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cover Stately evergreens bearing their winter burden of snow seem to typify Canada at Christmas time. In the last issue of "Foreign Trade" for 1954, we say "Merry Christmas and a Happy New Year" to you all. The Trade Commissioners serving abroad join us in that wish. —Photo by Malak

BLEU's Trading Pattern in '53

European pattern of BLEU's trade unaltered during 1953, with two-thirds of total trade carried on with EPU countries and their dependencies. Trade with dollar area came closer to balancing because of concentrated sales effort in U.S. market; exports to and imports from Canada showed some decrease.

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

THE BELGO-LUXEMBOURG ECONOMIC UNION (hereafter referred to as the BLEU) ranked sixth in world trade in 1953, following the United States, the United Kingdom, Canada, Western Germany and France. It is also one of Canada's principal export markets.

An examination of BLEU's foreign trade over the years shows that it is normal for the value of imports to exceed that of exports and as a result the trade balance almost invariably shows a deficit. There have been exceptions to this rule, however, as in 1951, when the increased demand for goods following the outbreak of war in Korea boosted the volume and value of exports.

This traditional trade deficit can be traced as far back as figures are available but it is counterbalanced in the settlement of accounts by invisibles, as is explained in succeeding paragraphs.

The table below gives the volume and value of imports and exports for 1946 to 1953 inclusive and for eight months of 1954.

	(millions of francs)
CREDIT	
Exports (f.o.b. value)	112,900
Invisible exports, including salaries received from foreign sources (frontier workers), revenue from tourist industry, revenue from foreign investments, payments received from ocean, canal and air freight, for ship-repairing and various services	20,400
	133,300
DEBIT	
Imports (c.i.f. value)	121,100
Invisible imports, including interest, dividends, royalties, salaries paid to foreign sources, etc.	10,500
	131,600
Balance	133,300
	131,600
	+ 1,700

It will be noted that the balance of invisible imports and exports shows a credit of about 10 billion francs. One of the principal factors in this was the tourist industry; foreign visitors spent more in Belgium in 1953 than Belgians spent in travelling abroad.

The amount of private capital which Belgian-Luxembourg interests invested abroad increased in 1953 by 2·5 billion francs, compared with an increase of a little over one billion francs in 1952. On the other hand, the amount of foreign capital invested in Belgium and Luxembourg fell by about 260 million francs in 1953. This figure is well below that for the withdrawal of capital in 1952—some 1 billion francs.

Belgian Imports and Exports 1946-1954

Year	*Imports*		*Exports*		
	Volume (millions of kilos)	*Value (millions of francs)*	*Volume (millions of kilos)*	*Value (millions of francs)*	*Balance*
1946	21,030	57,184	7,454	29,836	— 27,348
1947	27,865	85,559	12,844	61,655	— 23,904
1948	29,190	87,518	15,100	74,121	— 13,397
1949	27,547	81,719	14,525	79,789	— 1,930
1950	29,742	97,503	16,361	82,571	— 14,932
1951	38,200	127,200	20,300	132,600	+ 5,400
1952	38,900	122,900	20,300	122,400	— 500
1953	39,500	121,000	24,600	112,900	— 8,100
1954 (8 months)	28,401	83,119	15,943	73,179	— 9,940

1 million kg.=1,000 metric tons of 2,204 lb. each.
1 million francs=approximately $20,000.

Balance of Payments

The BLEU's trade deficit in 1953 was more than compensated for by receipts from invisible items, as a glance at the 1953 balance of payments, published by the University of Louvain, an authoritative source, will show.

The Belgian National Bank's reserves of gold and convertible currencies rose from 36,600 million francs at the end of 1952 to 39,700 million francs at the end of 1953.

Changes in Import Pattern

From which countries did BLEU buy most of its imports in 1953? The principal source was the Netherlands, followed by Western Germany, France, the United States, the United Kingdom, the Belgian Congo, Sweden, Australia, Switzerland, and Canada —in that order. A change of pattern is apparent here. From the end of the war up to and including 1952, the United States held the position of BLEU's leading supplier. In 1952, BLEU bought from the United States goods worth 18 billion francs ($360 million); in 1953, the figure decreased to 12·4 billion francs ($248 million) and this put the U.S. in fourth position. The biggest factor in this reduction was a falling-off in the sales to BLEU of American bread grains and cotton. In 1953, in fact, BLEU imported 23 per cent less wheat, by tonnage, than in 1952—the result of greater domestic production, the elimination of wheat from cattle food, and a drop in bread consumption.

