slotters and parts	20,628	420
Metal working machines N.O.P. and parts	4,214	3,234
	308,580	534,368

commodity notes

Australia

GOLD—The value of gold production in Australia for 1953 was the highest since 1939. Output was 1,052,779 fine ounces, valued at £16,776,916—£740,040 above that of the previous year. Although 1953's production represents an increase of 73,823 fine ounces, or 7½ per cent, over 1952 figures, it is still 35 per cent less than production in 1939.

West Australian gold output in 1953 and its value amounted to more than three-quarters of the Commonwealth totals. The value was a record £13,-299,092, including overseas gold sales premium of £535,330. Previous record value was £12,696,503 in 1950. West Australia's gold production record of 2,064,801 fine ounces in 1903 still stands, but the Royal Mint then paid only £4/4/11½d. an ounce—Melbourne, April 8.

Belgium

WINDOW GLASS—More Belgian window glass was sold abroad in 1953 than in any other postwar year except 1951. Compared with 1952, a poor year for the flat glass industry, export sales increased by about 50 per cent and domestic sales by 30 per cent. About 80 per cent of the flat glass produced in Belgium is intended for export and the industry is sparing no efforts to maintain its favourable prewar position in foreign markets.

Canada bought 11,000 tons of window glass from Belgium in 1953, and was Belgium's third best customer, after the United States (20,865 tons) and the Netherlands (37,908 tons)—Brussels, April 14.

Brazil

BANANAS—Banana exports through the port of Santos in 1953 totalled 8,778,053 stems, compared with 10,851,271 stems in 1952. Last year's decline was almost entirely the result of the smaller amounts shipped to Argentina in the first quarter. The United Kingdom re-entered the market again last year when it purchased 1,203,894 stems, after buying none in 1952—São Paulo, March 18.

British Guiana

MINERALS—Interest in columbite is developing, and several mining companies are exploring in the Mazaruni and Cuyuni districts. Production of gold and diamonds declined during 1953—Port-of-Spain, April 17.

Finland

BUTTER—Finland has agreed to export 500 tons of butter to the Soviet Union during 1954, but it is possible that this quota may be exceeded. Stocks in Finland at present amount to about 3,000 tons. The last export of Finnish butter to the Soviet was in 1952 when deliveries totalled 1,500 tons—Stockholm, April 12.

Greece

TRACTORS—According to official figures, there are about 5,000 tractors of all types in use in Greece, compared with 1,500 before the war. Of these, 25 per cent have gasoline or distillate engines and 75 per cent diesel engines. Divided by power, there are 8 per cent between 6 and 8 h.p., 34 per cent between 19 and 27 h.p. and 50 per cent over 27 h.p. In proportion to acreage there is one tractor to 575 acres in the Thessaly plain of Central Greece and one to 1,850 acres in Northern Greece. The rest of the country is too rocky to be able to use any significant number of tractors. The Ministry of Agriculture now plans to replace most of the non-diesel tractors with diesel-powered machines and a tender was recently announced for 2,000 diesel engines. The Government will act as purchaser and distributor, receiving the old tractors in exchange for a small consideration, with lengthy credit terms extended on the remainder—Athens, April 10.

Israel

MACHINE TOOLS—Turning tools, including drills, chasing tools, etc., for the metal industry will soon be produced in sufficient quantity to satisfy local demand and permit some export. The plant, now under construction, is being financed largely by private British capital—Athens, April 15.

WASHING MACHINES—Electric household washing machines are being produced in Israel for the first time, at the rate of 150 a month. The first export order for 300 machines has been received from Turkey—Athens, April 15.

CONCRETE TIES—Following successful trials with pre-stressed concrete railway ties, the Israel Railways have signed an agreement with a local factory for the production of pre-stressed concrete ties to replace the wooden ones on the country's rail network. Despite the greater initial cost, these concrete ties are preferred in Israel because of their greater durability—Athens, April 15.

Mexico

WHEAT—This year's wheat crop will reach a record of 650 thousand metric tons, with 500 thousand tons harvested in the State of Sonora. Imports, which until a year ago averaged 300 thousand tons a year, will fall to 50,000 tons in 1954—Mexico, D.F., April 14.

WOOLLEN TEXTILES—Mexican production of woollen textiles has reached 4,429 metric tons a year, and of rayon 3,568 tons. Two thousand looms are being operated in the woollen textile industry; 9,902 looms in rayon and 37,500 looms in cotton textile manufacturing—Mexico, D.F., April 14.

COTTON—The 1953-54 cotton crop in Mexico will yield 1,193,116 bales, and the 1954-55 crop might reach a record of 1,303,000 bales, the Association of Cotton Growers reports—Mexico, D.F., April 14.

Netherlands

OIL—Crude oil production in the Netherlands is now sufficient to cover 25 per cent of the country's requirements. The oil is refined by two large refineries at Rotterdam-Pernis which have an annual capacity of about 11 million tons. The Netherlands is now Europe's third largest exporter of oil products, shipping 4,693,900 tons valued at 658,400,000 guilders in 1952, and 4,144,400 tons worth 489,700,000 guilders during the period January-October 1953—The Hague, April 19.

