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cover This Lebanese gazes out over the harbour of Beirut; the St. Georges Hotel is in the background. Long famous as traders, the people of the Lebanon allow foreign goods to enter freely and add to their earnings by encouraging the tourist industry. For a report on conditions in the Lebanon and opportunities for Canadian products there, turn to page six.

Banking beyond the Seas . . .

IN THIS ISSUE, "Foreign Trade" begins a new series of articles describing banking practices in various parts of the world. We are featuring first banking in Belgium; in the November 27 number we shall turn to banking in India, and as the weeks go by we shall be publishing banking reports from Ceylon, Singapore, Portugal, Spain, Australia, South Africa, and many other countries.

This series grew out of our desire to carry in "Foreign Trade" material which might prove useful to the Canadian banking fraternity. The subject was first broached about six months ago in a conversation between the director of the Department's Information Branch and an officer of one of Canada's chartered banks. We wanted to discover what sort of information would fill a need and to follow the suggestions of a working banker in planning our series.

Above all else, we wanted the reports to be practical and, in writing to the Trade Commissioners abroad, we asked for data on specific topics. Reports should include—so our letter ran—"a description in general terms of the banks in the business, their attitude towards foreign items, and some comments on their capacity to look after transactions in the light of their own regulations." We requested also details on branch representation and on peculiar local customs which the banks were bound to observe.

editorial

Many of the Trade Commissioners expressed interest in preparing articles which would answer our questions and carry out our suggestions and, as the weeks went by, these reports began to come in. They will be appearing one by one in the magazine and we hope that not only bankers, but also exporters who do business with the countries covered, will find them interesting and useful.

—The Editor

Banking Abroad

BELGIUM

T. J. MONTY, *Commercial Counsellor, Brussels.*

THE GENERAL ASPECT OF BANKING in Belgium has undergone considerable changes in the course of the last twenty years. Traditionally, until the depression of 1929-1934, the main type of Belgian bank was the so-called "mixed bank" which in addition to accepting deposits held considerable interests in industry both in Belgium and abroad.

No special legislation on banking existed until 1934, when the banks were converted by law into pure deposit banks and their industrial holdings transferred to separate holding companies.

At the same time a government Banking Commission was set up with the twofold object of:

- Establishing rules and regulations for the banks in the matter of reserves, liquidity, interest rates, drafting of balance sheets, etc.
- Surveying the public issue of shares and bonds by companies.

Postwar Changes

The rules fixed by the Banking Commission were not too drastic until the outbreak of World War II. At the end of the war, however, when the banks found themselves in possession of huge amounts of Treasury Certificates which they had subscribed to during the enemy occupation, the Banking Commission established a rule by virtue of which the banks were obliged to keep 55 per cent of their deposits in Treasury Certificates and 10 per cent in cash. Although this rule has been slightly changed of late, its broad outline remains the same.

As a result, the amounts available to the banks for their loans and advances to industry and trade are restricted to roughly one-third of their deposits. Bank credits, therefore, are rather expensive in Belgium, the more so because the Government has fixed the interest rate on the Treasury Certificates held by banks at a low level.

Bank Deposits

Although bank deposits show a tendency to increase, they are far from reaching the levels current in Canada. For a variety of reasons, the public at large does not use bank accounts or bank cheques for making payments but instead shows a marked preference for using bank notes or the Postal Cheque Office.

This is shown by the figures as of May 31, 1954:

	Billions of francs
Note circulation	98·2
Deposits with Postal Cheque Office	19·4
Bank deposits	69·1

Since the end of the war the Belgian banks have been making considerable efforts to increase their deposits, partly by multiplying their branches in the big cities.

Another characteristic of Belgian bank deposits is the large proportion of sight deposits. At the end of May 1954 figures were:

	Billions of francs
Deposits at sight or at maximum 30 days	60·3
Deposits at more than 30 days	8·8
Total	69·1

The banks registered in Belgium are, with the exception of one small establishment, all affiliated with the Belgian Bankers' Association and number about 90. This, however, includes the Belgian branches of foreign banks which are fairly numerous. It includes also a considerable number of medium-sized and small banks of purely local importance.

Only seven Belgian banks have deposits of more than one billion francs. These are:

	(In millions of francs as shown on latest balance sheet)		
	Number of branches and sub-branches	*Capital and reserves*	*Deposits*
1. Banque de la Société Générale de Belgique, Brussels	410	1,640	26,038
2. Banque de Bruxelles, Brussels	430	1,200	15,462
3. Kredietbank, Antwerp	251	535	7,416
4. Banque d'Anvers, Antwerp	4	210	2,266
5. Société Belge de Banque, Brussels	2	175	2,080
6. Banque Lambert, Brussels	15	100	1,575
7. Banque de Commerce, Antwerp	11	150	1,255
Total			56,092*

* This figure represents about 83 per cent of the total bank deposits in the country.

The bulk of the foreign trade financing is concentrated in the hands of these seven banks. It must be noted, however, that there are Belgian banks other than those shown above which take part in the financing of foreign trade. Some of these, although they are of relatively little importance, have an active foreign department.

Securities Department Important

Current banking operations in Belgium are not essentially different from those transacted by banks in Canada. Apart from the fact that payments are more often made through the Postal Cheque Office than through banks, one noteworthy difference is to be found in the securities department which in Belgian banks (as in European banks in general) is very important and requires a considerable staff.

In Belgium the great majority of company shares come out in bearer rather than registered form. Customers deposit their holdings in safe custody with their bank, entrusting the latter with the collection of dividends or interest coupons, the subscription to new issues, and so on.

As a natural consequence, most customers also entrust their bank with their stock exchange orders and, although no statistics are available, it may be assumed that orders executed through banks form a large portion of all transactions effected on the Belgian stock exchanges.

It is probable that the profits derived by Belgian banks from their Securities Department represent a bigger item in their profit and loss account than is the case in Canadian banks.

In the important field of documentary credits, Belgian banks have adopted the "Uniform Customs and Practices for Documentary Credits", drawn up by the International Chamber of Commerce.

What Canada Is Selling to Britain

Analysis of the nine-months' figures for British imports from Canada show mixed trends; some commodities chalked up increased sales compared with '53, others lost ground.

R. P. BOWER, *Commercial Counsellor, London.*

THE REMOVAL OR RELAXATION of many United Kingdom controls over dollar imports during the past year led some to hope that in 1954 sales of Canadian goods to Britain would increase. However, the nine months' United Kingdom figures, recently released, show that Britain's imports from Canada for January-September 1954 dropped in value to £192,-160,894, from the £228,286,721, in the same period of 1953. Many of the products which were covered by United Kingdom trade liberalization measures have improved their position on the British market, but these gains have been more than wiped out by lower prices for many Canadian exports—particularly cereals—and by some less serious reductions in the volume and value of others.

Some Imports Improve

The increase in sales of dollar chemicals has been a highlight of 1954 trading. For the first nine months of 1954, shipments to the nited Kingdom were valued at £4·2 million compared with £2·7 million in 1953, and this advance placed Canada in fourth position as a supplier compared with fifth in 1953. Canadian performance should continue to improve. The most outstanding increase was in plastics chemicals, shipments rising from £180 thousand to £819 thousand. In the field of synthetic rubber, Canadian sales of this commodity moved from £527 thousand in the first nine months of 1953 to £1·2 million in the same period of 1954. Even so, the proportion of synthetic to natural rubber consumed in the United Kingdom remains low—roughly 3 per cent. This proportion may be expected to increase though part, at least, of any increase will come from local producers, reflecting the development of home production.

Forestry products all did better in 1954 than in 1953 because of relaxations in restrictions against the import or end-use of the items involved. Manufactures of wood in the nine-month period were valued at £674 thousand compared with £539 thousand the year before. Imports of softwood lumber rose from £16·3 million to £21·7 million, putting Canada in first place as a supplier compared with third last year. Newsprint sales increased from £6·3 million to £8·9 million and paper and paperboard from £6·4 million to £9·2 million. Newsprint imports are still subject to licence and end-use controls remain. Nevertheless there have been substantial relaxations and the outlook for even larger imports in 1955 is encouraging. All grades of wood pulps did better in the first nine months of 1954 than in the same period a year earlier, with totals of £9·6 million and £7·8 million respectively. The greatest percentage improvement was in sulphate pulp, where the figures were £2 million compared with £450 thousand.

Metals and Machinery

Most of the important metals may now be sold freely on the United Kingdom market, irrespective of source. Under these conditions, Canadian performance during the first nine months has varied. With the exception of lead, the value of the principal non-ferrous metals has risen: copper from £8·8 million to £12·3; zinc and zinc alloys from £2·9 to £4·1 million, and aluminum from £18·3 million to £20·3 million. On the other hand, lead and iron and steel items have fallen. The value of lead and lead alloys declined by a million pounds to £2·6 million; imports of Canadian steel ingots, which amounted to £940 thousand in the first nine months of 1953, disappeared entirely in 1954. Pig iron shipments also disappeared; they were valued at £162,800 in 1953.

Early in 1954, the United Kingdom introduced relaxations affecting the import of certain types of machinery from dollar sources (see *Foreign Trade* for August 7, 1954, page 26). This has had a marked effect on Canadian sales, with imports of "machinery other than electric" climbing to £1·2 million in the first nine months of 1954 from £872 thousand in the same period of 1953. Similarly, imports of electric machinery, apparatus and appliances rose from £271 thousand to £1·5 million.

Cereals and Cereal Products

Though a number of Canadian products which were sold in the United Kingdom in the first nine months of 1953 disappeared entirely in the corresponding period of 1954, and in a number of cases less drastic declines occurred, the main factor in the overall loss was the heavy fall in the volume and value of cereals and cereal products. Taking the group as a whole, the value of imports from Canada fell by £38 million to £53·7 million. Wheat was the principal component in the group and in the period covered, imports from Canada fell by 18·5 million cwt. to 26 million cwt., and in value from £67·3 million to £36·6 million. Despite the fall in sales Canada remained the principal supplier of wheat to the United Kingdom in the first nine months of 1954, as she was in 1953. Imports of wheat from all sources combined declined by 23 per cent; imports from Canada were down by 40 per cent. Canada's share of the market was therefore less; in terms of quantity the figures were 72 per cent in 1953 and 55 per cent in 1954. Russia, France, and Argentina all improved their positions on the market.

Grain Shipments May Rise

Of the other cereals, barley was the most important from Canada's point of view. Here also there was a sharp fall in sales, the volume declining from 8·8 million cwt. in the first nine months of 1953 to 6·5 million cwt. in 1954. As in 1953, Canada was the principal supplier, followed by Argentina and Australia. Total imports declined by 40 per cent and those from Canada by 26 per cent, so that Canada's share of the market actually improved from 40 to 50 per cent. There is a seasonal fluctuation in shipments of Canadian grain to the United Kingdom. During the first three months of the year shipments are negligible; they increase during the summer, and reach their peak in the last quarter of the year. It may well be, therefore, that Canadian sales of grain for the year will be higher than the nine-months' figures indicate.

Other Declines

In addition to the fall in shipments of Canadian lead to the United Kingdom, imports of ferro-alloys from Canada in the first nine months of 1954 fell to £480 thousand from the £2·6 million in the same period of 1953. Similarly imports of tungsten ores fell from £177 thousand to nothing. Other items to lose ground included clothing, footwear, cheese, fruits and vegetables, and whisky.

Import Levels Maintained

The decline in Canadian sales to the United Kingdom has come at a time when the United Kingdom rate of imports has remained constant. The United Kingdom has held its own as a supplier and South Africa, Kuwait, India, Ceylon, New Zealand, Russia, the Scandinavian countries, and most other European countries have improved their standing. Imports from Western Germany, for example, at £58 million, were 10 per cent up over the previous year. Among the South American countries Peru, Chile, Venezuela and Brazil are also doing better in 1954.

The general position is not as discouraging as a first glance might imply. If the performance of cereals is overlooked, the remaining total of British imports from Canada in the first three quarters of the current year is larger than it was a year earlier. ●

How to Share in Lebanon's Prosperity

Brisk economic activity in surrounding countries, plus freedom from exchange and other restrictions at home, has helped Lebanon to prosper in past few months. Here is an analysis of business conditions and trade as a guide to Canadians who wish to participate in this market.

G. F. G. HUGHES, *Trade Commissioner, Beirut.*

THANKS TO the general high level of economic activity in the surrounding countries during the past year, the merchants of Lebanon, its hotel-keepers, its bankers and indeed most of its population continued to enjoy the benefits of an economy almost completely devoid of restrictions.

The merchandise trade of the country is in the ratio of four of imports to one of exports and it is therefore not surprising that the continued freedom from restriction, low internal taxes, and strengthening of the local currency has been called the "Lebanese miracle". Though no official figures are available to explain how it is possible to maintain a favourable balance of payments, the following statistics are considered to present a fairly accurate picture of Lebanon's main sources of income and its expenditure in foreign exchange.

Balance of Payments

(in millions of £)

	1951 Credit	*1951* Debit	*1952* Credit	*1952* Debit
Merchandise trade	124·8	436·4	122·1	454·2
Trade in gold	15·2	14·2	25·0	36·5
Tourist trade, hospitals, schools	35·0	14·7	47·6	23·1
Transport and insurance	16·4	9·2	21·2	8·5
Investment revenue	7·6	11·8	8·2	9·2
Government expenditure	79·5	9·8	72·2	6·6
Transit trade	113·1	....	95·4	....
Other sources of revenue (exchange etc.)	35·7	....	36·0	....
Remittances from and to emigrants	58·4	4·0	71·7	4·0
Donations to the Government (U.S. FOA)	0·5	....	2·5	....
Charitable and cultural institutions	10·2	....	13·5	....
Net movement of capital	22·6	....	53·0	....
Total	519·0	500·1	568·4	542·1
Surplus	....	18·9	....	26·3

Explanation of Surplus

	1951 Credit	*1951* Debit	*1952* Credit	*1952* Debit
Gold cover	23·9	....	15·4	....
Foreign exchange deposits held abroad	....	0·9	10·4	....
Deposits held in Lebanon by foreigners	....	4·1	0·5	....

The relative importance of transit trade, remittances from emigrants abroad, exchange transactions, capital movement and tourist trade is readily apparent.