Canada's sales to BLEU also decreased in 1953 to 2·9 billion francs ($58 million) from 4·4 billion francs ($88 million) in 1952 and this placed us in tenth position as a supplier. The value of purchases from the other countries listed above, with the exception of Australia, did not vary greatly from 1952. The nature of imports also showed little change; as in the previous year, raw materials for the textile and metallurgical industries, cereals, and machinery and equipment (principally transport equipment) were the leading categories.

Export Trade

The year 1953 brought a decline in BLEU's exports to almost all EPU countries except the Netherlands, which was not only BLEU's principal supplier but also its leading market, buying goods worth 20 billion francs ($400 million). Next came the United States, with purchases totalling 11·5 billion francs ($230 million). This was an increase of $46 million over 1952 and resulted from a concentrated sales effort in that market. In third place was Western Germany, with goods worth 10·5 billion francs ($210 million), followed by France (9 billion francs, $180 million), the United Kingdom (8·7 billion, $174 million) and the Belgian Congo (6·4 billion, $128 million).

Iron and steel products, metal manufactures, non-ferrous metals, textiles and chemical products make up about three-quarters of BLEU's exports.

Over two-thirds of the total trade of BLEU was carried on with EPU countries and their dependencies. This trade in 1953 came almost into balance, with 67·6 per cent of BLEU imports coming from EPU sources and 68 per cent of exports going to EPU markets.

In earlier years trade with the dollar area resulted in a considerable deficit for BLEU; in 1953 it came closer to equilibrium, because of smaller imports from and larger exports to the United States. Imports from the dollar area constituted 15·5 per cent of the total in 1953 and exports from that area 14 per cent of total exports. The Belgian Congo provided 7·5 per cent of BLEU's imports and absorbed 5·8 per cent of its exports.

Trade with Canada

The Belgo-Luxembourg Union was Canada's sixth most important market in 1953. According to Canadian statistics, exports to the Union fell from $104·3 million in 1952 to $69·5 million in 1953, a drop of 33 per cent, largely because of smaller shipments of grains. Increased competition from the Scandinavian countries also cut into Canadian sales of wood pulp. Exports of passenger cars, lead and zinc were larger than in 1952.

Leading Belgian Exports to Canada, 1953

Commodity	*Value*	*% of total*
Base metals and manufactures	$11,079,800	36
Textiles	7,545,040	24
Wares of stone, glass	3,375,460	10
Real pearls, precious stones	3,341,900	10
Chemical and pharmaceutical products	1,962,280	6
Mineral products	973,920	3
Machinery and apparatus	797,380	2
Arms and ammunition	481,780	
Paper and paper products	398,700	
Vegetable products	220,420	
Products of foodstuffs industry	183,780	
Hides or skins	139,660	

Leading Belgian Imports from Canada, 1953

Commodity	*Value*	*% of total*
Cereals, flax seed and other vegetable products	$34,899,520	60
Mineral products	5,171,560	9
Transport material	4,913,060	8
Products of the foodstuffs industry	2,841,080	5
Machinery and apparatus	2,328,460	4
Chemical and pharmaceutical products	1,633,400	2
Base metals and manufactures	1,550,260	2
Rubber and rubber products	932,400	
Wood and cork manufactures	864,880	
Arms and ammunition	856,820	
Live animals and animal products	754,040	
Textiles	379,960	
Paper and paper products	357,900	

BLEU's exports to Canada fell by 12 per cent in 1953, with steel rolling mill products showing the sharpest decrease, followed by cement and jute fabric. Sales of glass, diamonds, and wool carpets rose.●

India : *progress continues*

RICHARD GREW,
Commercial Counsellor, New Delhi.