Philippines

NAILS—There are 12 nail factories in the Philippine Islands and the industry's average annual output is about 25 million lb. The industry operates some 300 nail-making machines with an estimated production capacity of 50 million pounds a year. Authorized capital is pesos 9·3 million; paid-in capitalization stood at pesos 4·34 million as of last August. Overproduction has forced some of the plants to suspend operations for as long as a year; others have to operate on a part-time basis. The industry also manufactures barbed wire, screws, nuts, bolts and steel bars. The United States, Japan and Belgium supply most of the raw materials—Manila, April 7.

South Africa

GOLD AND URANIUM—Forecasts are for an increase in gold production of 5 million ounces valued at £60 million, with uranium output, estimated on a conservative basis, reaching £40 million by 1958. This extra £100 million should solve the Union's foreign exchange problem. The only question-mark is the supply of mine labour, but it has been improving—Cape Town, April 13.

Spain

NYLON YARN—A new factory at Blanes, Asturias, has begun the manufacture of nylon yarn using Spanish raw materials. Press reports state that, in the preliminary stage, monthly production will be over five metric tons, increasing to 60 metric tons in the next few months—Madrid, April 17.

ANTIMONY—An official journal reports that Spanish antimony production in 1952 was 1,312 metric tons, compared with 708 metric tons in 1951 Madrid, April 17.

Turkey

PAPER—A new paper mill unit has been completed, successfully tested and put in operation in Izmit (Marmara). The new plant, the third such unit in Turkey, will employ 2,500 workmen and is expected to increase Turkey's present output of 10,500 tons of paper (including newsprint) to over 20,000 tons —Athens, April 8.

United Kingdom

FIBRE ROCK WOOL—A new factory has been opened in Stirling to make a long-fibre rock wool known as "Rocksil". A well-known company with asbestos interests is behind the venture, the first of its kind to be undertaken in Britain. This commodity will be used for heat, cold and sound insulation. All the raw materials required are available in large quantities in Scotland. The factory has a floor area of approximately 100 thousand square feet and production will be at the rate of 25 million cubic feet a year—London, April 23.

United States

MAINE SARDINE PACK—Production of standard cans of Maine oil and mustard sardines for the 1953 season was 1,845,000 cases. This was the second smallest pack in a sixteen-year period. Production of five, eight, 15 and 16-ounce oval and round cans in mustard, tomato and other sauces amounted to 320 thousand cases, bringing the industry-wide total to 2,165,000 cases. In 1950, Maine's 43 plants packed an all-time record of 3·9 million cases; in 1952 production hit 3·2 million cases. Average pack for the past ten years has been about 2·7 million cases. Inventories are reported to be dwindling rapidly and a complete sell-out before the next packing season is predicted—Boston, April 29.

Doing Business with the Belgian Government

Canadian companies interested in tendering on Belgian Government contracts will find useful information in this outline of procedures followed in awarding contracts and in assessing penalties for late delivery or non-performance.

K. G. RAMSAY, *Assistant Commercial Secretary, Brussels*

COMPANIES WHICH UNDERTAKE contracts with governments often discover that doing business in this way has its own special problems and pitfalls. Belgium provides a case in point, and Canadian businessmen who may be considering business relations with the Belgian Government should first understand the procedures which it follows.

Belgian Companies Receive Preference

In letting a contract, the Belgian Government is bound strictly by a series of laws dating back to the nineteenth century. The general provisos of these laws are set out in the *Cahier General des Charges,* published in French and Flemish by the Office Central des Fournitures, 49 rue de Luxembourg, Brussels. A copy is kept on file in Ottawa.

Of two bids made on a tender, one from a Belgian company and one from a foreign company, common practice (not law) gives the former an advantage of seven to ten per cent. This measure does not necessarily reflect any "buy Belgian" attitude, but represents the premium the Government is willing to pay for the advantage of negotiating every phase of the contract under Belgian law.

I have attended a few of the public sessions where bids are examined and as a result I would recommend that an interested Canadian company have a representative on the spot who can shepherd its tender through the various stages.

Calling for Tenders

Notice of all calls for tenders appears each week in the *Bulletin des Adjudications,* published by the *Moniteur Belge,* the Belgian equivalent of *Hansard.* Names of firms submitting tenders and the amount of each bid are published in the *Chronique des Travaux Publiques* which appears twice a week. Canadian companies who feel that their products might be competitive should see that their agents receive and examine these publications.

For security reasons, some national defence contracts are not published. Such contracts fall into two classes: first, "Demande de Prix," which is sent out to every firm that has indicated it is able to supply the goods or services needed; second, "Appel Restraint," which is sent out only to those firms that the organization concerned specifies. Canadian manufacturers of special technical equipment may bring their facilities to the attention of the appropriate branch of the Belgian Department of National Defence by writing directly to:

For the Air Force: Ministère de la Défense Nationale,
Force Aérienne,
Direction des Marchés,
Place Dailly, Brussels.

For the Army: Ministère de la Défense Nationale,
Force de Terre,
Service Général des Approvisionnements,
Place Dailly, Brussels.

For the Navy: Ministère de la Défense Nationale,
Force Navale,
Service des Approvisionnements,
Place Dailly, Brussels.

A copy of any such letter should be sent to the Commercial Section, Canadian Embassy, Brussels, for follow-up purposes.