Tourist Trade Prospers

One of the most encouraging developments of this year has been the tourist trade. By mid-August over 23,000 foreigners were known to have come to Lebanon to take advantage of the well-organized vacation facilities. One of the main contributing factors was the arrival of large numbers of Syrians who, for the first time in four years, have been allowed to visit Lebanon freely. Spending was slow at first but the lifting of the gambling ban at the end of July acted as a spur. Tourist authorities estimate that £L100 million in foreign currency will be earned during the season—more than double last year's revenue.

The net surplus in the balance of payments which Lebanon has enjoyed for several years has naturally affected the rate of exchange. Where, at the beginning of 1953, it took 3·65 Lebanese pounds to buy one U.S. dollar, the rate steadily hardened in favour of the Lebanese pound and has remained fairly stable for a year at about 3·20.

Industry Shows Growth

In almost every branch of established industry in Lebanon, production has been maintained at last year's levels or has been increased. As an indication of faith in the economy and its future stability, a number of plants have been enlarged or new ones planned. Among these is the largest aluminum rolling mill in the country, which has stepped up its annual capacity from about 400 tons to 5,000 tons. One of the largest U.S. electrical appliance manufacturers is collaborating with local interests in the production of various electrical appliances. One of the leading U.S. paint manufacturers has made a similar arrangement to manufacture paints under licence in a factory to be built during the next year.

Of chief concern to industrial planners is the scarcity of electrical energy. After a late start the Government has made arrangements with private companies for hydro-electric power development and 10,000 kw.

Picture shows one of the main streets of Beirut, with the tomb of the Unknown Soldier in the background, centre. To the right of the picture is the Normandy Hotel, well known to many visitors to this busy and prosperous Middle Eastern country.

of additional steam plant is expected shortly to swell the inadequate supplies of the Beirut Electricity Company.

Projects Under Way

Meriting special interest is recent government approval of the Litani project, a combined irrigation and power scheme for the Litani River, which rises in the Bekaa Valley and empties into the Mediterranean just north of the Israeli border. Total cost is estimated at about $97 million and negotiations are now proceeding for a loan of $30 million from the International Bank for Reconstruction and Development; the remainder will be financed from local sources. The scheme when completed will irrigate 20,000 hectares and will produce 396 million kilowatt hours a year in nine power plants.

The United States Foreign Operations Administration in July allotted $6 million which will be used as follows:

- $2·5 million for stimulating agricultural production and services and improving wheat storage facilities.
- $2 million for development and improvement of village water supplies.
- $1·5 million for highway construction.

Lebanon's contribution, amounting to the equivalent of $6·5 million, added to the U.S. aid, will assure a tangible improvement in these three fields within the next two years.

Foreign Trade

Official Lebanese trade statistics are apt to be confusing because in their compilation the official rate of the Lebanese pound at £L2·19 equals US$1.00 is used. However, a brief extract from the official statistics will serve to illustrate the position and shifts in importance of Lebanon's principal trading partners:

	1953	*1952*
	(£ × 1,000)	
Total imports	315,489	304,922
Total exports	87,778	77,194
Deficit balance	227,711	227,728

Principal Countries of Origin of Lebanese Imports

Syria	91,713	63,863
United States	42,552	48,100
France	31,001	28,680
Britain	25,139	30,401
Germany	13,424	9,396
Italy	11,038	12,368
Belgium	7,559	7,786
Holland	8,853	5,285
Jordan	5,182	2,827
Saudi Arabia	4,767	3,393
Switzerland	4,740	5,512
Czechoslovakia	3,340	4,677
Sweden	3,099	3,973

Principal Countries of Destination of Lebanese Exports

	1953	*1952*
	(£ × 1,000)	
Syria	13,782	16,624
Saudia Arabia	10,955	7,278
France	9,285	3,674
Jordan	6,068	3,336
Egypt	5,964	6,959
Iraq	4,481	2,739
United States	4,605	6,880
Britain	4,346	4,312
Italy	2,632	3,359
Czechoslovakia	2,057	1,716
Belgium	1,855	566
Holland	670	118

Canada is included among "other countries".

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Though the foreign trade deficit of 1953 appears to be almost equal to that of 1952, a calculation based on the free market exchange rates will show that the real value of imports in 1953 was about £L428 million compared with £L438 million in 1952.

The relative position of the principal trading partners has been more or less maintained during the first quarter of 1954 but the United States has assumed first position as a supplier, with one-third of the total. Syria will return to her premier position when produce and grain shipments gain momentum.

Canada's Position

Of chief interest to Canada's foreign trader is just where Canada fits into the picture as a supplier to the Lebanese market. The answer is—very slightly. In examining the causes one turns first to statistics and then to the market itself to seek for the explanation. In the early postwar years, Canada's exports developed on well diversified lines, though the principal items were still wheat and flour. In 1952 total exports to Lebanon were valued at $9·3 million but in 1953 this slumped to $5·2 million. The drop of $4·1 million was largely accounted for by smaller shipments of wheat and flour. Another commodity which took a dip was passenger automobiles, value of which dropped from $190 thousand to $9,000.

Two bumper harvests in Syria will contrive to keep imports of Canadian wheat and flour far below the amounts imported in 1952 and early 1953. The largest single buyer of flour, the United Nations Relief and Works Agency for Palestine Refugees, has made its recent purchases either from Syria or, to a lesser degree, from the United States—where low-grade flours are available at prices below those quoted by Canadian mills. This condition is expected to persist at least until the next crop year. But there still remains the small though steady market for the better baking grades of flour and for household flour in five- and ten-pound paper bags.

As for other Canadian exports such as leather, car batteries, many types of steel products including tools, certain electrical goods including wires and cables, and various manufactured goods, sharp competition from Europe is the rule. However, Canadian exporters are on an equal footing with their competitors as regards tariffs and other charges and there are no overall trade and exchange controls restricting dollar imports. Lebanon is an expanding dollar market for many commodities—including less essential foodstuffs and consumer durables—and is open to competitive Canadian suppliers.

There have recently been encouraging signs that Canadian West Coast lumber is more competitive with its Swedish counterpart and the increasing number of secondary industries in Lebanon and neighbouring countries should mean a larger market for base metals, particularly aluminum.

Competitive Prices Essential

Canadian exporters, so long accustomed to trade barriers produced by exchange restrictions, import quotas and other hazards, meet almost no such obstruction when dealing with Lebanon. The lack of these self-imposed impediments gives the Lebanese importer complete freedom to choose his supplier, a freedom he exploits with the adroitness one might expect from this inheritor of 4,000 years of business tradition. The one main question is price. There is no doubt that the other factors of quality, styling, servicing facilities, payment terms, speed and frequency of shipping services, direct assistance in advertising—to mention a few—also matter, but to start a product, the price must be right. The Canadian who wants to enlarge his market must bear this in mind. ●

If you want to sell to the Lebanese . . .

1. *Give as complete information about your products as possible.*
2. *Be sure to send samples to prospective buyers or agents whenever you can.*
3. *If you wish to sell manufactured goods, coloured, illustrated brochures are essential.*
4. *Give net and gross shipping weights or volumes, as they apply. Freight allowances for extras or spares should be shown separately.*
5. *Quote in U.S. dollars; Canadian dollars are neither quoted nor available in the Beirut market.*
6. *Do not lose sight of the need for advertising. For almost all, if not all, successfully sold consumer goods, the local agents receive direct assistance from their principals. The method may vary with the product, but whether it be newspaper advertising, posters, brochures, theatre slides or gift tokens, advertising is as important as it is in Canada.*

Japan Sets Foreign Exchange Budget

Budget for October 1, 1954, to March 31, 1955, allocates $1,090 million for merchandise imports. Foreign exchange position is becoming favourable; list of imports under automatic approval system has been curtailed, despite surplus.

R. F. RENWICK, *Assistant Commercial Secretary, Tokyo.*

A NOTE OF OPTIMISM accompanied the announcement of Japan's foreign currency allocations for the six months from October 1, 1954, to March 31, 1955. An improvement in the balance of international accounts eliminated many of the difficulties in compiling previous budgets and allowed it to be announced promptly. The budget totals $1,253·6 million, of which $1,090 million is earmarked to pay for merchandise imports. Although merchandise allocations for the corresponding period in 1953 were $456 million higher, the current budget of $1,090 million compares favourably with the $1,050 million allocation for the April-September period.

No Further Restrictions on Imports

Last July, Japan accumulated a $21 million excess in receipts of foreign exchange. In August receipts amounted to $197 million and payments to $159 million, to give a favourable balance of $38 million. Thus, for the first time in 28 months, foreign exchange accounts registered a favourable balance of more than $30 million. Originally an unfavourable balance of $91 million had been anticipated for the first six months of the fiscal year 1954 (April 1, 1954, to March 31, 1955). But in the first five months (April to August) receipts exceeded expenditures by $41 million and this development made unnecessary any further restrictions on imports.

Imports of Food and Raw Materials

Substantial amounts of food and raw materials are to be imported, including a total of 2,364,000 tons of food grains. Budgeted imports will consist of:

Rice	450,000	tons
Wheat	920,000	"
Barley	349,000	"
Soybeans	245,000	"
Sugar	400,000	"
Cotton	1,070,000	bales
Wool	260,000	bales
Rayon pulp	15,000	tons
Iron ore	1,700,000	"
Scrap iron	400,000	"
Coal (mainly coking)	1,100,000	"
Salt	930,000	"
Crude oil	21,000,000	barrels
Heavy oil	1,100,000	kilolitres

Detailed amounts of imports for various categories of goods to be secured from the dollar area, sterling area and open account countries have not been announced, but a breakdown of the total $1,090 million budget is:

Budget Breakdown

(Unit: $1,000)

Foodstuffs	233,544
Monopoly goods	10,367
Lumber and timber	12,024
Materials for daily necessities	14,602
Textile materials	314,324
Fertilizer and its components	23,410
Coal	26,224
Iron and steel raw materials	25,112
Non-ferrous metals and non-metals	14,125
Petroleum	63,002
Chemicals and chemical materials	3,911
Medicines	2,997
Agricultural chemicals	827
Machinery and metal products	45,938
Machines and tools for transportation	8,030
Raw materials for processing	32,000
Barter trade goods	10,000
Goods delivered to the U.S. Army	10,000
Goods for re-export and additional payment	1,700
Miscellaneous	52,863
Automatic approval system	142,000
Ordinary reserve	43,000
Total	1,090,000

Unused Surplus under Automatic Approval

There will be a considerable surplus of foreign exchange, originally earmarked for the automatic approval system of licensing imports, carried forward to the last half-year. Last April, $142 million was set aside for the import of 334 items covered by this system but up to the end of August only about 50 per cent had been used. The current budget reduces the list of items to 329. The Automatic Approval System remains at $142 million but for the last six months an unallocated reserve of $43 million has also been included in the budget. For most of the items which can be imported from the dollar area under the automatic approval system, importers will have to put up 25 to 35 per cent deposit as security that the licences will be actually used within the specified period. ●

Opportunities for Canadian Industry?

International Bank loans are being put to work in a variety of projects designed to strengthen the productive resources of the borrowing country; in fiscal 1953-54, spending under Bank loans reached $302 million. Canada's share in these orders has remained small; here are some of the reasons why.

E. C. THORNE, *Chief, Machinery and Metals Division.*

THE NINTH ANNUAL REPORT of the International Bank for Reconstruction and Development, covering the Bank's activities for the fiscal year beginning July 1, 1953, and ending June 30, 1954, should be of considerable interest to Canadian industry as a whole and more especially to companies in the capital goods field.

According to the report, the greater part of the year's lending was for improvements in basic services. For example, loans were made for railroad programs in Brazil, French West Africa and South Africa. Colombia, Ecuador and Nicaragua obtained funds for highway construction; Norway received assistance in the purchase of new ships. Turkey was supplied with funds for port development and Iceland was given money for communications equipment. In Pakistan a natural gas pipeline will be constructed with the help of Bank financing, and hydro-electric and thermal power developments were approved for Japan, South Africa and Brazil.

Additional Projects Approved

In addition to the projects listed above, equipment for increasing farm output was authorized for Iceland, Panama and Peru. A loan was made to a private pulp and paper industry in Chile and to a credit institution intended to foster private enterprise in Turkey. Engineers from India and Pakistan, with engineers from the Bank, continued discussions on technical measures for increasing the supplies of water from the Indus River system. The Bank has also given advice on a wide range of problems directly connected with its lending operations and at the present time is co-operating in an examination undertaken by the Mexican Government of the country's future electric power needs and methods of financing them.

Where Money Spent

One of the most interesting features of the report from the point of view of Canadian industry is the fact that the Bank paid out the equivalent of $302 million during the year, bringing its total expenditures to $1,406 million. However, with the steady improvement in the supply position in Europe, money which borrowers spent in Europe increased from $68 million in 1952-1953 to $115 million during the year under review. The remainder (or 26 per cent) of disbursements under loans made during 1953-54 either took place in the United States or found their way way back to United States industry.

Canadian Participation Small

Though Canada is a major financial contributor to the fund, Canadian industry as a whole has not benefited to any great extent from these disbursements. Generally speaking, money which has been spent in Canada has not been the result of active trade promotion work by Canadian industry, but rather of initial efforts by parent organizations outside of Canada. There are notable exceptions, however, especially where Canadian organizations have their own foreign interests. As a result of their operations, Canadian industry has obtained orders for engineering equipment.

Why does Canadian industry not benefit to a fuller extent? Is it lack of engineering facilities, wrong products, too high costs, lack of proper understanding of the problem, or preoccupation with domestic business? It could be any of these or possibly all of them together. But perhaps it stems largely from a lack of understanding of the problem and, if so, a few general comments on the method of project preparation and execution which the Bank follows may be helpful.

How Projects Approved

The Bank feels it is essential that any project financed make as large a contribution as possible to the productive resources of the economy which the loan is designed to strengthen. World Bank lending, whether it be in Latin America, Africa, the Belgian Congo, Pakistan, Australia, or anywhere else, has concentrated on meeting the need for adequate facilities to support industrial and agricultural growth in its member countries. The Bank, in determining whether it should finance a project, seeks to be fully informed in advance on matters that have an important bearing on the outcome. These matters include, among others, engineering and other physical phases of the project. Before a loan is made, the Bank examines the principal plans and specifications to see whether they are appropriate and whether, out of experience available to it, improvements can be suggested.