Overall food position remains good, despite some floods; industrial production has risen. Value of both imports and exports decreased in first quarter of 1954; Britain continues to be the leading market and the leading supplier.

THE GENERAL ECONOMIC SITUATION in India has improved moderately during the past six months. Agriculture, which is the backbone of the economy, has done well despite devastating floods in some sections of northern India during the past monsoon. The rabi crops, which are sown in the autumn and harvested in the spring, enjoyed excellent growing and harvesting conditions. Production of wheat, the principal rabi crop, reached 7·8 million tons, an increase of 409 thousand tons over the previous year. The barley yield decreased slightly.

The monsoon which occurs during the months of July, August and September was on the whole satisfactory, although by no means evenly distributed. The areas most severely affected were in Bihar, West Bengal and Assam, where rivers fed by melting snows and heavy monsoon rains flooded extensive areas, mainly devoted to the cultivation of rice.

The Foodgrain Picture

It is too early to assess the final loss in foodgrain production as some areas may be replanted with either rice or some other crop. The actual loss will only be known when final production figures appear several months hence. The overall food position, however, is such that the authorities do not consider that any unexpected increase in imports over the current program will be necessary. India has yet to import a considerable portion of the Burma contract for one million tons of rice and with these supplies as a cushion, will probably not need to obtain additional quantities, except possibly for stockpiling.

Other Agricultural Crops

The last two or three years have yielded good wheat harvests. For a considerable period, India has been entirely out of the international wheat market but since the beginning of the current IWA year has purchased about 450 thousand tons—400 thousand from Australia and the remainder from Canada. These purchases are believed to be for maintaining adequate reserve stocks.

For cash crops, the situation is generally favourable. The tea estates are so prosperous that the Government has recently increased the export duty from four annas (five cents) to seven annas (8¾ cents) per pound.

The acreage sown to cotton has increased steadily. The latest figures show that the acreage for the current year will be close to 20 million acres, compared with just over ten million seven years ago. Production has also gone up, with the longer staple varieties accounting for the largest proportion of the rise.

The damage to the jute crop from rains and floods is not known but one indication that supplies of raw jute are expected to be sufficient is that mills have returned to a 48-hour week compared with 42½ in July.

No official information on seed crops, and particularly peanuts, is at hand. Unofficial estimates, however, indicate that there was an increased acreage with good sowing and growing conditions over most of the area. Harvesting of the peanut crop begins towards the end of November.

Industrial Production Rising

During the past six months, industrial production has been maintained fairly well; although a few industries have shown some declines, on the whole there has been a rise. The index for the first five months of 1954 increased to 140·6 (year 1953=135·2) and in May 1954, the latest figure available, the general index stood at 145·1 (base 1946=100) the highest figure since the index was established. Some slight seasonal decline may have occurred since.

Of the major industries, cement appears to have the best record. Production during the first six months of 1954 amounted to 2·2 million tons compared with 1·8 million for the same period of the previous year. The cotton textile industry produced 2,505 million yards of cotton cloth and 765 million lb. of yarn during the first six months of 1954, compared with 2,447 million yards of cloth and 736 million lb. of yarn in the first half of 1953. If production during the second half of the year is maintained, the 1954 target of 5,000 million yards will be slightly exceeded. Steel ingot

production also improved, at 827,400 tons for the first six months compared with 772,100 tons for the same period of 1953.

The two major industries with smaller production were jute goods and coal. The drop in the production of jute goods was a minor one and production for the year 1954 is expected to be greater than in 1953. Coal production during the first half of the current year totalled 17·93 million tons, compared with 18·6 million for the same period of 1953.

Progress under Five Year Plan

The Planning Commission recently reported on progress during the first three years of the Plan. In some cases, the production target for the full five years was achieved in three. The Plan envisaged an increase of 7·6 million tons of foodgrains throughout the five years and within three, foodgrains had increased by 11·4 million tons. Mill-made cotton cloth has also exceeded its target. Now that 60 per cent of the period of the Five Year Plan has elapsed, some of the performances are disappointing, particularly raw jute, electric energy, irrigation and steel. Electric energy and irrigation, of course, frequently go together in multi-purpose projects which require several years to complete.