Procedure in Awarding Contracts

A company interested in bidding on a particular contract must obtain the *Cahier Special des Charges,* which contains the pertinent information on which to base its bid. The form of the tender and the rules for submitting it are given in the *Cahier General des Charges.* Tenders may be submitted by registered mail or brought to the public meeting at which they are to be examined.

As soon as the meeting has been thrown open, the President declares that no more tenders will be admitted. He then proceeds to open and read aloud the bids and the names of firms submitting them. If there are several tenders in the lowest class, the winner is decided by lot.

Execution of the Contract

It is well to remember that the firm whose bid is accepted is bound by the absolute letter of the contract in executing it. This is particularly important in the matter of the specified delivery date. If goods or services have not been delivered by the specified date, the department which will receive or inspect the goods is not allowed to extend the delivery date. It must immediately apply the delay penalty, or be liable to prosecution itself.

The *Cahier Special des Charges* always specifies the penalty for late delivery, but in most cases it is ½ per cent ad valorem (freight, insurance, duties and taxes included) per week of delay up to a maximum of 5 per cent.

Risks Borne by Supplier

In spite of the general provisions laid down in the *Cahier General des Charges* certain government departments, because of their national importance, are empowered to impose the most extraordinary conditions on the supplier—conditions designed to eliminate all risk to the buyer by transferring it to the supplier. A firm whose offer on a project is acceptable may be told that, to be awarded the contract, it must agree to execute it at the price offered, in spite of any eventuality. The effect is to deny to the company any plea as an excuse for non-performance, including Acts of God or "force majeure".

The delivery date is a vital part of every contract. Provision has been made for extension of the delivery date, if the request is received before its expiry, by empowering some officers in the interested department to grant an extension of a certain fraction of the remaining life of the contract. A foreign company should understand the necessity of requesting an extension when it first becomes apparent that the original date cannot be met. Whether the extension is granted or not will depend upon the circumstances.

Appeals against Penalties

Any fines charged to the supplier are collected by deducting them from his payment; this leaves it up to the supplier to prove that the fines are unwarranted. A sub-contractor is not recognized in considering the validity of an appeal against a penalty for non-performance.

A special body (Comité Supérieur de Contrôle) has been set up to hear appeals against fines which have been imposed. An appeal can only be based on one of the following points:

1. That there was no delay.

2. That the delay was less than claimed when the fine was imposed.

3. That the supplier was not responsible for the delay.

Points one and two are questions of fact which can be easily determined and dealt with quickly and efficiently on documentary evidence. Point three is the one which is most likely to be misunderstood. "Force majeure" is the only plea which the tribunal recognizes as a basis for a decision in favour of the appellant. The tribunal interprets "force majeure" as an event outside the control of the appellant and which he could not foresee.

Cases in Point

The following cases may illustrate these points:

- A supplier was prevented from delivering his goods by the specified time because ice formed on the road and tied up his vehicles. His plea of "force majeure" was rejected because the Comité held that, at that time of the year, the supplier should anticipate the possibility of ice on the roads. By shipping early or shipping by rail, he could have avoided the delay.

- A foreign company was prevented from delivering goods to Belgium on time because the company's government instructed it to re-schedule its production to meet another order received after the Belgian contract. The company's plea of "force majeure" was rejected because at the time the order was booked, the company knew that its production schedule might be altered by higher authority. Therefore, by first clearing this order with higher authority or by negotiating a delivery date late enough to take care of this eventuality, the contract could have been carried out in time.

In each of these cases, the individual Belgian officials who had to deal with them seemed personally sympathetic to the company's problem and recognized the good faith of the parties concerned. Their sympathy was of no avail because these officials are bound by the terms of the *Cahier General des Charges.* In the second case, however, they pointed out that if the company had appealed for an extension before the expiry of the specified period, the extension might have been authorized.

Belgian Government contracts are well worth investigating, bearing in mind that it is best to negotiate all phases of such a deal under the supervision of an on-the-spot representative and remembering that the terms of a contract must be carried out to the letter. ●

Business and the Brussels Fair

In 1953, Belgium came fifth as a market for Canadian goods—one reason why both the Canadian Government and private Canadian firms find the great Brussels Fair a worthwhile medium for promoting trade and goodwill.

R. G. BROWN, *Canadian Government Exhibition Commission.*

THE BRUSSELS INTERNATIONAL TRADE FAIR, sponsored by the City of Brussels, ranks among the great fairs on Europe's spring calendar. Since 1935, it has been held in Centenary Park in the suburb of Heysel, about three miles from the centre of the city. There 13 attractive permanent buildings, in a beautiful setting of lawns, pools and flower beds, provide over 1,250,000 square feet of covered space. And there for the past five years the Canadian Government and Canadian firms have been exhibiting in the interests of our trade with Belgium which was, in 1953, our fifth best customer.

The Brussels Fair dates back to 1920, when Belgium was rebuilding her trade after the long years of war. It flourished until the outbreak of the Second World War, when fairs and fair-going ceased. Then, in 1947, the Fair again opened its doors. Last year it attracted 4,047 exhibitors from 28 different countries, 15,930 foreign visitors from 63 countries, and over a million visitors in all. West Germany led the foreign exhibitors in amount of space taken, followed by France, the United Kingdom, and the Netherlands. Canada ranked seventh. Exhibits are arranged under thirty different categories.