How Banks Help

It obviously is not practical to discuss here in any detail all the different kinds of situations that arise nor all the steps that the Bank may take toward meeting them. Many undertakings which it finances are of a kind or on a scale new to the organization carrying them out. Therefore, regardless of the stage of development which the country concerned has reached, an organization embarking on a new project may need consultant services or other outside assistance. Where assistance is needed, the Bank is willing, and regards it as a part of its function, to see that this expert assistance is provided, either by members of its own staff or by helping the borrower to obtain it elsewhere.

No project is likely to succeed unless it is put into the hands of able management, particularly in countries relatively new to large-scale enterprise. Technical skill may be scarce and in many cases is handicapped by outmoded practices and complicated regulations. It is often necessary to take positive steps towards making a career in the new enterprise attractive to the best qualified people. The Bank studies these matters and suggests ways of improving the conditions under which management is to operate.

Securing the Business

It is impossible in a brief space to go into much detail about these projects, but Canadian companies should understand certain essentials if they are to bid for some of this Bank-financed business.

- Tenders for World Bank projects are let on a strictly competitive basis; the Bank scrutinizes all such tenders with an eye to economy and efficiency.

- The place to get the business is in the countries where the work is to be carried out. That means that the Canadian company must have adequate representation abroad and must carry on an export promotion program in the countries that are borrowing money from the Bank. The Canadian Trade Commissioners abroad are always glad to assist Canadian firms in the selection of suitable agents.

- Companies anxious to participate in Bank projects should keep themselves informed about calls for tenders through their representatives in the areas where projects are developing.

One of the obstacles in the way of greater Canadian participation has been the lack in this country of a consortium of responsible companies to look after engineering, construction and erection of plants. The consortium is able to take advantage of the fact that exports of technical knowledge almost always go hand in hand with exports of material and equipment. Once the technical knowledge has been exported, it brings recurring orders for products, spare parts, and replacements for existing equipment. Undoubtedly American engineers and firms have sold their skills to many of the borrowing countries with the result that many of the projects abroad now in operation have been built and supervised by American firms.

As a first step, the Canadian company seriously interested in projects financed by World Bank loans should undertake a detailed study of this ninth Annual Report of the Bank and the booklet, *Loans at Work,* which accompanies it. Both the report and the pamphlet may be obtained by writing to the International Bank for Reconstruction and Development, 1818 H Street N.W., Washington 25, D.C.

Western Samoa's Trade in '53

AN EXPORT SURPLUS of £641 thousand gave Western Samoa an exceptionally favourable trade balance in 1953. The value of exports was £1·955 million, the highest ever achieved by this New Zealand mandated territory; imports dropped by £375 thousand to £1·314 million.

Western Samoa cut down imports generally last year, with the exception of those from Hong Kong and India, New Zealand and six European countries, but these imports were very small. The United States, whose sales dropped from £224 thousand to £56,000, was the heaviest loser, followed by Australia £379 thousand to £235 thousand, and the United Kingdom, £410 thousand to £323 thousand. Imports from Canada fell from £54,000 to £45,000; they were made up almost entirely of pulp and paper products, canned fish, motor vehicles and accessories, and pressure lamps.

The direction of exports did not change; of the £1·938 million total, £1·857 million went to the United Kingdom, New Zealand and the United States. Cocoa beans, copra and bananas made up over 95 per cent of the commodities exported. The United Kingdom and the United States shared the cocoa beans, the United Kingdom and New Zealand the copra, and New Zealand absorbed the entire export of bananas. Value of copra exports declined from the record set in 1952 to the more or less normal figure of £732 thousand, but this was more than offset by an all-time record shipment of 3,743 tons of cocoa beans, with a value of £931 thousand. Efforts to build up banana exports to New Zealand, an important trade prewar, have been successful.

Clocks and Watches from West Germany

I. V. MACDONALD, *Assistant Commercial Secretary, Bonn.*

WEST GERMANY has once again become an important producer of clocks and watches and in value of exports comes second only to Switzerland. Production in 1953 was valued at over DM385·9 million, of which no less than 38·1 per cent represented sales abroad. Clocks are still the mainstay of the German industry but wrist watches are rapidly gaining ground in export markets. Total sales of clocks and watches to Canada last year reached $965 thousand, almost double the value of 1952 exports.

Where Exports Go

As postwar reconstruction of Germany's clock and watch industry progressed, so did the success of German clocks and watches in the export field. The total export value of these products (in 1949 only DM16·6 million) rose strikingly to over DM147 million in 1953. Chief customers for clocks were the United States, Hong Kong, Italy, Great Britain, Belgium, the Netherlands, Denmark, and—rather incongruously at first glance—Switzerland. Canada became a more important market in 1953 and now ranks third among non-European importers of West German manufactured clocks. As a supplier to Canada, West Germany ranks second. The Canadian trade favours especially German wall clocks and cuckoo clocks but wrist watches have met with only limited success in the Canadian market.

An analysis of these German exports by continents shows that the pattern of trade corresponds roughly to that of the prewar period—47·8 per cent to European countries, 30·8 per cent to North and South America. Watches are imported into the Federal Republic almost entirely from Switzerland; their value in 1953 reached DM29·2 million, a slight rise over 1952. For the most part, imports from Switzerland consist of high-quality watches, movements, and parts, and exports to Switzerland chiefly of clocks and ornamental-type watch cases. The two countries compete in third markets for sales of medium-quality watches and clocks. The production of watches in West Germany increased from 1·6 million pieces in 1949 to 5·9 million pieces in 1953; production of clocks during the same period only doubled—from 6·3 million to 12·6 million. Similarly, the percentage increase in total exports was much larger for watches than for clocks.

The Competitive Situation

In seeking new markets for the products of its expanding watch and clock industry, Western Germany competes with other well-established producers. The relative success and recovery of the German industry is demonstrated by statistics of world exports.

Watch and Clock Exports by Countries

(millions of Deutsche marks)

	1949	*1951*	*1953*
Germany	16·6	100·0	147·2
Switzerland	676·0	970·0	1,061·8
France	38·6	44·8	29·3
United States	50·8	39·0	27·3
Great Britain	14·7	16·0	12·3
Italy	4·2	2·9	10·6
German share in world exports (estimated)	2·0%	8·5%	10%

Source: Verband der Deutschen Uhrenindustrie.

Like many other precision products, the marketing of watches and clocks depends partly on the service facilities and parts available in foreign markets. German firms have now re-established a fairly adequate network of foreign representatives but are still seeking new selling connections. Prices have been reduced somewhat since 1951 to stimulate sales, but the price level on the average has fallen only slightly since that year. The industry has also undertaken extensive advertising. In Canada one of the most effective promotion media has been the Canadian International Trade Fair. Each year German exhibitors in this group have reported new successes in the Canadian market following Fair participation. German clocks and watches also are featured in the specialized Clock, Watch and Jewellery Fair held each year at Frankfurt.

Germany's clock and watch industry, which goes back over 300 years, has developed into an efficient supplier of clocks and watches of almost all conceivable types. The traditional centres of this trade are Pforzheim, which is noted chiefly for wrist watches and jewellery, and the area around Villingen-Schwenningen, where domestic and industrial clocks are a specialty. These localities export also a wide range of pocket watches, alarm clocks, travelling clocks, kitchen clocks, car clocks and even grandfather clocks which are still popular in some foreign markets. In the famous Black Forest originate the well-known cuckoo clocks and 400-day clocks, both of which have enjoyed an unprecedented popularity in Canada and other export markets since the war. Manufacturers are continually seeking to develop new types of clocks and lately have turned out a number of designs of self-winding clocks which rely on changes in air pressure or photo-electric impulses for motive power. Before the last war, the German industry depended chiefly on exports of alarm clocks but in the postwar period, as mentioned before, there has been a growing trend toward the production and export of wrist watches also.

The villages in Germany's Black Forest have a long tradition in the making of cuckoo clocks and the technique is passed on from father to son. Here a veteran clock-maker in one of the villages is fitting the clock movements into the cases.

The making of the modern wrist watch is a far cry from the turning out of cuckoo clocks. Here a skilled worker is using an electro-magnetic registrator with a compensating pendulum clock to check and adjust in 30 seconds the accuracy of a 24-hour run of a movement in a German-made watch.

Outlook

The remarkably rapid rebuilding of Germany's watch and clock industry has not been entirely without its problems. Although production of small clocks and wrist watches—now approaching the six million mark—is well over the prewar level, export possibilities may not have been fully exploited. Partly to blame is the lack of standardization among the 400 firms in the industry. For example, West German producers use about 2,000 types of balance wheels, 200 different crystals for wrist watches alone, and 30 types of shock absorbers. Such variety means that unnecessarily large sums are tied up in stocks of spare parts at the manufacturing, wholesale and retail levels. Official encouragement has been given recently to rationalization measures and the trade believes that the proposed standardization will enable a cutting of costs and prices all along the line, with a strengthening of the industry's international competitive position.

Production and Exports of Germa

Clocks and Watch Industry

Year	*Production value (Mill. DM)*	*Export value Thereof: (Mill. DM)*	*Export share of production*
1950	209·8	56·5	29·9%
1951	312·8	99·2	31·9%
1952	356·0	117·2	32·9%
1953	385·9	147·2	38·1%

EXPORTS

Year	*Watches and parts*		*Clocks and parts*		*Total*	
	Mill. DM	*%*	*Mill. DM*	*%*	*Mill. DM*	*%*
1950	12·5	22	44·0	78	56·5	100
1951	18·8	19	81·1	81	99·9	100
1952	28·6	24	88·6	76	117·2	100
1953	52·0	35	95·2	65	147·2	100

Another problem facing German clockmakers is the growing export of clock movements from Germany for assembly in importing countries, including Canada. Pressure has been growing to inhibit this trade as detrimental to the long-term interests of the industry; however, export quotas already imposed have not been notably successful. Despite these factors, the feeling is that the German industry is already highly competitive in export markets and has effectively overcome wartime adversity and its aftermath. ●

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the changing pattern of
United States foreign trade

R. G. C. SMITH, *Commercial Counsellor, Washington.*

The second part of this study of U.S. foreign trade discusses the distribution of U.S. exports and imports by monetary blocs and by countries—and draws some conclusions about the importance of foreign trade to the economy of the United States.

IN ANALYZING THE DISTRIBUTION of United States exports by monetary blocs or by countries, the postwar figures are complicated by three different types of exports. First there are the "grant-in-aid" exports, consisting almost entirely of military equipment paid for out of mutual aid funds. Second, there are the "paid shipments", consisting largely of exports of civilian-type goods paid for out of mutual aid funds. The latter made up the bulk of "free" shipments in the earlier stages of mutual aid, but grant-in-aid shipments have been absorbing the greater share of free shipments during the last three years. Finally, there are the "special category" exports—goods of strategic importance most (but not all) of which are paid for out of mutual aid funds. Shipments to Canada are an important exception.

To a considerable extent, special category exports overlap grant-in-aid ones and include some items that may not all be intended for military use, such as bus and truck tires and tubes. Because of the strategic nature of these goods, they are not broken down by countries in the statistics. United States export figures are therefore difficult to analyze for the purpose of arriving at an idea of the commercial export markets. Since 1950 the "special category" exports have not been given by the principal monetary blocs, although they are given separately for Canada.

Exports to Main Trading Blocs

Under these circumstances, the export figures until 1951 should be handled carefully in examining the commercial export markets for the United States. Table I shows the direction of exports for the last three years, with a prewar comparison. It also shows the percentage of total exports taken by each of the main trading blocs and by Canada. For 1951-53, the figures used to arrive at the percentages are total exports, less special category items. Apart from exports to Canada and to Latin America, most special category goods were paid for by mutual aid funds and do not represent normal commercial shipments. Thus the table does give an idea of the relative importance to the United States of commercial exports to the different trading blocs. It may be argued that because Canada pays for all the military equipment it obtains from the United States, and because the purchase of such equipment is likely to be an important factor in the foreseeable future, these purchases are commercial. If this is accepted, then on the basis of total export figures, less special category shipments to all countries except Canada, Canada's share of commercial exports in 1953 went up a notch to 27 per cent.

Table I in any event does emphasize how Canada has increased in importance as the principal single market for United States exports, buying considerably more than all of South America together. It also shows how the sterling area and Europe, under postwar trading conditions, have become relatively less important as an outlet for U.S. products in comparison with the rest of the world.

Table I

U.S. Exports to Various Areas

Percentage Total Exports

	Soviet bloc, incl. China	*OEEC, less U.K., Ireland, Iceland*	*Sterling Area*	*Others*	*Canada*
1925-29 av.	4	26	26	29	15
1930-34 "	6	25	26	28	16
1935-39 "	5	21	26	33	15
1951*	....	22	16	43	19
1952	....	19	15	44	22
1953	....	17	13	44	26

* From 1951 on, figures do not include exports of special category goods.

To illustrate the relative importance of sales to individual countries, Table II compares exports in a prewar period with the years 1951-53 inclusive. (Export figures for the last three years do not include special category shipments.)

Table II

Percentage of Total Exports

	(Percentage)			
	1931-35 av.	*1951*	*1952*	*1953*
CANADA	16	19	22	26
Japan	8	4*	5*	6*
Mexico	4	5	5	5
United Kingdom	19	7	5	5
Venezuela	1	3	4	4
Cuba	2	4	4	4
West Germany	6	4	3	3
Philippines	2	3	2	3
France	6	3	3	3
Brazil	2	5	4	3

* Not including Korea.

Several of the leading countries in Table II have received considerable assistance under one form or another of mutual aid. Generally, the goods represented by paid shipments are of a civilian or commercial type and are not included under special category. Thus the percentages in Table II include the bulk of paid shipments under mutual aid.

Table III gives the paid shipments over the past three years, together with the value of total shipments.

Table III

U.S. Exports to Selected Countries

		$ million		
		1951	*1952*	*1953*
CANADA	Total	2,588	2,796	2,995
Japan	Total	598	622	670
Mexico	Total	712	666	644
United Kingdom	Total	901	675	589
	Paid shipments	83	177	145
Venezuela	Total	455	500	513
Cuba	Total	540	516	427
West Germany	Total	519	444	356
	Paid shipments	267	68	31
Philippines	Total	350	282	351
	Paid shipments	4	12	18
France	Total	423	365	339
	Paid shipments	306	255	197
Brazil	Total	700	564	296

The reader will note the general decline in total paid shipments. This represents the increased importance of military equipment in the aid picture and also the considerable improvement in the dollar balance of payments of overseas countries. It would be incorrect to assume that the commercial export market for the United States is represented by total shipments less paid shipments. As countries have recovered, their balance of payments position has enabled them to take over the payment for these goods, all of which were and are essential.