The All India cost-of-living index (base year 1949=100) has declined steadily since the middle of 1953. It is now 102, the lowest figure since before the Korean war.

New Projects

Recent months have brought several proposals for the expansion of the steel industry. In addition to plans to expand the capacity of existing plants, an agreement has been signed with German interests to establish a steel industry in Rourekela, Orissa, with a capacity of 500 thousand tons. This will be government-owned and operated.

In addition, the Government of India has accepted an offer from Russia to send a team of experts to submit a report on the establishment of a second unit of 500 thousand tons. The offer is to supply all the equipment, put the plant into operation, and turn it over to the Government of India on completion. Payment is to be made in rupees in ten equal annual instalments, or over a longer period if desired, bearing interest at the rate of 2½ per cent.

There is also a possibility that United Kingdom interests may come to an arrangement with Indian industrialists to set up a third unit with a capacity of one million tons. This project would be under private enterprise.

Other proposals include a plant to manufacture heavy electrical equipment and another to recover uranium oxide and thorium nitrate from the residual cakes of the rare earths factory already in operation in south India.

Foreign Trade

The latest figures on India's foreign trade cover the first three months of the current fiscal year—April, May and June. Compared with the similar period of the previous year, the value of imports (exclusive of treasure) has decreased each month, for a total for the three months of Rs.1,407·9 million compared with Rs.1,609·0 million. Part of the decrease is no doubt due to lower prices for some of the principal commodities and particularly for foodgrains.

The value of exports also fell during this period, except for June.. The total value for the latest three-month period was Rs.1,119·1 million compared with Rs.1,187·3 million.

The trade balance during both periods was unfavourable, although it was reduced from Rs.421·7 million in 1953 to Rs.288·8 million this year. The pattern of Indian foreign trade is generally to build up an unfavourable balance during the first six months of the year which is gradually reduced, although not entirely wiped out, in the second half.

Direction of Trade

The United Kingdom and United States were the principal sources of supply, accounting for just over 42 per cent of the total value of imports. The United Kingdom was well in the lead with Rs.371·2 million, against Rs.224·1 million from the United States. The following table shows the principal countries of supply:

Country	*Value (million rupees)*
(first quarter, 1954)	
United Kingdom	371·2
United States	224·1
Germany	81·1
Egypt	73·6
Kenya	68·2
Bahrein	64·5
Burma	62·3
Saudi Arabia	61·2
Italy	45·9
Netherlands	45·2
Malaya	41·0

Imports from Bahrein and Saudi Arabia consisted almost entirely of petroleum products; Egypt and Kenya are important suppliers of raw cotton. In addition, raw cotton constituted over one-third of the value of exports from the United States. Exports from Burma were almost entirely confined to rice.

The export trade follows somewhat the same pattern; the United Kingdom and the United States take approximately 43 per cent of the total exports, with the United Kingdom accounting for approximately two-thirds of this percentage.

95535—2

The leading markets for Indian products were:

Country	Value (million rupees) (first quarter, 1954)
United Kingdom	294·6
United States	187·7
Australia	60·0
Burma	55·3
Germany	47·1
Ceylon	37·8
Canada	35·7
Japan	28·2
Netherlands	23·0
Sudan	22·0

Commodity Trade

The most important group of related products imported into India is petroleum. Within a comparatively short time, however, three oil refineries will be operating in India and this will alter the import trade pattern considerably. Larger imports of crude oil and practically no imports of refined petroleum products will be the result. Raw cotton is the next most important import and will continue to be so, because domestic production is not large enough to supply the Indian textile industry, especially with the long-fibre varieties.

The following table giving the principal classes of products imported into India shows that the bulk of the Indian import trade consists of raw materials and semi-manufactured goods required for industries:

Commodity	Value (million rupees) (first quarter, 1954)
Petroleum products	245·8
Cotton, raw	227·7
Rice	58·2
Chemicals	46·2
Coal tar dyes	40·7
Electric machinery	37·5
Electric instruments	27·9
Paper	27·8
Drugs and medicine	25·9
Art silk yarn	24·8
Wool tops	22·2

Indian exports have remained fairly constant over a long period with jute goods in the lead, followed by tea. Exports of cotton textiles have developed considerably since the last war and the cotton textile industry will probably continue to expand its export markets. For the most part (with the exception of cotton textiles) the principal exports from India are raw materials and semi-manufactured products for further processing.