Canada Becomes Exhibitor

At successive Fairs in the early twenties, a few Canadian companies displayed their products; in 1923, their stands showed Canadian fibre board, cream separators, garden tools, and valves. Official Canadian Government participation dates from 1950, three years after the Fair re-opened. Earlier the Canadian Commercial Counsellor made a survey and came up with facts that suggested increased Canadian-Belgian trade if we exhibited regularly at the Brussels Fair.

The first two Canadian displays, in 1950 and in 1951, concentrated largely on two-way trade between Canada and Belgium. The 1952 showing, however, told a straightforward export story, using as a central part of the design a ship loaded with goods consigned to Belgium. Many of these goods were actually supplied by Belgian agents for Canadian firms; others came direct from Canadian manufacturers. Another innovation was an unusually fine and representative exhibit of Canadian furs, from the raw pelts to the finished garments, in the textile section.

Displays in 1953

Before the 1953 Fair, all Belgian representatives of Canadian firms were canvassed to see whether they wished to supply samples of Canadian products to be used in the official exhibit. The response proved so good that the designers of the stand were hard put to it to find space for everything. Nearly every Canadian export to Belgium was included—agricultural and domestic machinery, farm implements; tinned and other foodstuffs such as cheese, maple syrup, etc.; toys and dolls; plastics; antibiotics; aluminum, nickel, lead and zinc; industrial chemicals; pulp and paper; grain and seeds, and so on.

This particular exhibit seemed to have greater drawing power than almost any other foreign government display in the Hall of Nations, because it featured actual products. Many Belgians were surprised that Canada produced such a diversity of goods and that they could buy all the commodities on display in Belgium. Some eight Canadian firms, through their agents, exhibited electric stoves, washing machines, ironers, gas ranges, oil-burning stoves, whisky and gin, reamers, and fountain pens. Some sales were made at the Fair and prospects for future business appeared bright.

Furs Featured

Over in the textile section, the Departments of Trade and Commerce and Agriculture, with the co-operation of the Canada Mink Breeders and the Canadian National Silver Fox Breeders Association, put on an unusual and attractive fur display. A winter scene complete with jaunty snowman provided the backdrop against which selected pelts of many types of fur and full-length coats, fur jackets or stoles in fox, mink, beaver, squirrel, muskrat and otter were displayed. A replica of the pearl platinum silver fox cape given to Princess Elizabeth on her visit to Canada in 1951 drew special attention. Members of the fur trade in

Belgium received individual invitations to visit this display and some brought their customers to see the made-up garments.

This Year's Fair

The 1954 Brussels Fair opened on April 24th and closed on May 9th. For this showing, the Canadian Government leased additional space and once again the Brussels representatives of Canadian firms supplied commodities for display. Other agents took stands to show Canadian products. In addition, seven Canadian companies leased space to show their goods individually.

Manning of the exhibit, as before, was the responsibility of the Commercial Counsellor for Canada in Brussels. Last year the staff on duty reported about 133 trade inquiries, all of which were either answered on the spot or passed on to those who could supply detailed information. This year, interest seemed just as keen.

The official Canadian exhibits at the Brussels Fair year by year appear to be bringing results. The Belgian market is open to a wide variety of commodities and Canadian manufacturers and producers might well consider the advantages of exhibiting in their respective categories in co-operation with the Government's official exhibit. Any increase in the number of individual Canadian exhibitors makes our participation more effective and gives our trade officials a better opportunity to be of service to both buyer and seller. In fact, the Brussels Fair offers to Canadian exporters, individually or in co-operation with the Department, an excellent medium for placing what they have to offer before the thousands of people attending this important trade fair in the capital city of one of the most stable and prosperous countries in Europe. ●

trade and tariff regulations

Colombia

NEW CONSULAR REQUIREMENTS—By Decree No. 867, effective April 29, 1954, Colombia has changed the regulations concerning the legalization of consular invoices and other shipping documents as follows:

Shippers should present for legalization to the Colombian Consulate, or to the Consulate of a friendly nation where necessary, or where there is no Consulate to a Notary Public, all consular documents as well as shipping papers no later than 24 hours before the ship's or airplane's departure.
Colombian Consuls may not visa the documents at any time after the ship's sailing or the plane's departure.

Merchandise arriving in Colombia without prescribed consular documentation due to papers not having been presented within the stipulated time will be subject to a fine of 5 per cent of the c.i.f. value with a minimum fine of 500 Colombian pesos (approximately $200 Canadian) even when they are free from duty or have been granted an exemption.

Merchandise arriving at a Colombian port without documents (because of their not having been presented before the time of departure) will be confiscated by the State.

As under previous regulations, Colombian customs houses will not accept documents with corrections, with parts crossed out or where the wrong forms have been used.

Mexico

PESO DEVALUED—The Mexican peso was devalued April 19, from 8.65 to 12.50 pesos to the United States dollar. This represents a decrease in value of 44.5 per cent from the former rate in effect since June 1949.

In announcing the devaluation, the Mexican Secretary of the Treasury explained that the measure was designed to: (1) reduce imports of non-essentials, (2) increase exports, (3) discourage the export of capital, (4) encourage greater private investment, and (5) increase tourist revenues.