In the group of "other countries" indicated in Table I, those largely responsible for the increasing share of exports are the following, with principal commodities currently taken by each country in parentheses: Japan (raw and semi-manufactured cotton, oilseeds, grains, coal and petroleum products, hides and skins, machinery, automotive vehicles, chemicals and pharmaceuticals); Mexico (machinery of all kinds, steel rolling mill products, automotive vehicles, tractors, railway equipment, metal manufactures, grains); Venezuela (dairy products, grains, machinery of all kinds, automotive vehicles, cotton manufactures, metal manufactures, paper); Cuba (lard, cotton manufactures, petroleum products, electrical and industrial machinery, automotive vehicles, paper and pharmaceuticals); Philippines (cotton and synthetic fibre manufactures, tobacco, dairy products, paper, electrical machinery, automotive vehicles); Brazil (machinery of all kinds, automotive vehicles and railway equipment, grains and preparations, petroleum products, steel mill products, pharmaceuticals); Colombia (machinery of all kinds, automotive vehicles, steel mill products, metal manufactures); Peru (automotive vehicles, machinery of all kinds, steel mill products and metal manufactures); Indonesia (grains and preparations, cotton manufactures, automotive vehicles, railway equipment, tobacco); Argentina (rolling mill products, machinery, tractors and automotive vehicles, pharmaceuticals).

The United Kingdom's principal purchase from the United States is tobacco and its manufactures. In addition, Britain also buys the following products in substantial quantities: grain, raw cotton, petroleum products, semi-manufactured copper, machine tools, metal machinery and industrial machinery, and chemicals. The rest of the sterling area buys grains and preparations, petroleum products, machinery, cars and buses, tobacco and its manufactures, raw cotton, lumber, steel mill products, tractors, synthetic fibres and manufactures, and paper.

To the OEEC area (less the sterling area part of it) the United States sends tobacco and its manufactures, fruit, synthetic fibres and textiles, petroleum products, machinery and steel mill products, cars, buses and aircraft and parts, grains, oilseeds, meat products, edible oils and fats, raw cotton, rubber and its manufactures, semi-manufactured copper, coal and coke, chemicals.

Some Conclusions

A previous article in the October 16, 1954, issue of *Foreign Trade* discussed trends in the make-up of U.S. imports and exports, emphasizing that, in general, imports are tending towards increased raw materials or semi-manufactured materials and exports, on the other hand, are showing a distinct trend towards manufactured articles. The chief customers of and principal sources of supply for the United States were also shown to be changing, with Canada gaining pride of

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place in each case by growing margins, followed by Latin America. Both imports from and exports to the sterling area showed a relative decline.

Some conclusions about the importance of foreign trade to the United States economy might prove valuable here. Although both exports and imports have increased remarkably since the war, this growth has not been out of step with the overall growth of the economy. In fact, over the long term, the statistical share of foreign trade in the economic development of the United States has been growing smaller rather than larger. The ratio of total foreign trade (the sum of exports and imports) to the GNP was 9·5 per cent for the prosperous years 1925-29 (Canada 42 per cent). During the years 1930-1939, under the influence of depressed conditions and of the trend towards economic nationalism and its accompanying high tariffs, the total dropped to 6·2 per cent (Canada 30 per cent). Superficially, the improvement in the postwar average over the average of the thirties is largely the result of an increase in exports; the ratio of imports to the gross national product showed only a slight rise. However, this increase in exports includes exports financed by various aid programs so that any direct comparison is more misleading than significant.

Table IV gives the statistical picture of the foreign trade of the United States going back to the five years of (until then) unprecedented prosperity in 1925-1929:

Table IV

Foreign Trade of the United States

	Total Imports		*Total Exports*		*Gross National Product*
	$ millions	*% GNP*	*$ millions*	*% GNP*	*$ millions*
1925-29 av.	4,266	4·4	4,990	5·1	97,386
1930-34 av.	1,915	2·8	2,337	3·4	69,151
1935-39 av.	2,366	2·8	2,872	3·4	84,182
1946	4,909	2·3	9,739	4·6	211,100
1947	5,733	2·5	14,429	6·2	233,264
1948	7,124	2·7	12,615	4·9	259,071
1949	6,622	2·6	12,051	4·7	258,229
1950	8,743	3·1	10,275	3·6	284,187
1951	10,813	3·3	15,022	4·6	329,232
1952	10,747	3·1	15,191	4·4	346,300
1953	10,777	2·9	15,747	4·3	367,200
1951-53 av.	10,779	3·1	15,320	4·4	347,577

As might be expected, in times of economic stress foreign trade suffers more severely than domestic trade; the share of GNP represented by foreign trade fell precipitously following the 1929 crash. It is of interest to note that the high Hawley-Smoot tariffs have been reduced, for example by trade agreements with Canada and under GATT. Nevertheless, the ratio of imports to the GNP has not regained even the modest figure of the late 1920's. In fact, since 1951 this ratio has been declining; in 1953 it was only 2·9 per cent, compared with the low point of 2·3 per cent reached in 1932 and 1938. It is true that imports since the war have risen in value sharply and continuously, except for a check in 1949. The steep rise in imports in 1950 was undoubtedly sparked by the general devaluation of sterling and other currencies in 1949, and by the outbreak of the Korean war in June of 1950.

Exports, Prewar and Postwar

It is more difficult to make a direct comparison of the prewar and postwar performance in exports because U.S. export statistics are complicated by the various aid programs. The figures shown in Table IV are the total value of exports and include those financed by grant-in-aid and also paid shipments under ECA or FOA programs. If these two types of shipments are deducted from the total exports, the actual ordinary commercial exports in 1953 totalled about $11·5 billion. In addition to the direct aid to exports given by the mutual aid and military assistance programs, we must remember the indirect aid from the considerable dollar spending abroad for off-shore procurement, defence support aid, maintenance of U.S. forces overseas, and, to some extent, technical assistance.

Normal imports have been inflated by the heavy stockpiling program that has had to rely on foreign sources for some of the critical materials. In addition, there are important invisible imports that do not show up in the postwar figures—the considerable sums of money spent on maintenance and support of United States forces abroad. Comparisons of prewar and postwar performance should take into account these factors which, although new, are likely to remain for the foreseeable future.

Map of the World

Businessmen at home and abroad may be interested in a new Map of the World which has been prepared by the Surveys and Mapping Branch, Department of Mines and Technical Surveys, on a combined mercator and gnomic projection.

The commercial version of this map indicates the trade routes and shortest sailing distances between Canada and other countries. It also shows the location of Canadian diplomatic posts and offices of Canadian Trade Commissioners.

Exporters may find this map useful in their own offices and for distribution to agents in foreign countries. Copies, at 50 cents each, may be obtained from the Map Distribution Office, Department of Mines and Technical Surveys, Ottawa.

Australia Begins Rayon Production

With the opening of a great new rayon plant, Australia becomes a much smaller market for imported rayon thread and yarn—and opportunities for Canadian exporters change.

C. M. FORSYTH-SMITH, *Commercial Secretary, Sydney.*

AUSTRALIA'S IMPORTANCE as a producer of primary products—particularly wool, meat, sugar and dairy products—is well known. Less understood and appreciated is the extent of the industrialization which has taken place over the past few years. A further indication of this increasing industrial stature was the recent establishment of Australia's first plant for making rayon yarn, at Tomago, on the banks of the Hunter River. Until recently, Australia was probably the world's largest single market for imported rayon yarn; since 1950, annual consumption of rayon yarn and piece goods has averaged 36·8 million pounds.

New Factory Established

The new factory at Tomago is an associate of the largest British rayon producer and is said to be the most modern rayon-spinning unit in the world, with a production capacity of six million pounds of viscose rayon industrial yarn and four million pounds of acetate rayon textile yarn. The high-tenacity industrial yarn is manufactured by a continuous spinning process and, for the most part, is woven at the factory into tire fabric. When full production is achieved this mill will provide a large proportion of the tire cord and tire fabric used by the Australian rubber industry. The textile yarns are made by the cellulose acetate process first developed shortly after World War I and are also processed at the plant into forms suitable for the knitting and weaving industries. Acetate rayon has almost completely replaced viscose in the lingerie trade in the United States and elsewhere and it is in this field that the Australian acetate rayon will largely be used.

Benefits to Australia

Apart from the obvious commercial advantages, such as quick deliveries and technical assistance to users of the yarn, the establishment of a rayon industry in Australia should bring at least two other benefits.

- Important segments of the domestic economy will now be protected from the acute raw material shortages which have occurred from time to time. For example, domestic production of tire cord, made from high-tenacity rayon yarns and used almost exclusively in heavy-duty tires, will shortly meet a large share of local needs.

- Demand for locally produced chemicals—such as sulphuric acid, caustic soda, carbon bisulphide, cellulose acetate and acetone will rise.

In every country where a rayon industry has been established, it has prospered and played a vital part in the national economy. This pattern will undoubtedly be followed in Australia and the effect on the Australian economy will be far more significant than the mere establishment of the plant.

Influence on Canadian Exports

How will the establishment of this rayon plant affect Canadian exports? It has already shown up in one way—in the reduction in Australian purchases of Canadian cotton tire cords and fabrics. This trade was for many years an important one but recently had fallen off because of competition from rayon. Australia's increasing self-sufficiency in tire cords and fabrics therefore should not be felt too severely.

More important—and more encouraging—is the possibility of Canada supplying raw material for this new industry. Some of these raw materials are produced in sufficient quantities locally and Canada cannot expect to compete. However, the major raw material—alpha cellulose dissolving wood pulp—is not produced in Australia and must be imported from the dollar area, since soft currency countries are themselves short of supplies. Canada has already shared in this trade; in the first six months of 1954, Canadian producers sold 2,199 cwt. valued at $21,994 and these figures will probably rise during the last half of 1954.

One other opportunity is also open at the moment. Australian capacity for processing rayon yarn into fabrics has now reached nine million pounds a year, but domestic spinning capacity at the moment totals only six million pounds. This means that up to three million pounds a year may be imported. Canada has been taking advantage of this opportunity; in 1953, sales to Australia of synthetic fibre thread and yarn totalled 114,292 pounds valued at $419,064 and for the first six months of 1954, 15,873 pounds valued at $47,783. It is possible that, as Australia's dollar position improves, her purchases from Canada will again begin to rise. ●

commodity notes

Brazil

COFFEE—During the first three months of the current commercial coffee year (July to September 1954) only 1,982 thousand bags of 60 kilos were exported. This represents a drop of more than 49 per cent compared with the first quarter of the 1953-54 commercial year when 3,905 thousand bags were exported. Coffee shipments through all Brazil's leading export ports declined seriously; through Santos, the largest coffee port in the world, shipments were reduced by over 50 per cent from 1953-54, and through Rio de Janeiro by 33 per cent. Paranagua, the leading export port for Parana, had a decrease of 73 per cent, principally because of the serious frosts which damaged Parana's new coffee lands in July 1953. In spite of Instruction 99, of which exporters held high hopes, and the break in U.S. market prices, exports of coffee remained extremely low—São Paulo, Oct. 13.

OIL—Petrobras (the National Petroleum Authority) has negotiated what is considered the largest single transaction ever signed in this country. Contracts totalling about $200 million were signed with Esso Export Corporation and the California Transport Corporation for the supply of 30,000 barrels and 15,000 barrels of crude oil a day, respectively, to the Cubatao Refinery (near Santos) during the next five years. The Refinery is expected to be ready by the end of this year—São Paulo, Oct. 21.

Chile

MILK POWDER—Under the terms of the Chilean-Argentine commercial treaty, the Chilean Exchange Control Board has authorized the import of 335 thousand kilos of milk powder. Of this, 270 thousand kilos, worth US$170 thousand, will be imported on behalf of the Chilean Central Distributing Corporation, and 65,000 kilos valued at US$42,575, for the National Health Bureau—Santiago, Oct. 12.

SULPHUR—The Chilean Government is studying a proposal submitted by a North American enterprise for the establishment of a plant to refine sulphur, near the free port of Arica (the far northern sector of Chile). This firm has apparently been encouraged by the attractive facilities afforded under the recent legislation exempting the province of Arica from exchange control restrictions and certain Custom House duties, as well as the proximity of the port of Arica to important mining sources in Chile, Bolivia and Peru. Total sulphur deposits in Chile are estimated to be around 30 million tons; Chile is reported to be third in world importance as a potential sulphur-producing country, following North America and Italy—Santiago, Oct. 12.

Finland

PAPER AND NEWSPRINT—Newsprint production in Finland is expected to reach about 465 thousand tons this year, an increase of 20,000 tons over 1953. Of this production 420 thousand tons are for export. The total of all paper products will probably exceed 800 thousand tons in 1954. This large increase in paper production is due to the new factories already completed or to be opened in the near future, and to new machines. Mills now under construction, and expected to come into operation during the year, will step up annual capacity by 165 thousand tons. In 1955 when the new capacity can be utilized during the whole year, a production of 900 thousand tons will probably be reached, and in 1956 it is hoped that one-million mark will be recorded. The largest part, as at present, will be newsprint—Stockholm, Oct. 13.

PLYWOOD—Some 166 thousand cubic metres of plywood have been exported during the first seven months of this year, and it is expected that the year's exports will be the highest since the war. The gain stems mainly from increasing shipments to the United Kingdom—Stockholm, Oct. 19.

Ireland

CHOCOLATE PREPARATIONS—A commodity achieving growing importance among Canadian imports from Ireland is chocolate preparations. The Republic exported chocolate confectionery to the value of only $7,433 in 1953, but has consigned to Canada during the first six months of this year $140 thousand worth of cocoa and chocolate preparations. Part of the explanation for Ireland's larger exports lies in the increased availability in the United Kingdom of milk and sugar, important raw materials of the chocolate industry. As a result, British producers have secured a larger share of their domestic market for chocolate, largely at the expense of Irish manufacturers, who are therefore looking elsewhere for markets and are meeting some success in Canada—Dublin, Oct. 20.