The table below shows the principal exports:

Commodity	Value (million rupees) (first quarter, 1954)
Jute goods	303·4
Tea	134·2
Cotton textiles	133·6
Hides and skins, tanned or dressed	54·7
Coffee	33·6
Tobacco	31·6
Manganese ore	30·6
Wool, raw	28·3
Cashew nuts	24·3
Pepper	19·2

During the first six months of 1954, the value of Canadian exports to India (Canadian figures) declined drastically compared with the first six months of the previous year, almost entirely because of the vastly improved foodgrain situation in India.

Canadian Trade with India

During the first six months of 1953, India imported Canadian wheat to the value of $16·5 million; in the same period of 1954, she bought none. Exclusive of wheat, Indian imports of Canadian products declined in value by $2·1 million, largely because of the recent policy of the authorities permitting only firms which have undertaken a progressive program of local manufacture to import vehicles. Including spare parts, the value of these imports declined by $2·3 million. Another factor is that European manufacturers are now more competitive in both price and delivery. Some improvement in Canada's trade with India may be expected in the second half of the year; recently India has bought some Canadian wheat and in addition, larger purchases of non-ferrous metals and of heavy equipment are expected.

According to Canadian figures, total exports to India during the six months were valued at $5·1 million, compared with $23·8 million during the same period of 1953. Apart from the products already mentioned, newsprint, locomotives, Douglas fir squares and aluminum showed significant gains; copper wire, radio wireless apparatus and unexposed motion picture film all showed declines.

The following table shows the value of Canadian exports of the most important articles during the first six months of 1954 as compared with the similar period of 1953.

	1954	1953
Newsprint	$968,900	$ 240,900
Aluminum	955,300	811,000
Locomotives	699,200	17,500
Auto parts	195,300	697,500
Sulphite pulp	189,600	243,900
Douglas fir squares	146,700	.....
Gas engines	138,800	45,700
Motion picture film, unexposed	127,900	376,600
Threshing machines	114,700	200
Sparkplugs	111,800	101,400
Radio wireless apparatus	61,300	534,000
Steel, plates, sheets, strips	8,760	131,100
Wheat	.....	16,550,000
Autos, freight	.....	2,117,400
Copper wire	.....	455,200

Imports into Canada from India have remained fairly constant; the figures for the first five months of 1953 and 1954 are $11 million and $10 million respectively. The trade is principally confined to a limited number of products, the most important of which are burlap, tea, pepper, peanuts, manganese ores and carpets. ●

Helicopters in British Skies

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

THE UNITED KINGDOM is particularly suited to the commercial operation of helicopters. Within a 200-mile radius of London there are 65 million people and numerous large cities. "Helicoptimists" regard this concentration of population as all that is necessary to make a helicopter service pay. Though this is a most important factor, there are a number of other considerations which suggest that it will be at least ten years before large-scale helicopter services will be in operation.

As a prelude to bigger things, and in order to learn more about the economics of helicopter operations, British European Airways have been using these machines on experimental routes. About 4,000 hours have been flown on scheduled services and more than 3,000 paying passengers carried. In 1955, it is planned to run a regular helicopter service from the South Bank site in London to London Airport. The machines will carry five passengers and will be equipped with floats in case an emergency landing on the river should be necessary. This service will provide experience in all-weather operations into city centres and should be a guide to the type of machine that is needed.

Operation Uneconomic

The present BEA helicopter services are not economic. The machines can take off and land in a confined space —and they certainly cut down the time taken to reach a main airport from the centre of a city. But they have a very small payload, are slow, noisy and expensive, and provide the passengers with a "vibro massage". Realizing that the right machine could alter all this, BEA has issued to the British aircraft industry a *Specification of Requirements* for a large 50-passenger helicopter with a cruising speed of 150 miles per hour. It does not expect such a machine to be available before 1964.