New Zealand

RELAXATION IN IMPORT RESTICTIONS—On April 26th the New Zealand Government announced the following relaxation of import restrictions on goods imported from the dollar area:

Items to be exempted from import licensing from all sources:

Acetone
Amyl alcohol
Butyl alcohol
Bromine
Carbon bisulphide
Carbon tetrachloride and other chlorides of carbon
Chlorinated hydrocarbons n.e.i.
Catechu
Cochineal
Formic aldehyde, and solutions thereof
Fusel-oil
Gallnuts
Iodine
Liquorice in blocks of 7 lb. net and over, or soft liquorice extract in bulk in vessels capable of containing 7 lb. net or over
Phosphorus
Pyridine
Quinine and salts of quinine
Saffron
Turmeric, unground
Wood-naphtha, commercial
Nicotine and its salts
Calcium carbide
Sulphate of ammonia, crude and in bulk
Sodium chlorate
Machine knitting needles
Patent leathers
Lamps, miners' safety, and glasses therefor
Lenses, all kinds, unmounted, and without attachments
Dry flong for the manufacture of matrices
Emery-paper, emery-cloth, and glass-paper, cut into shapes, in rolls or in sheets
Chain-belting (not being conveyor chain or belting), loose-link, and other
Carbons or electrodes for electric furnaces; carbons for arc lamps
X-ray tubes
Chain saws
Tire retreading and re-capping equipment
Copper, iron, lead, tin and other metals (except copper-based alloys, type-metal and gold) in billets, blooms, ingots or pigs
Tool steel
Pipes, piping, tubes and tubing, n.e.i., of non-ferrous metal
Vegetable turpentine in vessels capable of containing 1 gallon or more
Carnauba, ouricury or licury waxes
Wooden casks in shook form, white oak and hard fir only
Veneers of Port Orford cedar or Douglas fir, on declaration that they will be used for making separators for electric storage batteries
Match splints, wooden
Diatomaceous earth

New items in respect of which applications for licences to import from Canada and the United States will be considered:

Canned fish
Men's and boys' overcoats n.e.i. (samples only)
Fur felt hat hoods
Nylon lace for lingerie manufacture
Kidskin leather
Pressure lamps, oil or gasoline
Box, carton and container board
Cellulose film
Paper hangings
Paper of approved qualities declared by a manufacturer for use by him in making toilet paper only
Hand-worked cultivators
Automotive cable
Electric hair-clipping machines
Hat blocks
Pressure stoves and irons, oil or gasoline
Oil-fired space heaters and functional parts therefor
Metal shafting, plain rolled or plain turned but otherwise unwrought
Metal sheet, perforated or cellular
Metal cordage, ferrous
Linseed oil
Soya bean oil
Veneers
Special air-ventilated plastic material for raincoat manufacture
Asphalt roofing shingles

Principal items for which increased provision is being made for imports from Canada and U.S.A. in 1954:

Inorganic acids
Antibiotics
Surgical and dental instruments
Elastics and tapes for corsetry and swim-suit manufacture
Textile piece goods, excluding knitted cotton piece goods
Nails, pegs, rivets, etc. for bootmaking
Copperized and oiled paper for fruit wraps
Ball and roller bearings
Agricultural implements
Electric motors (under 1 h.p. and over 5 h.p.)
Electric generators
Electrical appliances peculiar to surgery etc.
Radio tubes
Winding wires
Agricultural tractors
Industrial knitting machines
Industrial sewing machines (excluding plain sewers and overlockers)
Earthmoving equipment, the following: twin power scrapers, excavator units for truck mounting
Gasoline and diesel engines and spares
Type-casting machines
Spray painting equipment
Valves, high pressure
Refrigerating units
Iron and steel, sheet, plate (including rolled chequered plates) or hoop (except hoop 6 inches in width or over) plain, black, polished, galvanized, plated, tinned or otherwise coated with metal n.e.i.
Non-ferrous sheet, strip, etc.
Aluminum cable, steel reinforced
Copper welded wire
Copper cordage
Non-ferrous cordage
Nails and tacks n.e.i. etc. (except staples and clouts)
Plastic moulding powders

Turkey

CUSTOMS TARIFFS—The new customs law of Turkey which has been under preparation for over a year will go into effect from June 6th, substituting ad valorem duties for assessment by weight. The new rates of duty are in most cases substantially higher than previous rates. Rates bound by GATT agreements are stated to remain unchanged until July 1955—Athens, April 22.

United States

CUSTOMS AMENDS REGULATIONS ON MARKING—According to T.D. 53455 (Weekly Treasury Decisions of March 18, 1954), the United States Customs have amended section 11.8(d) of the Customs Regulations dealing with the method of marking to indicate the country of origin of an imported article, as follows:

"(d) Subject to the exceptions specified in section 304(a) (3), Tariff Act of 1930, as amended, each article classifiable under paragraph 354, 355, 357, 358, 359, 360, 361, or 1553 of that Act shall be marked legibly and conspicuously to indicate its origin by die stamping, cast-in-the-mold lettering, etching (acid or electrolytic), engraving, or by means of metal plates which bear the prescribed marking and which are securely attached to the article in a conspicuous place by welding, screws, or rivets. In the case of other classes of articles, the exact method of marking to meet the requirements of section 304, Tariff Act of 1930, as amended, is not specified in these regulations or elsewhere. When an article not classifiable under a paragraph specified above is required to be marked under section 304 to indicate its origin, any method of legible and conspicuous marking is acceptable which will remain on the article (or its container, when the container and not the article is required to be marked) until it reaches the ultimate purchaser. The marking must in all cases be legible and conspicuous and of a degree of permanency which will assure that in any reasonably foreseeable circumstance the marking, unless it is deliberately removed, will remain on the article (or its container) until it reaches the ultimate purchaser. For example, if chinaware is marked by means of paper sticker labels, the labels, legibly indicating the English name of the country of origin, must be affixed to the chinaware in a conspicuous place and so securely that unless deliberately removed they will remain on the chinaware while it is in storage or on display and until it is delivered to the purchaser at retail or other ultimate purchaser. Similarly, when tags are used, the tags, legibly indicating origin, must be attached in a conspicuous place and in a manner which assures that unless deliberately removed they will remain on the article until it reaches the ultimate purchaser."