Israel

HARDBOARD—The production of hardboard similar to masonite from the waste material of a local fibreboard and plywood factory has recently begun in Israel following the completion of a $4 million plant. Tests have indicated that tiles manufactured from this board may be as durable and as attractive as porcelain tiles, and much cheaper. Foreign orders so far received are reported to exceed $3 million, of which one-third is from the United States—Athens, Oct. 8.

Netherlands

FOOTWEAR—Exports of Netherlands footwear during the first six months of 1954 included 224 thousand pairs of slippers, shipped mainly to Canada and Belgium, 362 thousand pairs of gym shoes, 177 thousand pairs of rubber shoes, and 45 thousand pairs of workmen's shoes.

The Netherlands footwear industry now includes about 380 factories and has doubled the number of workers to 17 thousand since 1939. Even with this growth, it is unable to meet the demand and new plants are being built—The Hague, Oct. 20.

Norway

HERRING—A firm in Kristiansund has started production of a new deep frozen herring product. The herring is marinaded, beheaded and filleted and rinsed off. When dry, the skin is removed, the fillet is put into a solution and then deep frozen in alginate jelly. It is hoped that this product will be able to compete with Netherlands pickled herring—Oslo, Oct. 17.

CANNED FISH—Norway's exports of canned fish increased by over 5,000 metric tons during the first five months of this year. Actual figures were 14,482 metric tons compared with 9,377 metric tons during the 1953 period. Largest purchaser was the United States, 4,781 tons valued at N.Kr.21·7 million, followed by the United Kingdom N.Kr.17 million, Eastern Germany N.Kr.7·1 million, and Australia N.Kr.5·7 million. Corresponding figures for last year were United States N.Kr.20·9 million, United Kingdom N.Kr.7·4 million, Eastern Germany N.Kr.7·1 million, and Australia N.Kr.0·9 million. This year, however, the brisling catch has not been so successful and only 403 thousand cases have been packed compared with 483 thousand in 1953—Oslo, Oct. 17.

United Kingdom

CHEMICALS—The latest United Kingdom trade returns indicate that in the third quarter of this year exports of British chemicals reached almost £24 million a month, representing nearly 11 per cent of total exports, compared with an average monthly value of about £19·5 million in the first half of 1953. The increase in exports has been well distributed by commodity, but has been particularly marked for synthetic organic dyestuffs and plastic materials.

This expansion has been the result of substantial capital investment and technological advance in the industry. The level of production in the chemical industry is now about two-thirds higher than in 1948, compared with an increase of less than one-third for British industry as a whole—London, Oct. 27.

MOTOR CARS—In the first half of 1954, the British motor car industry exported 187,939 cars valued at £61,166,040. This compares with shipments in the same period of 1953 of 153,579 vehicles worth £53,796,544. Substantial improvements in the two best markets for British cars, Australia and Sweden, largely account for the gain. Exports to Canada, at 12,264 vehicles worth £4·2 million, were down sharply from the 20,773 cars valued at £7·6 million in the first half of 1953.

The British motor vehicle industry has had a most successful production record so far this year. In the first six months 380 thousand cars were made in Britain, some 45,000 more than in the full year 1948 and 98,000 higher than in the first half of 1953—London, Oct. 22.

West Germany

STEEL SCRAP—The recent high level of activity in the West German steel industry and the consequent increase in demand for the industry's raw materials brought about an official increase in the price of steel scrap from DM120 to DM138 per ton on August 1st. West Germany exported 460 thousand tons of scrap during the first half of this year but is now importing large quantities. One result of this is that steel prices are under further upward pressure. It is reported that production costs of Siemens-Martin steel have risen by DM23 per ton, or slightly more than $5.00 Canadian—Bonn, Oct. 7.

Grade Marking Lumber in the South

Survey made by our New Orleans office reveals varying attitude in southern states towards grade marking of lumber used in buildings insured by FHA.

G. A. NEWMAN, *Consul and Trade Commissioner, New Orleans.*

RECENTLY THE TRADE PRESS carried a statement by the Arkansas Federal Housing Administration covering the regulations for the grade marking of lumber used in FHA approved buildings in that state —regulations which went into effect on September first. These regulations included the following points: "Softwood framing and board lumber shall comply with American lumber standards and shall bear the official grade-mark symbol of the association recognized in the trade as covering the particular species. All grade marking shall be done under the supervision of:

- "The manufacturers' association responsible for the grading standards for the species involved, or
- "An inspection bureau recognized and authorized by the manufacturers' association responsible for the grading standards to grade according to such rules."

After receiving this information about Arkansas, we of the New Orleans office inquired of the 19 FHA offices in the eleven southern states in our territory whether they applied this or a similar ruling. Here are their replies, received during the late summer and early autumn:

Alabama

Birmingham—"Up to the present time the Alabama State FHA office has not adopted any similar regulation although we are giving such a requirement very careful consideration."

Florida

Jacksonville—"This office at the present time does not require that softwood framing or board lumber be grade marked."

Miami—"We have in the past required in our district the grade marking of all lumber used in FHA construction. This requirement has been in the form of a stamp applied to the specifications which is, in effect, similar to the grade ruling as required by the Arkansas FHA and states that soft framing and board lumber to be grade-marked shall be under the requirements of the Lumber Association. It is our intention to continue the use of this stamp and our inspectors are required to obtain compliance."

Tampa—"Up to this time, the Tampa Insuring Office has not found it necessary to require grade-marking lumber. However, we are watching closely for evidence of poor quality or green lumber being shipped into this area."

Georgia

Atlanta—"For the past several months we have been making a study to determine whether the grade marking of lumber would be required in Georgia. However, no decison has been made and, at the present time, grade marking of lumber is not required by the Georgia insuring office."

Louisiana

New Orleans—"We have had two or three meetings with various groups interested in this subject but up to this time have not concluded that it would be in the best interests of the different parties involved in our operations to require grade marking."

Shreveport—"We wish to advise that grade-marked lumber is not required in properties insured by this office. There has been a large amount of grade-marked lumber used in our area. However, we do have some small mills that produce quality lumber that is not grade marked. The inspection staff of this office has been trained to detect inferior grades in lumber and the use of moisture meters enables us to ascertain that the lumber used does not contain more than the maximum allowable percentage of moisture. For these reasons, we do not feel that a requirement for the use of grade-marked lumber is necessary at this time."

Mississippi

Jackson—"Up to this time this office has issued no such regulation, although we have under consideration an informal request that we give this matter consideration. It is not anticipated at this time that we will issue any such regulation within the next few weeks." (July 29, 1954.)

North Carolina

Greenboro—"This is to advise you that this office has not as yet issued any requirements that lumber be grade marked and does not at present anticipate such an order."

Oklahoma

Oklahoma City—"While we recognize the value of grade marks of the associations, such evidence is not conclusive and the lack of such marks does not necessarily indicate an inferior quality. We depend upon our technical staff which we believe is thoroughly qualified to pass upon the merits of materials involved in building."

Tulsa—"We wish to advise that this matter is now under discussion with the Oklahoma City office and a determination will be reached in the near future in this connection. At this time the MPR for the grade marking of softwood lumber applies only to the Arkansas district office."

South Carolina

Columbia—"For your information, grade marking is required in a few of our insuring office districts throughout the county but it is only required where there is evidence of consistent use of below-grade lumber, necessitating considerable replacement of lumber or rejection of properties which cannot be readily brought up to standard. We feel that this condition does not exist in this jurisdiction."

Tennessee

Memphis—"Very soon after October 1, 1953, when we deemed it advisable to require grade-marked lumber, we found coming into this area quite a bit of inferior Douglas fir being sold as No. 3. This lumber did not appear to meet our requirements as to quality lumber. We then discussed the possibility of excluding No. 3 grade in construction. In recent weeks, however, it seems that No. 3 grade has improved in quality and we are accepting same for use as studs and will accept this grade for joists and rafters when it complies with our span tables."

Texas

Forth Worth—"This Administration is pleased to advise that in the Fort Worth FHA district we do not require that all lumber be grade marked. However, we are considering the advantage of grade marking. We certainly believe it should be adopted if the proportion of sub-standard lumber will be decreased."

Houston—"This office does not require grade marking as a prerequisite to acceptance of lumber in properties submitted for mortgage insurance. However, lumber is required to comply with the grading rules of the association recognized in the trade as covering the species."

Lubbock—"We are, at this time, considering imposing a condition similar to the Little Rock, Arkansas, insuring office requirement to grade mark lumber used in the construction of houses insured by the Federal Housing Administration. If a decision is reached to require grade marking of all lumber used in the jurisdiction of this office, notice will be placed in the monthly Newsletter issued by this office and your office will be notified."

San Antonio—"We do not require that framing and board lumber comply with American lumber standards and with grading requirements of the association recognized in the trade as covering the species, and under whose grading rules it was produced. However, as mentioned above, the marking of the association is not required."

As yet, we have received no replies from Mobile, Alabama, or Dallas, Texas.

Tours of Territory

HOWARD CAMPBELL, Assistant Canadian Government Trade Commissioner in Johannesburg, will visit Salisbury, Federation of Rhodesia and Nyasaland, from November 29 to December 4. Businessmen interested in trading with this area should either write or cable to Mr. Campbell in Johannesburg.

D. S. ARMSTRONG, Canadian Government Trade Commissioner in Singapore, expects to visit Rangoon, Burma, and Bangkok, Thailand, shortly. He will leave Singapore on November 19 and Canadian businessmen who wish him to undertake assignments in these countries should write or cable to him in Singapore as soon as possible.

The Irish Leather Industry

Irish tanners look to Canada as a source of hides, particularly big packer hides, for use largely in the growing shoe manufacturing industry in that country.

GEORGE SHERA, *Office of the Commercial Counsellor, Dublin.*

THE REPUBLIC OF IRELAND today has about 17 tanneries in operation and turning out a variety of leathers, for which they are seeking export markets. The industry is based on a fairly plentiful supply of native hides of varying weights but, because the warble fly continues to be a problem, a certain amount of damage is evident in most of the skins. This means that some hides have to be imported.

Canada enjoys a fairly substantial share of this trade in hides and skins, with big packer hides in particular demand. Irish tanners insist that deliveries conform exactly to specifications and contract. The following hides and skins are of interest to this market:

Big	packer	steer hides,	55/down,	average about	44/47	salted weight
"	"	" "	55/up	" "	64/67	" "
"	"	cow "	55/down	" "	44/47	" "
"	"	calfskins	9/down	" "	6/7	" "
"	"	kip	15/25	" "	20/21	" "
"	"	overweight kip				

Extra heavy big packer hides 80/90 lb. salted weight are occasionally used.

During the year 1952, Irish tanneries used 1,838,000 raw hides and skins valued at £1,712,000, compared with 1,635,000 valued at £2·4 million in 1951. Similar figures for 1953 are not yet available but the volume-of-production index for the hides, skins and leather industry indicates a rise of 54·5 points over the 1952 figure.

According to the trade statistics, the Republic imported the following during 1953:

Hides, skins and waste of leather (not including fur skins) 66,057 cwt. (112 lb.) valued at £574,618.

Leather hides and skins, undressed:

Sole and insole	776 cwt. valued at £18,477
Other	3,466 cwt. valued at £82,274

Where Leather Used

Among the main users of leather were the 38 wholesale boot and shoe factories in operation in the Republic (1952 figures). Of this number, two manufactured boot uppers only, and two produced clogs. Cost of materials used in these factories during 1952 totalled £3,211,643, or £474 thousand below 1951; net selling value of their products was £5,726,283, a drop of £508,603 from the previous year. Many of the plants bought Canadian upper leathers and others employed sole leather made from imported Canadian skins to augment supplies purchased locally.

Types Sold

The principal types of boots and shoes making up the total net sales were:

In the heavy classes—	men's	£ 582,000
	boys'	222,000
	women's and girls'	151,000
In the light classes—	men's	1,229,000
	women's	2,024,000
	boys'	230,000
	girls'	345,000
	children's	81,000
	sandals and slippers	392,000

The following table gives imports and exports of footwear for the Republic of Ireland in the year 1953, by country of origin. In Canada, as the table reveals, the market for Irish footwear is increasing.

IMPORTS

Footwear: mainly of leather and skin in the upper

From	*Quantity (dozen pairs)*	*Value £*
United Kingdom	1,415	31,686
Switzerland	154	8,376
Czechoslovakia	115	1,218
United States	13	640
Canada	....	22
Total	1,849	43,562

Rubber or rubber-proofed boots, shoes, etc.

From	*Quantity (dozen pairs)*	*Value £*
United Kingdom	2,437	29,595
Czechoslovakia	735	7,622
Hong Kong	87	550
Canada	5	65
Total, including other suppliers	3,280	38,014

EXPORTS

Boots and shoes mainly of leather

To	Quantity (dozen pairs)	Value £
United Kingdom	32,024	573,640
Netherlands	483	8,902
Sweden	159	4,087
Canada	142	3,406
British West Indies	127	2,224
Total, including other suppliers	32,938	592,351

The volume-of-production index of this industry stood at 102·7 in 1951 (1936=100), dropped to 94·05 in 1952, and rose to 117·45 in 1953. In 1952 the number of wage earners stood at 5,329.

Irish-made leather footwear compares well in price, style, fit and appearance with that produced in most parts of the world and output has now reached a point where the manufacturers are seeking overseas markets. To date exports have not achieved worthwhile proportions. Rubber footwear is produced in quantities almost sufficient to meet domestic needs. To give adequate protection to the Irish factories, the Government restricts imports of footwear through a quota system. For the current period—January 1, 1954, to December 31, 1954—the quota fixed for imported leather footwear is 20,000 pairs. For rubber footwear the quota is 50,000 pairs for the period February 1, 1954, to January 31, 1955.

Suffers Recession

At the recent conference of the Irish Shoe and Leather Workers Union, the development of the Irish boot and shoe trade was reviewed. It was pointed out that in 1932 the industry produced only 840,864 pairs a year; by 1953, this figure had jumped to six million pairs. Unfortunately, for some months past the industry has been suffering a recession, chiefly because of over-production, and many of the factories have gone on short time. Manufacturers are optimistic and look on this as only a passing phase.

Any Canadian producers of hides and skins desiring to enter this market should supply the Dublin office with particulars and prices of what they can offer so that these may be placed in the hands of a resident Irish agent.

U.S. Customs Information

A new bulletin giving information on United States customs regulations of interest to Canadian exporters has been prepared by the International Trade Relations Branch. For copies, write to the Branch.