The measure of the problem is apparent from studies which BEA has made on a run between London and Birmingham. The six-seater machines which will be available in 1955 will have a cruising speed of 80 m.p.h., and their operating cost will be approximately $140 per hour, equivalent to $1.92 a mile. To break even, a single fare would have to be about $38, compared with the first-class rail fare of $3.30. Looking farther ahead to the Sikorsky S56 twin-engined helicopter, which BEA hopes to have by 1958 and which will carry 30 passengers at a cruising speed of 110 m.p.h., the break-even single fare will still be more than four times the rail fare.

Although helicopters are almost invariably slower in the air than fixed-wing aircraft, they may still be faster from metropolitan centre to metropolitan centre. The bus ride from the centre of the city to the airport frequently takes more time than the air trip itself. It is probable that one of the Continental airlines will be operating a helicopter service to London by 1958. Even though the helicopter they will use will have a low air speed, this service is expected to halve the fixed flight time between the metropolitan centres when time spent in the bus is taken into account.

95535—2½

Much the same conditions apply to freight transport by helicopter as to passengers. The absence of noise and vibration is not so vital, but cost and speed remain problems. BEA has been operating experimental helicopter freight services in the London area. Because of congestion in the City of London and the length of time involved in using surface transport, helicopters have certain advantages. The photograph on this page shows a Bristol type 171 helicopter loading 700 lb. of freight at a London suburb for transport to Heathrow Airport and onward air shipment to Canada. The cost of moving this freight from the suburb to Heathrow worked out at 1¼ cents per pound, compared with 2½ cents per pound by motor truck. It is in particular applications of this kind that the helicopter can be profitably employed today. As design improves and experience accumulates, the range of applications is expected to increase.

In the meantime, a number of United Kingdom manufacturers are developing interesting types and BEA is gaining operating experience. All this indicates that the United Kingdom does not intend to lag behind in this new field.

NewZealand: a business review

Record wool sales and good export trade brought New Zealand prosperity in 1954; exchange and import controls were eased. Inflation and labour shortage continue to be problems; industry uneasy about return to competition.

LESTER S. GLASS, *Commercial Counsellor, Wellington.*

BUSINESS CONDITIONS in New Zealand, in general, appear to be excellent. In fact, one well-known writer asserts that New Zealand is currently enjoying a "boomlet". Retail sales have been increasing steadily. The 1953-1954 wool market was, with the exception of the fantastic year of 1950-1951, an all-time record; production totalled nearly 425 million pounds and the average price realized was 52¼d. per pound of greasy wool. Overseas markets for other exports continue to be most satisfactory, and the steady inflow of money during the year has brought a high degree of prosperity.

However, there are factors which watchful observers point to with some misgivings. There is no doubt that New Zealand is still in a period of inflation which is all the more insidious because it is not spectacular. Wages were increased by 10 per cent in September 1953 because of the general rise in the cost of living. This gave temporary relief but early in 1954 pressure was again exerted for further increases. At the last session of Parliament, as a gesture to reduce the cost of living, the Government exempted from sales tax a wide selection of consumer goods and also gave tax relief in other directions. This proved to be a short-lived stopgap, and at the end of October the Court of Arbitration ruled once more for a general increase in wages.

To a large extent, New Zealand industry and commerce is financed by bank credit. One reason for this may be that the country lies far distant from both its markets and sources of supply and, in the days when communications were not so swift as today, this factor could have tied up vast amounts of private capital to the detriment of economic business operations. At any rate, bank credit is used to such an extent that it is inclined to have an inflationary effect. In May 1954, the Reserve Bank increased the percentage of the compulsory deposit which the trading banks are required to make with the Reserve Bank to 25 per cent of their demand liabilities and 12½ per cent of their time liabilities. At the same time, the Reserve Bank increased its discount rate to 3½ per cent.

Early in September, however, the amount of the statutory deposits was reduced by 5 per cent and 2½ per cent, respectively, because free reserves had fallen to a little over £7·5 million. By making this reduction the Bank could bring these reserves back to the desirable level of £20 million. Advances by trading banks stood at £35·8 million on January 27th and continued to rise throughout the year, reaching a peak of £63 million on August 11th and then falling to £60·3 million on August 25th. With the exception of 1952, these advances have not been exceeded since the end of the war. Bank clearings also have increased steadily; average weekly clearings up to August 25th were £52·3 million, the highest since the war.