Venezuela

REGISTRATION PROCEDURE ALTERED FOR IMPORTED FOODSTUFFS—The Food Registration Section of the Venezuelan Department of Health and Social Welfare has made numerous minor changes in the procedure of applying for the sanitary registration of imported foods and beverages. This registration, and the allotment of a corresponding permit number to appear on each label, is a prerequisite in making commercial shipments to Venezuela of any product for human consumption which has been altered from its natural form.

Complete details of the registration procedure are available upon request from the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa—Caracas, April 22.

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd and completes it in Winnipeg, June 17th and Vancouver, June 22nd to 30th.

Businessmen in these centres may get in touch with Mr. Wallace through the Canadian Manufacturers Association in Winnipeg and the Department of Trade and Commerce in Vancouver (355 Burrard Street).

head office directory

Department of Trade and Commerce

This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)

No. 1 Building, 375 Wellington Street*	Gov. Local
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	3693
Deputy Minister: Wm. Frederick Bull	6748-2326
Executive Assistant: H. A. Gilbert	2380
Trade Policy Adviser: H. R. Kemp	5151
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421
Comptroller-Secretary: Finlay Sim	2262

Economics Branch

Director: V. J. Macklin	5658
Associate Director: Dr. J. Davis	7372

Trade Commissioner Service

Director: John H. English	2530
Assistant Director for Foreign Service Operations: L. H. Ausman	6800
Assistant Director for Economic Planning and Co-ordination: J. P. Manion	8286
Area Trade Officers	
Asia and Middle East: J. P. Manion	8286
Commonwealth: Wm. Jones	2144
Europe: K. Nyenhuis	0436
Latin America: A. Savard	7641
United States: A. Savard	7641
Assistant Director for Administration and Finance: M. Grant	3058
Western Representative: H. L. E. Priestman, 355 Burrard Street, Vancouver, B.C.	
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland.	

Commodities Branch

Director: Denis Harvey	5417
Special Assistant: A. L. Neal	8269
Assistant Director (Export Promotion): J. P. C. Gauthier	6519

Import Division

Director: C. F. McGinnis	7163

Transportation and Trade Services Division

Director: A. P. Bissonnet	6236
Export and Import Permit Section	
J. G. MacKinnon	3640
Processing Officers:	
Steel, non-ferrous metals, machinery, automobiles, all strategic materials: S. C. Cooke	6976
Textiles, lumber, chemicals, rubber products, leather: K. A. Peaker	5508
Imports and Office Supervisor: L. M. Lang	6991
Directories Section: Miss K. Griner	6681
B.W.I. Trade Liberalization Plan Section: G. L. Tighe	6905-5670
U.K. Token Import Plan Section: A. E. Fortington	5680
Transportation and Communications Section: H. A. Hadskis	2737
Traffic: J. H. Longfellow	7835

* *Unless otherwise noted, all officers of the Department are in No. 1 Building.*

Commodity Divisions

	Gov. Local
Machinery and Metals Division	
Chief: E. C. Thorne	4082
Machinery and Plant Equipment: J. R. Johnson	7546
Non-ferrous Metals: A. M. Tedford	5159
Industrial Minerals: E. J. Bonkoff	5823
Iron and Steel: J. M. Rochon	8422
Automotive and Agricultural Equipment: G. C. Clarke	3873
Forest Products and Chemicals Division	
Lumber and Manufactured Wood Products: J. C. Dunn	0273
Logs and Lumber Products: R. Bonnar	4863
E. J. White	5127
Chemicals and Allied Products: S. G. Barkley	7601
Vegetable, Animal and Marine Oils and Fats, Petroleum and Products: R. T. Elworthy	5177
Consumer Goods Division	
Chief: D. G. W. Douglas	6197
Toys, Recreational Products, Musical Instruments: P. G. Jones	4160
Electrical Appliances, Sewing Machines: W. H. Grant	3209
Office, Hospital, Radio, Scientific and Surgical Instruments: A. C. Fairweather	7815
Handicrafts, Photographic Equipment, Jewellery: P. E. Jensen	5337
Plumbing, Heating and Hardware Products: G. W. Rahm	6958
Textiles, Fibres and Products: G. R. Poley	3004
Wearing Apparel: E. G. Gerridzen	5378
Leather and Rubber Products: F. T. Carten	0518
Imported Foods: E. B. Paget	4161