Sponges from Cuban Waters

EVER SINCE 1882, sponge fishing on a commercial scale has been carried on in Cuban waters, though the industry has had its ups and downs. It reached its production peak in 1928, when sponges fetched an average price of $2.00 a pound and sales totalled over a million dollars. Up to 1939, the value of production was maintained at about $600 thousand to $800 thousand a year.

Disaster struck in 1939, when a strange, unknown disease attacked the sponge beds and almost wiped them out, not only in Cuba but in the two other producing areas of North and South America—the Bahamas and Florida. The Bahamas suspended all sponge fishing operations (a suspension that still remains in effect) but Cuba resumed operations the following year, though on a much smaller scale.

Scarcity and the outbreak of war sent prices soaring until they reached nearly $20.00 a pound. They remained generally high until 1946, when they began to decline; currently they average about $5.00 a pound. In 1954 production, it is estimated, will reach about $260 thousand.

Originally, Cuban waters yielded four main classes of sponges—wools, velvets, yellows, and grass—but the epidemic wiped out the velvets and yellows, though small quantities of these are now reappearing. Before 1912 Europe bought substantial quantities of Cuban sponges but since then the bulk of production has gone to the United States market. Canada also buys sponges from Cuba; in 1953, we imported about $13 thousand worth. Chief competition for Cuba comes from certain Mediterranean countries, such as Tunisia, Libya, Egypt, Greece, etc., and latterly from synthetic sponges, but these replace largely the grass or cheapest variety. Cuba manages to sell its entire production, however, at reasonably good prices, even discounting normal seasonal slacks.

In peak years, sponge fishing in Cuba employs some 100 vessels and about 1,000 to 1,200 men; the fishermen work from auxiliary boats in waters of two to four fathoms, using pole and hook. There are deeper beds but dive fishing has never been attempted as it is in Florida. Chief deterrent to increased production today is the inability of the industry to meet the competition for labour from the growing lobster, shrimp and tuna-packing industry which gives fishermen an opportunity for higher earnings.

—N. LORENZO
Office of the Commercial Secretary, Havana

Dutch Textiles and Their Markets

This brief survey of textile production in the Netherlands will give Canadian textile manufacturers and exporters some idea of recent developments and of the competition they must face in the Dutch market.

VINCENT L. CHAPIN, *Commercial Secretary, The Hague.*

BECAUSE OF the well-developed Dutch textile industry and keen competition from other European suppliers, Canadian textile manufacturers find it difficult to sell to the Netherlands. Although textiles from the dollar area may, with a few exceptions, be imported into Holland, proximity to the market gives European manufacturers a decided advantage.

Among the obstacles to be overcome are the duties levied on imported textiles. These duties are:

1. On yarns—4 per cent ad valorem, plus a sales tax of 4 per cent levied on the duty-paid value.

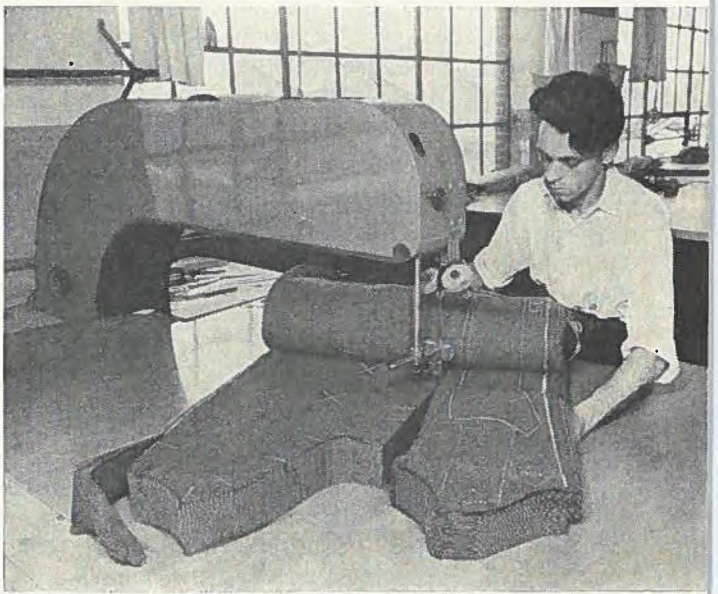
2. On fabrics—18 per cent, plus a sales tax of 6 per cent.

3. On ready-made clothing, 24 per cent, plus 6 per cent.

Because import duties are payable, however, on the c.i.f. value of the merchandise, the relatively high freight rates from Canada to the Netherlands must be carefully considered in weighing sales possibilities.

Development of Domestic Industry

Another important factor affecting Canadian shipments is the expansion of the Dutch domestic industry. According to recent statistics for mid-1953, 180 thousand people, representing 4½ per cent of the total Netherlands working population of four million, were employed in the textile industry. In 1948 and 1938, the figures were 155 thousand and approximately 135 thousand respectively. Before the last war the value of Dutch textile *exports* represented about 9 per cent of the country's total foreign shipments; at present this figure is slightly more than 11·5 per cent. The current value of textile *imports,* on the other hand, is also about 11·5 per cent of total import trade.



(Right) An experienced cutter in a Netherlands textile mill takes the first step in turning out ready-made clothing. Originally a domestic industry entirely, it is now seeking out export markets for some of its production.

The development of the Netherlands textile trade since 1939 is shown in the following table compiled by the Central Bureau of Statistics. The table includes raw materials, semi-manufactured products, and finished articles, as well as flax, flax linters and linoleum.

	Imports		*Exports*	
	1,000 metric tons	*million guilders*	*1,000 metric tons*	*million guilders*
1939	111	137	76	76
1948	149	524	105	395
1950	246	1,366	197	694
1951	206	1,302	217	940
1952	188	859	266	956
1953	247	1,016	282	930
January-May, 1954	110	467	113	391

Types of Production

Production of several leading textiles in the past few years works out as follows:

Rayon Yarns and Fabrics

Average annual production of rayon yarns in 1951, 1952 and 1953 was 24,000 metric tons, compared with 16,000 tons in 1948 and 12,000 tons in 1938-39.

Of this production, roughly one-third is consumed in the Netherlands and the remainder is available for export. A total of 5,250 tons of rayon fabric was produced in the Netherlands in 1953.

Cotton Yarns and Fabrics

The annual output of cotton yarns averaged 60,000 tons during the period 1951-53, compared with 48,000 tons in 1948 and 56,000 tons in 1938. This production is insufficient for domestic requirements and some 12,500 tons must therefore be imported every year, of which Belgium supplies about 90 per cent. About 64,000 tons of cotton fabrics were made by Netherlands mills in 1953.

Woollen Yarns and Fabrics

The annual production of woollen yarns, which at present totals about 24,000 tons, compared with 27,000 tons in 1948 and 14,000 tons in 1938-39, is also insufficient to meet the requirements of the domestic weaving mills; in this instance too foreign purchases are necessary. About 6,300 tons of worsted yarns are bought abroad each year, of which some 4,000 tons come from Belgium.

Current annual production of woollen fabrics totals about 44·1 million square feet, compared with 47·3 million square feet in 1948 and 34·4 million square feet in 1938-39. Present yearly export of this commodity represents more than 25 per cent of total output.

Nylon

Nylon is a postwar product in the Netherlands. Originally nylon yarns were imported from the United States but a few years ago domestic production of this commodity was begun. At the present time, output is sufficient to meet domestic requirements, although there are still some imports from the dollar area. Small quantities are being exported.

Ready-Made Clothing

Before 1940, Netherlands foreign shipments of ready-made clothing were of little significance, but during the last few years exports of women's coats and suits have shown an important increase. In 1953 ready-made clothing worth 75 million guilders was sold in various foreign markets, including the United States and Canada. The most important markets are Belgium, Western Germany and Switzerland.

The growth in Netherlands textile exports represents an achievement on the part of both manufacturers and the trade. It should be borne in mind in studying the trend of the past eight years that shipments to Indonesia, previously one of the largest outlets, have declined substantially. In addition, under-developed countries have begun to build up local industries, with the emphasis on textiles. The improvement of quality and the finding of additional markets both for new and older products have helped the Netherlands textile industry to overcome some of these postwar impediments.

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Business in Connecticut

Among the northern Atlantic states, Connecticut ranks highest in its industrial potential. Comparative figures covering economic activities in the state for the first seven months in 1954 and the corresponding 1953 period conform roughly with the national pattern except in minor respects. Factory employment declined 7·6 per cent; other non-agricultural employment was up by 3·4 per cent.

Average weekly factory earnings in June of $72 represented a drop of 3·3 per cent because of cutbacks in overtime employment. Sales of power to industry declined 5·4 per cent during the first seven months of 1954 and car loadings were off by 31·3 per cent. One encouraging sign was the decline of 11·5 per cent in the number of business failures, but the liabilities involved were up by 16·9 per cent over the same period of 1953. Significantly, bank debits reached their all-time high in June, over 5 per cent better than the previous peak in June 1953, but the increase for the seven months was only 1·1 per cent, compared with a national increase of 4·7 per cent. Another encouraging sign was the increase in the number of new corporations (5·6 per cent) and in their capitalization (13·4 per cent). On the whole, in spite of some adverse factors, business activity in Connecticut has continued at fairly prosperous levels compared with the phenomenal record of 1953.

General notes

Argentina

PROPOSED POLYSTYRENE FACTORY—Recent press reports note that a representative of Messrs. Koppers Co. Inc., Pittsburgh, Pa., has been in Buenos Aires to negotiate the establishment of a polystyrene manufacturing plant. Although Argentina has a well developed plastic products industry, this plant would be the first in the country to manufacture polystyrene—Buenos Aires, Oct. 13.

PAPER FROM BAGASSE—Recent press reports state that a company with capital totalling 100 million pesos will erect a newsprint mill which will use bagasse (refuse from sugar production) as raw material. A United States firm will construct the mill, which will be located in the Province of Tacuman, and papermaking machinery worth about US$3 million will be imported. A daily output of 100 tons of newsprint is planned, with production expected to begin early in 1956—Buenos Aires, Oct. 13.

Brazil

POWER SHORTAGE—The São Paulo State Council on Electric Power has recommended the most stringent economy in use of electricity during the next three months because São Paulo is threatened with the collapse of its power supply. The second unit of the Piratininga thermo-electric plant will not go into operation until next November. The Billings reservoir holds only 27 per cent of its capacity and may dry out if there are no rains. Power rationing, the Council said, will undoubtedly continue for at least two more years—São Paulo, Oct. 14.

British Guiana

LIVESTOCK DEVELOPMENT GRANT—The Secretary of State for the Colonies has approved a grant of BWI$232 thousand under the Colonial Development and Welfare Act for the development of a livestock station (including veterinary services) in the Rupununi district, British Guiana. The district consists of some 4,700 square miles of open ranch lands—Port-of-Spain, Oct. 10.

Chile

ELECTRIFICATION SCHEME—In a recent press report, the Chilean Development Corporation announced plans to harness the hydro-electric potential of the Chilean Republic. The work, to be handled through the Corporation's affiliate, Empresa Nacional de Electricidad, S.A. "ENDESA", will cover a ten-year period and will eventually provide sufficient power to meet all demands. The initial portion of the electrification scheme, which was designed to produce a potential 400 thousand kwh., began in 1939 and is scheduled to be completed by the end of 1954. Cost to date totals 5,500 million Chilean pesos and US$26 million, the latter advanced in the form of loans from the Export-Import Bank, the International Bank for Reconstruction and Development and several other sources. The new program will require additional investment of about US$39 million and 9,000 million Chilean pesos. It is reported that the next phase of the scheme will be a comprehensive program to increase power supply of the northern and southern provinces of the republic—Santiago, Oct. 8.

COPPER REFINERIES PROPOSED—Two offers to install copper refineries are being studied by the Chilean Government. The Yugoslavian Trade Mission to Chile has offered to set up a refinery at Antofagasta in the north, which would process ore produced by medium and small mining companies in that region.

The second proposal is from a German enterprise, Montangesellschaft g.m.b.H., which would provide machinery valued at approximately US$2 million; Chile would be expected to invest about US$250 million for construction. Suppliers would be the medium and small mines, and the refinery would take two years to complete. It is understood Chile has made a counter-proposal that the German firm should finance the entire project, repayment to be made from production—Santiago, Oct. 8.

Colombia

STEEL PLANT OPENED—The first basic steel plant in Colombia and the fourth in South America was officially inaugurated on October 13th. Built at a cost of 370 million pesos (US$148 million) the Paz de Rio plant is designed to turn out 120 thousand metric tons of steel products a year, including fencing wire, rails, structural shapes, and reinforcing bars. A sheet plant will be added later. The opening of this completely integrated plant marks an important milestone in Colombia's drive to build an industrial economy to replace its present dependence on coffee production—Bogotá, Oct. 28.

El Salvador

POWDERED MILK FACTORY—Plans to erect a $425 thousand unit near San Miguel have been drawn up by the Cooperativa Productora de Leche en Polvo en Oriente. As proposed, the Central Reserve Bank of El Salvador would advance 750 thousand colones and UNICEF would provide about 350 thousand colones. A Danish expert has been assisting the preliminary studies for several months past. When it is completed, the new plant will be the largest of its kind in Central America—Guatemala City, Oct. 26.

NEW TELEPHONE PROJECT—The Ministry of the Interior, which controls the automatic telephone service of San Salvador, the capital, is studying a proposal to provide lines for 10,000 new subscribers. So far no contract has been arranged but it is believed that the work would cost eight million colones and take about two years to complete—Guatemala City, Oct. 8.

Israel

CENTRAL BANK—The Israeli Knesset (parliament) passed a law on August 24th providing for the establishment of a national central bank to be known as the Israel Bank, in which the Government will invest £10 million. The new bank will take over certain functions until now performed by the Ministry of Finance and the Bank Leumi Le-Israel B.M. (formerly the Anglo-Palestine Bank). These functions will include the supervision of all banks, financial negotiations of several kinds, and the issue of bank notes. New bank notes printed in England will replace those currently in circulation as the latter become worn out—Athens, Oct. 18.

SUGAR FACTORY—A complete sugar refinery, financed with Jewish War Reparation Funds made available by West Germany, is shortly to be imported from Germany. The plant will process 1,000 tons of sugar beet a day and should produce during the three-month season a total of 12,000 tons of sugar—about one-third of the country's annual requirements—Athens, Oct. 15.