For the first time in many years, the meat and dairy produce trades are to stand on their own feet in export markets. Bulk contracts have gone by the board and

A prize dairy herd grazes in sight of one of New Zealand's snow-capped peaks. Main development in dairy production during 1954 was end of bulk contracts and guaranteed prices.

with them guaranteed prices. Producers have not been too happy at this prospect, but to date everything has gone well. Business conditions may be temporarily affected as a result of the meat trade's return to a trader-to-trader basis because there will be a certain time lag before the exporter and the producer are paid. The meat producers, to overcome their feeling of insecurity, have asked the Government to arrange for floor prices and price support should the export market deteriorate. The Government has agreed in principle to this plan but has deferred any action.

Import Controls Eased

When drastic exchange and import restrictions were re-imposed in 1952 to put the brakes on the unprecedented buying spree which followed the abnormal wool season of 1951-1952, the Government announced that these controls were temporary and would be removed as soon as possible. In line with this principle, controls have been eased markedly during this year. This has mainly benefited imports from soft currency countries, but also those from the dollar area to a reasonable extent. New Zealand has thus been able to import a greater variety of merchandise and, what is more important, to purchase in competitive markets. In turn, people have been encouraged to buy more.

Effective January 1, 1955, the New Zealand Government proposes to do away with exchange allocation and control in so far as dealings with soft currency countries are concerned. Controls will be retained on dollar purchases until such time as the overall sterling position permits the lifting of them. The situation will be carefully watched to prevent a recurrence of excessive buying abroad. However, the feeling is that the gap between supply and demand for all classes of goods is much smaller now than it was two or three years ago and that the danger is almost negligible. Import controls have been removed from all but a hard core of about 280 items, but imports of the freed items are restricted by exchange control until the end of the year.

The Outlook

Certain sectors of New Zealand industry look towards January with some consternation. The question is whether or not local industry can stand up to free competition. New Zealand industry has its problems. The limited market offered by a population of two million tends to increase production costs. Full employment, indeed many call it "over-full employment", continues to be the keynote of the labour market. Labour turnover is high, as might be expected when there are only 20 unemployed to fill 17,000 registered vacancies. In an endeavour to hold staff, employers have resorted to higher wages and the provision of many extras such as bonuses, retirement funds, recreational facilities etc., all of which must be absorbed in the final price of the merchandise. At the same time, short staff means overtime pay and a sellers' market for labour tends to kill incentive.

Many industries have made representations for higher tariff protection and the Board of Trade is now revising the Customs Tariff, which has been in force since 1934. Since the revision will probably not be completed for several years, New Zealand industry is left with a feeling of uncertainty about the future which may have a restraining effect on development and expansion. There is often a marked difference between the degree of protection desired by industry and that which the Government considers adequate or justified. The stated policy of the New Zealand Government is that the public shall not be exploited for the benefit of uneconomic and inefficient industries.

Tour of Territory

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, will be visiting Sourabaya and Macassar during the last week in February. He expects to leave Djakarta by plane on February 21st, spend about five days in Sourabaya and two in Macassar, and return about March 2nd. Businessmen interested in trade with these areas should write to Mr. Wallace at the Canadian Embassy in Djakarta as soon as possible.

How to Sell *through New York*

The concluding article in our series on selling to overseas customers through buying offices centered in New York discusses the origin and functions of the export-import houses located there; suggests how and in what ways small or medium-sized Canadian companies might profitably make use of them.

C. E. BUTTERWORTH, *Vice Consul and Assistant Trade Commissioner, New York.*

NEW YORK CITY has, over the course of the years, become the centre for many firms, both large and small, which provide import and export services. They have tended to concentrate there because New York offers easy access to sources of supply, banking facilities, and convenient shipping connections with practically every part of the world. It is, moreover, the largest distributing centre in the United States.