Agriculture and Fisheries Branch

Director: G. R. Paterson	4301
Assistant Director: W. B. McCullough	3980
Agricultural Products	
Plants and Plant Products: G. F. Clingan	7523
Livestock, Dairy and Poultry Products: K. L. Melvin	3172
Animal Products: A. J. Stanton	5859
Fish and Fish Products: T. R. Kinsella	7385

Grain Division

Chief: G. N. Vogel	5830-5648
R. M. Esdale	5830-5648

International Trade Relations Branch

Director: C. M. Isbister	2250-4042
Assistant Director: B. G. Barrow	2250
H. V. Jarrett	5642
European and Latin American Area	
Chief: M. Schwarzmann	7594
A. M. Baldwin	8727
R. E. Latimer	7696
F. P. Weiser	5642
Sterling Area	
H. K. Potter	8469
W. Lavoie	6531
E. J. McMeekin	8727
R. B. Nickson	7594
United States Area	
B. S. Shapiro	8469
B. O'Neill	7696

Information Branch

Director: H. Leslie Brown	2479-6394
Assistant Director: J. Fergus Grant	2186
Editor, *Foreign Trade* and *Commerce Exterieur:* Miss O. Mary Hill	6588
Advertising: Roy A. Abrahamson	6435

Translation Branch

Chief: J. C. Letellier de St-Just	2760
M. Roy	2760

Industrial Development Division

Director: G. D. Mallory	3819
Assistant Director: B. R. Hayden	7886
Technical Officer: W. J. Moloughney	5909

Dominion Bureau of Statistics

Holland Ave.

	Gov. Local
Dominion Statistician: Herbert Marshall	6371-2529
Assistant Dominion Statistician: J. T. Marshall	7695
Assistant Dominion Statistician: S. A. Goldberg	5458
Agricultural Division	
Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	5933
General Assignments Division	
Director: H. L. Allen	4052
Health and Welfare Division	
Director: F. F. Harris	6651
Information Services Division	
Canada Year Book and Canada Hand Book	5894
Director: C. C. Lingard	0418
Industry and Merchandising Division	
Director: H. McLeod	2125
International Trade Division	
Director: C. D. Blyth	8340
Labour and Prices Division	
Director: H. F. Greenway	7424
Mechanical Tabulation Division	
Director: C. Scott	7368
Public Finance and Transportation Division	
Director: J. H. Lowther	5396
Research and Development Division	
Acting Director: F. H. Leacy	3071
Special Surveys Division	
Director: A. B. McMorran	5570

Standards Branch

West Block, Wellington St.

Director: R. W. MacLean	2132
Assistant Directors	
Electricity and Gas: E. F. Power	2956
Weights and Measures: C. S. Phillips	2000
Commodity Standards: O'Neill O'Higgins	6721
Precious Metals Marking, and Enforcement: W. L. Berry	7075

International Economic and Technical Co-operation Division (Colombo Plan)

No. 4 Building, Lyon St.

Administrator: Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Technical Co-operation Service	
Chief: D. W. Bartlett	5542
Assistant Chief: J. T. Hobart	8662

Canadian Government Exhibition Commission

479 Bank St.

Director: Glen Bannerman	3558

Export Credits Insurance Corporation

Birks Bldg., 107 Sparks St.

General Manager: H. T. Aitken	2-4828
Chief Credit Officer: A. W. Thomas	2-4828
Secretary: T. Chase-Casgrain	2-4828

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01394.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. April 30	Notes (See below)
Argentina	Peso	Preferential buying	·1315	
		Basic buying	·1973	
		Preferential selling	·1973	(1)
		Basic selling	·1315	
		Free	·07099	
Austria	Schilling		·03793	
Australia	Pound		2·2250	
Belgium Luxembourg & Belgian Dependencies	Franc		·01958	
Bolivia	Boliviano	Official	·01519	
British West Indies	Dollar		·5794	(3)
	Pound		2·7812	(4)
	Dollar	Brit. Honduras	·6953	
Brazil	Cruzeiro	Official selling	·05240	tax 8%
		Effective buying	·03478	(2)
		Coffee buying	·04222	(5)
Burma	Kyat		·2071	
Ceylon	Rupee		·2086	
Chile	Peso	Official	·00897	(1)
Colombia	Peso	Basic	·3945	
Costa Rica	Colon	Official	·1756	(6)
		Controlled free	·1485	
Cuba	Peso		·9862	tax 2%
Czechoslovakia	Koruna		·1370	
Denmark	Krone		·1428	
Dominican Republic	Peso		·9862	
Ecuador	Sucre	Official	·06575	
		Free	·05691	
Egypt	Pound		2·8321	
Fiji	Pound		2·5056	
Finland	Markka		·00429	
France	Franc		·00282	(7)
French Africa	Franc		·00564	(8)
French Pacific	Franc		·01551	(9)
Germany	D Mark		·2348	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9862	
Haiti	Gourde		·1973	
Honduras	Lempira		·4931	
Hong Kong	Dollar	Free	·1696	*April 15
Iceland	Krona	Official	·06056	
		Special buying	·04663	
		Special selling	·03756	
India	Rupee		·2086	
Indonesia	Rupiah	Basic	·08651	(10)
Iran	Rial	Certificate	·01093	
Iraq	Dinar		2·7615	

* Latest available quotation date.