Italy

NEW FERTILIZER PLANT—A large plant for the production of fertilizers, being built by Italy's largest chemical organization in the south of Sicily, is nearing completion. The site was chosen for its nearness to supplies of phosphorite mineral from North Africa and sulphur from the mines in Sicily, both materials required in the production of fertilizers. On completion, an output of 50,000 tons a year is anticipated, more than sufficient to ensure fertilizers for the larger areas in Sicily now being reclaimed by irrigation—Rome, Oct. 24.

NEW HYDRO-ELECTRIC STATION—Five powerful hydro-elecric power stations will be constructed during the next six years along the Sangro in Abruzzi, which will supply Rome with 300 million kwh. An expenditure of 20 billion lire is estimated for this construction—Rome, Oct. 20.

Japan

WHALING CATCH—Three major Japanese fishing companies who have been engaged in whaling operations in the North Pacific since May 15th have caught their full quota. Their ships were scheduled to return to Japan on September 23rd with 1,085 whales—Tokyo, Oct. 7.

Netherlands

LIVESTOCK SHIPMENTS—For the first time in the history of Dutch livestock exports, a trial shipment of six head of cattle, two sows and one goat is on its way to the island of Aruba. This experiment will be watched with interest as its success or failure will likely influence the course of future exports to the Caribbean area—The Hague, Oct. 27.

Philippines

TRADE AGREEMENT WITH JAPAN—The Philippine Government recently announced that its trade and financial agreements with Japan, due to expire on September 17th, have been extended for a further period of 136 days, beginning September 18th. This means that the new extension will keep the agreement in force until January 31, 1955—Manila, Oct. 5.

South Africa

BUILDING BOOM—The building boom in the Union shows no sign of slackening, as figures for the first six months of the year indicate an increase of £5·2 million in building permits over the same period of 1953, to reach a total of £28·5 million. Supplies of materials are fairly satisfactory, although the strike in lumber camps in the United States may cause some interruption in supplies of lumber—Cape Town, Oct. 7.

Sweden

INCREASED PULP PRODUCTION—The Swedish Forest Owners Association plans to erect a new wood pulp mill near Mönsterås at a cost of 60 million kronor. Construction will begin in 1955 and initial capacity will be 60,000 tons of sulphate pulp a year. Allowance is to be made for expansion of production to 160 thousand tons. A sawmill will also be erected in conjunction with the mill and will have an annual production of 8,000 standards. The sulphate pulp mill to be built by the State Forest Industries at Otterbacken is planned to have an annual production capacity of about 60,000 tons of bleached pulp; expansion at the Munksund sulphate factory will increase annual output from 50,000 to 70,000 tons of unbleached sulphate a year—Stockholm, Oct. 20.

VISIT OF FRENCH ARCHITECTS—Fifty leading French architects recently made a study tour of Swedish saw mills and building material factories to acquaint themselves with Scandinavian wood products and to assess their suitability in building construction. Initiative for the tour came from the Federation Nationale des Importateurs de Bois du Nord Francais, which also provided the necessary funds—Stockholm, Oct. 20.

FOREIGN CONSTRUCTION PROJECTS—Sweden has recently received a contract for the construction of a power station near Monrovia, Liberia. Construction work will take four years and the project will bring Sweden 40 million kronor in hard currency. The Philippine Government also has commissioned a Swedish firm to construct an underground power station outside Baguio—Stockholm, Oct. 10.

Trinidad

HOTELS—Hotels built in this territory after July 1, 1954, will be granted a five-year tax holiday. The Legislative Council of Trinidad recently passed a law giving effect to this proposal. The law provides for similar assistance to be given to hotels which are enlarged after July 1st, provided a licence for extension has been obtained. This new law is intended to give further encouragement to private enterprise to invest in or erect hotels in the island and amends the existing income tax law—Port-of-Spain, Oct. 14.

Turkey

BUILDING BOOM—New construction in many parts of the country is proceeding at a rapid pace and in keeping with improving social and economic conditions. In Istanbul alone, 5,000 units of industrial, commercial and residential construction were started during the first five months of 1954. New starts for the whole of 1953 totalled 9,523 units and for 1952, 7,538 units—Athens, Oct. 11.

United Kingdom

TRAVEL ALLOWANCE INCREASED—The United Kingdom Treasury announced yesterday that the basic allowance for travel to all countries outside the dollar area would be increased from £50 per annum to £100 for the year beginning November 1st. This increase will have the result of increasing tourist travel mainly to European countries. It is estimated that the adjustment in this allowance will cost approximately £5 million in foreign exchange —London, Oct. 15.

NEW POWER STATION—A new power station has been opened in London by the chairman of the British Electricity Authority. Built at a cost of £18 million, it will generate 330 thousand kilowatts. In the past 6½ years, the Electricity Authority has opened 44 power stations with an ultimate capacity of 8·7 million kilowatts, and has plans for the construction of 35 additional plants of 11 million kilowatts by 1959—London, Oct. 25.

TRADE FIGURES—In September, United Kingdom exports were valued at £216·7 million, some £2·7 million higher than in August. Exports to North America were £21·9 million, more than 11 per cent below the level of the second quarter of this year and 18 per cent less than in July to September 1953. Exports to Canada were £9·2 million in September and have averaged £10 million per month for the third quarter of this year, or more than 20 per cent below 1953. Total exports for the first nine months of this year, at £2,085 million, have been £116 million higher than in the same period in 1953.

Imports in September were valued at £285·8 million, compared with £266·7 million in August. For the first three quarters of this year, imports were £2,513·6 million, slightly down from £2,516·6 million in 1953—London, Oct. 22.

United States

COLD STORAGE FOR FISH—A new cold storage and freezer with a capacity of seven to eight million pounds will be erected on the Gloucester State Fish Pier. More space is needed to accommodate the city's growing fish-stick production—Boston, Oct. 29.

RETAIL SALES DOWN—The unemployment situation stemming from model change-overs in auto plants was reflected in September store sales in the

Detroit area. Representative department stores disclosed an average decrease of 19·7 per cent compared with a year ago. In the specialty store category, women's wear stores showed a 16·2 per cent decrease and men's wear stores a 24·3 per cent drop—Detroit, Oct. 26.

HURRICANE DAMAGE—Hurricanes Carol and Edna took a heavy toll on farms throughout New England. Apple orchards suffered losses totalling $6 million during hurricane Carol, when more than 2½ million bushels of apples were destroyed. In Massachusetts alone the loss was a million bushels valued at $2 million. What remained of the crop was practically wiped out by hurricane Edna which also did substantial damage to trees. The low-lying cranberry bogs in Cape Cod escaped damage but harvesting was delayed two days by heavy rains—Boston, Oct. 23.

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.

R. W. BLAKE, Commercial Secretary and Agricultural Secretary in Melbourne, Australia, began his Canadian tour in Montreal on October 8th, and completes it in Vancouver: Victoria, November 12-18.

K. F. NOBLE, Canadian Government Trade Commissioner in Johannesburg, South Africa, began his Canadian tour in St. Hyacinthe on September 7th, and completes it in Victoria, November 24th and Vancouver, November 25-30.

W. J. MILLYARD, Commercial Secretary in Bogotá, Colombia, began his Canadian tour in Ottawa on September 20th. His itinerary is:

Toronto—Nov. 8-23	Winnipeg—Dec. 7
Hamilton—Nov. 24-25	Calgary—Dec. 9
Brantford—Nov. 26	Vancouver—Dec. 13-17
London—Nov. 29-30	Welland—Jan. 3
Windsor—Dec. 1	Kitchener—Jan. 4
Sarnia—Dec. 2	Guelph—Jan. 5

J. C. BRITTON, Commercial Counsellor in Tokyo, Japan, will begin his Canadian tour in Vancouver on November 26th.

His itinerary is:

Vancouver: Victoria—Nov. 26-Dec. 11	Saskatoon—Dec. 14
Edmonton—Dec. 13	Winnipeg—Dec. 16-17

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Saskatoon.

Chamber of Commerce—Calgary, Hamilton, Kitchener, London, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Edmonton, Toronto, Winnipeg.

Department of Trade and Commerce—Vancouver (355 Burrard Street).

Department of Trade and Industry—Victoria.

trade and tariff regulations

Australia

REPRESENTATIONS RESPECTING THE TARIFF—The Australian Minister for Trade and Customs has requested the Tariff Board to inquire and report on what rates of duty should be imposed on the following products (the tariff item numbers are shown below with the présent rates of duty):

Blankets and blanketing
Tariff item: 117 (B)

Rates of duty:	British Preferential	17½ per cent
	Intermediate	40 " "
	General	40 " "

Socks and stockings
Tariff item: 115
Various rates of duty

Hacksaw blades
Tariff item: 215 (B) (2)

Rates of duty:	British Preferential	22½ per cent
	Intermediate	45 " "
	General	50 " "

Tariff item: 215 (C) (1)

Rates of duty:	British Preferential	Free
	Intermediate	12½ per cent
	General	12½ " "

Tariff item: 215 (C) (2)

Rates of duty:	British Preferential	12½ per cent
	Intermediate	35 " "
	General	35 " "

Hacksaw blades are classified in the above items according to types.

Pneumatic rubber tires and tubes
Tariff item: 333 (A) (1)

Rates of duty:	British Preferential	6d. per lb. or, if higher, 15 per cent
	Intermediate	1s. per lb. or, if higher, 27½ per cent
	General	1s. 1½d. per lb. or, if higher, 40 per cent

Tariff item: 333 (A) (2)

Rates of duty:	British Preferential	6d. per lb.
	Intermediate	1s. 6d. per lb.
	General	1s. 11d. per lb.

Tires and tubes are classified in the above items according to weights.

Canada is subject to the British Preferential tariff in all the above items except 333 (A) (1) and 333 (A) (2) where Canada is subject to the Intermediate tariff. The United Kingdom and other British countries are subject to the British Preferential tariff in the above items. The United States and most other countries are subject to the Intermediate tariff.

Canadian firms who are exporting any of the products listed above to Australia may wish to have their views on these tariff questions placed before the Board. Probably the most effective method of doing this would be for Canadian firms to request their Australian agents to act on their behalf. Firms wishing to take action should do so as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

Austria

CUSTOMS DUTY ON AUTOMOBILES LOWERED—Reports from Austria announce that from October 1, 1954, the customs duty on automobiles (Tariff item 459 b) has been lowered to 20 per cent ad valorem. This reduces the average duty, hitherto paid on a specific basis, by approximately 50 per cent. Imports continue, however, to be subject to licences—Berne, Oct. 19.

Belgium

SUBSIDIES FOR CANNED SALMON SALES ABOLISHED—A Belgian decree effective October 27th, abolished the import subsidies and retail price ceilings on canned salmon, peanut oil and rice which have only been in force since August 27. Under this scheme, retail prices of canned salmon had been established at a low level. Importers received a subsidy enabling them to sell the salmon at a profit within a quota of 125 per cent of last year's imports. This would have made it difficult to import salmon into Belgium beyond the subsidized quota—Brussels, Oct. 27.

The subsidies for canned salmon sales were announced in "Foreign Trade" of October 30th. It was then reported that the measure was of a temporary nature only.

Colombia

NEW IMPORT RESTRICTIONS—As of October 25, 1954, the Colombian authorities have imposed new import restrictions. It is reported that this action is the result of an adverse trend in their balance of payments arising from the recent fall in coffee prices. During the week previous to October 25th, no import registrations were issued and provision of foreign exchange for imports already authorized was postponed for one month.

The new measures include:

1. An increase from 40 to 80 per cent ad valorem in the stamp tax levied on Group 2 imports. Group 1

imports remain freely importable without tax at the official exchange rate. (The alternative method of payment with "import rights" will result in equivalent costs.)

2. The transfer from Group 1 to Group 2 of certain goods, among which the following are of interest to Canadian exporters: whisky; plywood; refrigerators; domestic washing machines; and cellulose and synthetic plastic manufactures.

3. The importation of certain foodstuffs domestically produced is reserved exclusively to "INA" (Corporation for the Defence of Agriculture) which will decide when such imports are necessary. The following products are affected: wheat, rice, barley, corn, potatoes, fresh vegetables and leguminous vegetables.

4. Certain increases in tariff duties and other charges are made: (a) the duty on wheat semolina for alimentary paste is raised from 0·30 peso to 0·50 peso per kilogram plus 25 per cent ad valorem (unchanged); (b) a special charge of 0·10 peso per kilogram is levied on imports of wheat flour and semolina when imported by private traders ("INA" is exempt from this charge); (c) the duty on shell eggs is raised from 0·05 peso to 0·50 peso per kilogram plus 5 per cent ad valorem (unchanged).

5. The doubling of the amount required as deposit by the Colombian Registration Office before imports are approved. Deposits ranging from 20 to 60 per cent ad valorem are now required for Group 1 imports, while a deposit of 20 per cent ad valorem is needed for all Group 2 imports.

In addition to the above, Canadian and other exporters will probably suffer a delay in payment because of the changed Colombian procedure in granting foreign exchange. Importers will now have to present the customs manifest as well as the bill of lading and commercial invoice before exchange will be released. This will result in payment approximately seven to fifteen days later than under the previous procedure which permitted release of exchange on presentation of the commercial invoice and bill of lading, usually airmailed in advance of sea shipments.

Complete details of the goods affected by these measures are available from the International Trade Relations Branch.

Greece

CUSTOMS TARIFF AGAIN REVISED—Effective September 23rd, various revisions have been made in the Greek customs tariff. Most of these changes are 50 per cent increases in the specific duties restoring these duties to their levels from before the devaluation of the Greek currency in April 1953. The items on which duties were thus increased include whisky and gin; locks, padlocks and keys; iron appliances for domestic use weighing up to 11 pounds; oilcloth and articles made from oilcloth; motorcycles, and various other articles of lesser interest to Canada. The duty on cellophane paper has been increased by 150 per cent—Athens, Oct. 13.

SPECIAL LEVY ON IMPORTS—A Greek measure, effective September 23rd, provides for the imposition of a special levy on imported commodities of a kind also made in Greece. The new import tax is levied in addition to the existing turnover tax and amounts to one-quarter of this tax which, on most commodities, is 6 per cent of the duty-paid value increased by a 15 per cent markup. The new special levy will thus amount to 1½ per cent in most cases and will be levied on the same basis as the turnover tax.