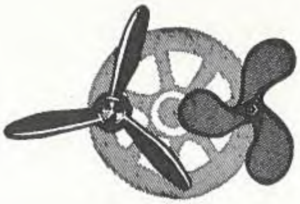
Country	Unit	Type of Exchange	Canadian dollar equiv. April 30	Notes (See below)
Ireland	Pound		2·7812	
Israel	Pound	Effective basic	·9862	
		Premium	·5479	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·3075	
Mexico	Peso		·07890	
Netherlands	Guilder		·2607	
Netherlands Antilles	Guilder		·5230	
New Zealand	Pound		2·7812	
Nicaragua	Cordoba	Effective buying	·1494	(11)
		Official selling	·1399	
		With Surcharge I	·1225	
		With Surcharge II	·09813	
Norway	Krone		·1381	
Pakistan	Rupee		·2981	
Panama	Balboa		·9862	
Paraguay	Guarani	Basic	·06575	(1)
		With Surcharge I	·04696	
		With Surcharge II	·03287	(12)
Peru	Sol	Certificate	·05110	
Philippines	Peso		·4931	tax 17% (2)
Portugal	Escudo		·03442	(13)
El Salvador	Colon		·3945	
Singapore & Malaya	Straits dollar		·3245	
South Africa (Union of)	Pound		2·7812	
Spain & Dependencies	Peseta	Basic buying	·04503	
		Basic selling	·08790	
		Basic commercial selling	·06004	(1)
		Free	·02532	
Sweden	Krona		·1906	
Switzerland	Franc		·2301	
Syria	Pound	Free	·2708	*March 9
Thailand	Baht	Official	·07890	(1)
		Free	·04732	*Feb. 19
Turkey	Lira		·3522	
United Kingdom	Pound		2·7812	
United States	Dollar		·9862	
Uruguay	Peso	Official	·6493	
		Basic buying	·5541	
		Special buying	·4197	(1)
		Basic selling	·5191	
		Special selling	·4025	
Venezuela	Bolivar		·2944	(14)
Yugoslavia	Dinar		·00329	

* Latest available quotation date.

notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

transportation notes



Egypt

RAILWAY DEVELOPMENT—Indications of the scope of future purchases by the Egyptian State Railways are given in a report prepared by a technical committee formed to map out a ten-year program. The committee has recommended the expenditure of £E.60 million, a large portion of which is to be spent on new rolling stock and railway ties. The principal items include purchase of 25 diesel locomotives and 90 passenger cars each year, until a total of 250 locomotives and 600 cars is reached. Some 5,000 freight cars will also be needed. Other expenditures include the replacement of 2,000 kilometres of track and 1,300 kilometres of ties—Cairo, April 2.

Greece

ETHIOPIAN AIR SERVICE—The state-owned Ethiopian Air Lines has extended its flights to Greece, with intermediate stops at Hartum, Wadi Halfa, Asmara, Port Sudan and Cairo. The weekly schedule of two round trips provides the only direct connection between East Africa and the Mediterranean. TWA crews and administrative personnel on loan to the Ethiopian Government have been organizing the service and manning the planes. A Convair aircraft carrying Ethiopian officials, officers and press representatives arrived in Athens this week to inaugurate the service—Athens, April 7.

Israel

GERMAN RAILROAD EQUIPMENT ORDERED—Seven express trains, which would permit an hourly service between the three main cities of Jerusalem, Tel-Aviv and Haifa, have been ordered in Western Germany with Jewish Reparation Agreement funds. Special shuttle engines, plus a network of railroad traffic signs, have also been ordered. The total cost is put at 25·2 million marks, and the equipment is expected to be in operation by 1955—Athens, April 2.

Pakistan

INTERNATIONAL AIR SERVICE—Pakistan aviation enters a new phase with the recent arrival in Karachi of the first of three *Super-Constellations* ordered from the United States. The new government-sponsored and financed Pakistan International Airlines will shortly begin a rapid passenger-freight service between Dacca and Karachi, thus linking the two wings of the country more closely. Later it is planned to operate an international service to London via Damascus. Pakistan personnel are undergoing training in the United States and with KLM in the Netherlands in preparation for this expansion of air services—Karachi, April 6.

Rhodesia and Nyasaland Federation

AIR LINK WITH SOUTH AFRICA—A new non-stop flight between Salisbury and Durban will provide a direct link between the Durban holiday coast and Rhodesia. The service, which began on April 3rd, will operate weekly but it is hoped to extend it to include low-priced excursion fares to encourage Rhodesians to use the route. Over 70,000 Rhodesians visited the Union last year—Cape Town, April 6.

South Africa

RAILWAY EARNINGS—Railway estimates of expenditure for the year 1954-55 include £132·8 million from revenue and £33·7 million on capital and improvement works. The estimate of expenditure for the coming year represents an increase of £6 million over the previous year's expenditure from revenue, and a decrease of £6·1 million in capital and improvement works—Johannesburg, April 9.

Turkey

BOSPORUS BLOCKED—For the first time in the last 1,200 years it was possible to walk across from Europe to Asia on and after February 26th, thanks to the huge icefield which drifted into the Bosporus from the Black Sea. A number of ships were caught among the ice floes, while others on their way to Black Sea ports lay over at Istanbul. Army and navy units worked hard to clear a path among the glaciers. For fear of accidents, local ferry sailings were allowed only for a few hours in the afternoon, port services were hindered and sailing schedules seriously delayed—Athens, March 31.