It is stated that the purpose of the special levy is to compensate for a charge payable by Greek industries based on a percentage of salaries and wages which they pay to their employees—Athens, Oct. 13.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The following representations have been received by the South African Board of Trade and Industries respecting increases in the tariff:

Increases in duty on:

1. Paper bags; various rates of duty increased by £35 per ton.

2. Knitted berets and knitted balaclava caps, from various rates of duty to 35 per cent.

3. Resin or acid-cored solders and solder wires, from 10 per cent to 2s. 3d. per lb.

4. Household linens, such as table-cloths, serviettes, bedspreads, bed sheets, pillowcases, dusters, face cloths, cot covers, embroidered household linens and towels from various rates of duty to 25 per cent (minimum rate), 40 per cent (intermediate rate) and 50 per cent (maximum rate), plus a suspended duty of 15 per cent.

5. Ready-made clothing:

(*a*) Women's clothing of the following types; outerwear, woven and knitted underwear, raincoats, nightdresses, pyjamas, bedjackets, foundation garments, swimwear, dressing gowns, and nurses' caps, from various rates of duty to 50 per cent or various alternative specific duties;

(*b*) Other clothing of the following types: men's and juvenile outerwear (including suits and new or used overcoats), men's and juvenile woven and knitted underwear, raincoats, oilskins, aprons, men's and juvenile swimwear, men's dressing gowns, men's shirts, men's and juvenile pyjamas, men's and juvenile tweed or cloth caps, scarves and ties from various rates of duty to 35 per cent or various alternative specific duties plus a suspended duty of 15 per cent.

The suspended duty, if put into effect, would be additional to any future duties on these products.

Interested Canadian firms may wish to have their views on tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations would be for Canadian firms to request their representatives in South Africa to act on their behalf before the Board. Firms wishing to take action should do so as soon as possible since tariff inquiries normally begin in South Africa soon after the announcements are made.

Sweden

IMPORTS OF DOLLAR GOODS REMAINING UNDER CONTROL—Readers will recall that a notice on page 28 of the October 30th issue of *Foreign Trade* reported the freeing from licensing requirements of many dollar imports into Sweden. This report also indicated that licences for many dollar imports which have not been liberalized would be issued at an increased rate, including licences for primary non-ferrous metals other than nickel, ores of base metals, crude asbestos and fur skins.

Further details have now been received by the International Trade Relations Branch on the controlled dollar imports which will be admitted more freely. Apart from the commodities reported above, they include crude nickel, lubricating oils, wood pulp, newsprint, cosmetics, toys, and various other goods. Payment for such imports may be made in so-called "transit" dollars which Swedish commercial banks will make available upon direction from the exchange control authorities, or by purchase from a non-dollar country in a currency normally used for payments between Sweden and the country of purchase.

United Kingdom

IMPORTS OF DRIED PEAS—The Commercial Secretary (Agriculture), in London advises that imports of all types of dried peas from dollar sources are now under open individual licence. From non-dollar sources, imports of dried peas are under open general licence.

United States

TARIFF ON RETURNED AMERICAN GOODS AMENDED—U.S. Tariff paragraph 1615(g), which states that any article exported from the United States for repairs or alterations only may be returned upon the payment of a duty upon the value of the repairs or alterations, has been broadened by the Customs Simplification Act of 1954, effective October 1, 1954, so as to provide that any article of metal (except precious metal) manufactured in the United States which is exported for further processing and the resultant article is then returned to the United States for still further processing, such article may be returned upon the payment of a duty upon the value of such processing outside the United States.

IMPORTS OF BARLEY AND BARLEY MALT—On October 18, 1954, the President issued a Proclamation, under authority of section 22 of the Agricultural Adjustment Act, stating that the total aggregate quantity of barley, hulled and unhulled, including rolled barley and ground barley, and barley malt entered, or withdrawn from warehouse for consumption during the period from October 1, 1954, to September 30, 1955, both dates inclusive, shall not exceed 27,500,000 bushels; and that, of the said permissible total quantity not more than 27,225,000 bushels shall be imported from Canada, and not more than 275,000 bushels shall be imported from other foreign countries.

For the purposes of this proclamation, 48 pounds of barley, hulled or unhulled, including rolled barley or ground barley, shall be considered equal to one bushel, and 34 pounds of barley malt shall be considered equal to one bushel.

Concurrent with the President's action the Canadian Government, in an exchange of notes with the United States Government, indicated that it will take voluntary action during the period of the Proclamation to limit exports to the United States of feed barley to 3·5 million bushels.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor W. F. Hillhouse, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada C. M. Forsyth-Smith, Commercial Secretary	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. J. Van Tighem, Commercial Secretary H. M. Maddick, Assistant Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	M. P. Carson, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road, Cinnamon Garden, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary J. P. Lancaster, Assistant Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* *Tel.:* Tria 1602
Dominican Republic Haiti, Puerto Rico	M. B. Bursey, Canadian Government Trade Commissioner	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Haiti, Puerto Rico Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Egypt Aden, Sudan, Cyprus. Ethiopia, Saudi Arabia	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Roustom Pasha, Garden City, CAIRO	*Mail:* P.O. Box 1770 *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary J. H. Stone, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor I. V. Macdonald, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner M. B. Blackwood, Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada. 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	D. M. Holton, Canadian Government Trade Commissioner W. P. Birmingham, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemuliam No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor M. S. Strong, Commercial Secretary (Fisheries) W. R. Van, Assistant Commercial Secretary	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
	R. R. Parlour, Assistant Trade Commissioner		
Japan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
	R. F. Renwick, Assistant Commercial Secretary		
Japan	Paul Sykes, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 48966
Lebanon Iraq, Jordan, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
	C. O. R. Rousseau, Assistant Commercial Secretary		
Netherlands	V. L. Chapin, Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
	T. F. Harris, Assistant Commercial Secretary		
Netherlands Belgium, Denmark, Luxembourg	C. J. Small, Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Denmark, Greenland, Iceland	J. L. Mutter, Commercial Counsellor	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	F. H. Palmer, Consul General and Trade Commissioner	Canadian Consulate General Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
	H. E. Lemieux, Vice Consul and Assistant Trade Commissioner		
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal) Federation of Rhodesia and Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	K. F. Noble, Canadian Government Trade Commissioner H. E. Campbell, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 22-28-10
Sweden Finland	F. W. Fraser, Commercial Counsellor L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet Commercial Secretary W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor G. H. Rochester, Commercial Secretary (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Assistant Commercial Secretary W. G. Pybus, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor E. H. Maguire, Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W WASHINGTON 6, D C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States	H. A. Gilbert, Commercial Secretary W. L. Porteous, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Vice Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. V. N. Gordon, Vice Consul and Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner J. H. Bailey, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul and Trade Commissioner A. A. Caron Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States (Northern California. Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building Seventh Avenue at Olive Way, SEATTLE 1, Washington	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MUtual 3515
Uruguay Paraguay	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN
Venezuela Netherlands Antilles	F. B. Clark, Acting Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	D. B. Laughton, Acting Agricultural Secretary		

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 1·03093.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 29	Notes (See below)
Argentina	Peso	Preferential buying	·1293	
		Basic buying	·1940	
		Preferential selling	·1940	(1)
		Basic selling	·1293	
		Free	·06982	
Austria	Schilling		·03731	
Australia	Pound		2·1710	
Belgium Luxembourg & Belgian Dependencies	Franc		·01941	
Bolivia	Boliviano	Official	·00511	
British West Indies	Dollar		·5654	(3)
	Pound		2·7138	(4)
	Dollar	Brit. Honduras		
Brazil	Cruzeiro	Official selling	·05154	tax 8%
		Official buying, coffee	·04152	(2)
		Official buying, other	·03420	(5)
		Free	·101483	
Burma	Kyat		·2037	
Ceylon	Rupee		·2035	
Chile	Peso	Official	·00882	(1)
Colombia	Peso	Basic	·3880	
Costa Rica	Colon	Official	·1728	(6)
		Controlled free	·1461	
Cuba	Peso		·9700	tax 2%
Czechoslovakia	Koruna		·1347	
Denmark	Krone		·1404	
Dominican Republic	Peso		·9700	
Ecuador	Sucre	Official	·06467	
		Free	·05597	
Egypt	Pound		2·7854	
Fiji	Pound		2·4448	
Finland	Markka		·00422	
France	Franc		·00277	(7)
French Africa	Franc		·00555	(8)
French Pacific	Franc		·01526	(9)
Germany	D Mark		·2310	
Greece	Drachma		·03233	
Guatemala	Quetzal		·9700	
Haiti	Gourde		·1940	
Honduras	Lempira		·4850	
Hong Kong	Dollar	Free	·1646	*Oct. 22
Iceland	Krona	Official	·05956	
		Special buying	·04586	
		Special selling	·03695	
India	Rupee		·2035	
Indonesia	Rupiah	Basic	·08509	(10)
Iran	Rial	Certificate	·01165	
Iraq	Dinar		2·7160	

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 29	Notes (See below)
Ireland	Pound		2·7138	
Israel	Pound	Official	·9700	
		Premium	·5389	
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·3010	
Mexico	Peso		·07760	
Netherlands	Guilder		·2550	
Netherlands Antilles	Guilder		·5144	
New Zealand	Pound		2·7138	
Nicaragua	Cordoba	Effective buying	·1470	(11)
		Official selling	·1376	
		With Surcharge I	·1205	
		With Surcharge II	·09652	
Norway	Krone		·1358	
Pakistan	Rupee		·2932	
Panama	Balboa		·9700	
Paraguay	Guarani	Basic	·04619	(1)
		With Surcharge I	·03592	
		With Surcharge II	·02694	(12)
Peru	Sol	Certificate	·05105	
Philippines	Peso		·4850	tax 17% (2)
Portugal	Escudo		·03385	(13)
El Salvador	Colon		·3880	
Singapore & Malaya	Straits dollar		·3166	
South Africa (Union of)	Pound		2·7138	
Spain & Dependencies	Peseta	Basic buying	·04429	
		Basic selling	·08645	
		Basic commercial selling	·05906	(1)
		Free	·02490	
Sweden	Krona		·1875	
Switzerland	Franc		·2263	
Syria	Pound	Free	·2714	*Sept. 5
Thailand	Baht	Official	·07760	(1)
		Free	·04480	*Aug. 31
Turkey	Lira		·3464	
United Kingdom	Pound		2·7138	
United States	Dollar		·9700	
Uruguay	Peso	Official	·6386	
		Basic buying	·5449	
		Special buying	·4128	(1)
		Basic selling	·5105	
		Special selling	·3959	
Venezuela	Bolivar		·2896	(14)
Yugoslavia	Dinar		·00323	

* Latest available quotation date.

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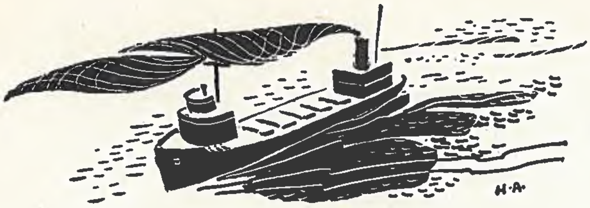
notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective selling is official plus auction price of certificates. Effective buying is 80 per cent at official, 20 per cent at free.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guateloupe, 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 provisions for special rates for exports of petroleum, cocoa and coffee, not at present in effect for cocoa and coffee.



transportation notes

Barbados

DEEP WATER HARBOUR—Both Houses of the Legislature have adopted the report of the committee appointed to go into the proposals for the establishment of a deep water harbour; the estimated cost of the scheme is put at £4·2 million. Although arrangements for financing the scheme are not complete, it is understood that a substantial part of the cost will be met by a loan from Development and Welfare funds. In 1951, the Government and the Sugar Producers' Association signed an agreement to put a levy of BWI$2.00 per ton on sugar as a contribution to the cost of the harbour. In addition, a 2 per cent levy will be applied to the value of imports and exports to meet some of the expenses—Port-of-Spain, Oct. 13.

Colombia

NAVIGATION ON THE MAGDALENA—Press announcements indicate that 14 million pesos (approximately Can.$5-6 million) will be spent during the next three years to improve the channel of the Magdalena River for navigation, and to modernize river ports. Some financing of this scheme is being done through New York banking houses.

The Magdalena River system, in spite of the development of other forms of transport, still provides the main line of communication to the interior cities for heavy goods. It has been neglected to some extent in favour of highway and railway construction. Yearly appropriations of 85 million pesos for roads and 70 million for railways have been allocated, and compared with this the sum of 14 million pesos to be spent over a three-year period on the river project seems modest. However, it is expected that the improvement of the river channel will permit round-the-clock navigation and the handling of larger tonnages of freight with greater despatch—Bogotá, Oct. 14.

El Salvador

HIGHWAY PROJECT—Completion of El Salvador's long-projected coastal highway will be undertaken at once with the assistance of two foreign loans; the International Bank for Reconstruction and Development has advanced US$11 million and the National Bank of Philadelphia US$250 thousand. When finished, the new road will run 190 miles from the port of La Union on the Gulf of Fonseca to the Guatemalan border, and will open substantial new tracts of land to commercial development. Twenty-five miles of the highway are already finished and work is now under way on a further 17 miles. It is expected that the highway will be completed in four years at a total cost of $16 million—Guatemala, Oct. 18.

Federation of Rhodesia and Nyasaland

ORDERS NEW PLANES—The Chairman of the Central African Airways recently signed an agreement for the purchase of five aircraft from the United Kingdom which will improve the service substantially. For example, the time for the Salisbury-Johannesburg run will be reduced from 3½ to 2½ hours—Cape Town, Oct. 7.

RAILWAYS AND COMMUNICATIONS—During the next three years, the Federation of Rhodesia and Nyasaland will spend £30 million on the expansion and development of transportation and communications in Central Africa. A large portion of this amount will be used to improve the railway system which cannot meet the expanding needs of the Federation. The tonnage carried on Central African railways has more than doubled in the past seven years and new equipment is urgently required to fill the demands of the mining and agricultural industries—Johannesburg, Oct. 21.

Malaya

RAILWAY PROFITS—The Malayan Railway Administration's report for 1953, the best for some years, reflects the improvement in the situation. There were far fewer incidents of attacks by Communist terrorists with the result that services were more nearly normal. It is surprising that the railway achieved a handsome profit while operating under very difficult conditions and that this profit came entirely from higher passenger revenue. Freight earnings suffered from road transport competition—Singapore, Oct. 20.