The small or medium-sized Canadian manufacturer looking for markets abroad and who does not have suitable connections nor the means of establishing them, might find in these export and import houses in New York the answer to his problem. Most of them maintain a network of offices, agents and connections throughout the world.

Origin of Export Houses

It might be interesting to look for a moment at the history of the export-import house. Before the First World War, it dominated the export field. The principal export houses then were found in large shipping centres such as London, Liverpool, Hamburg, New York and San Francisco. They held a strong position in international trade because manufacturers of that era needed their specialized services in and knowledge of foreign markets. Producers in the large industrial countries, such as the United Kingdom, Germany and the United States, rarely sold direct and seldom undertook the credit risks involved.

Trend towards Direct Selling

The First World War, with its disrupting effects on world trade channels and the London money market, brought a change of emphasis in foreign marketing methods. Improved international communications and the growing industrialization of "Middle Power" nations accentuated this trend. But it was the American manufacturer who probably struck the first serious blow at the old-established forms of export trade about the end of the Second World War, when a few large United States corporations began to undertake and expand their own sales activities abroad. They took the lead in the development of direct selling methods because they were relative newcomers in the export field and found that, in many countries, existing marketing channels were taken up by European sources of supply. Since that time, except for a few significant setbacks, the general trend has been towards more direct selling and purchasing. However, many countries still find the export-import houses offer a valuable service.

Different Types of Distributors

Distributors in New York with their main office either in the city or abroad can be divided into four classes, although many export-import houses combine the functions of two or more.

- *Export Commission House.* The original and stlil the principal function of the export commission house is to act as a buying agent for foreign customers. Gradually, however, some of the leading export commission houses have solicited manufacturers for their accounts and have thus become selling agents for the manufacturing exporter rather than buying agents for the foreign customer. Some of them still combine both functions successfully but seldom for the same transaction. In their capacity as buying agents, export commission houses may assume the credit risk. As selling agents, however, they act for a commission only, leaving the manufacturer or exporter to bear the credit risk.

- *Export Merchant.* The export merchant assumes the credit risk. These distributors often maintain their own sales offices abroad and with their assistance, buy and sell for their own account and not for the account of the manufacturer or exporter.

- *Manufacturers' Agent.* As the name implies, the manufacturers' agent is a selling agent for the exporting manufacturer. He usually works on a commission and leaves the financing of the order to the manufacturer or exporter. Many such agents have offices abroad and cover effectively definite sales areas such as the Far East, Australia, Scandinavia, South America, etc.

For the first two articles in this series, see our issues of November 27th and December 11.

• *Combination Export Manager.* The combination export manager usually handles all export transactions for a number of allied but non-competing manufacturers. He selects foreign agents or circularizes dealers abroad in the name of his principals, consummates sales, attends to billing, financing and shipping and, in general, performs the duties of an export department, except that he exacts a fee and possibly a commission. He does not usually assume a credit risk.

Some Examples

Few Canadian firms appear to use the facilities of New York export houses, partly because many of these houses are not represented in Canada. However, the services they offer may merit further study.

For example, one large and reputable firm which has its headquarters in Chile and subsidiary offices in most South American countries is interested in expanding its Canadian connections. In addition to covering South America, it also has affiliates or agents in Britain, France, Germany, Italy, Egypt, etc. It makes substantial purchases to meet the orders of its various clients abroad and also acts as export manager on a commission basis for some United States manufacturers. Now it is particularly anxious to act in the same capacity for Canadian manufacturers. It deals principally in industrial equipment such as machinery of all kinds; diesel engines and parts; vehicles and parts and accessories; industrial raw materials, construction material, steel, cement, asphalt; refractories and refractory materials; industrial chemicals, lubricants, paraffin; electrical supplies of all kinds; rubber manufactures; aircraft.

This firm sends out inquiries for goods to companies on its mailing list or to those listed in trade directories, etc. The New York office then considers quotations received or sends them home to head office, depending upon the size and type of the purchase. Either the New York or the home office issues payment, usually cash against documents or letter of credit.

A similar firm with offices in the Wall Street section of New York has placed numerous orders with five Canadian companies. It is particularly interested in the following types of goods: electric wire and cable, electric generators, electric and gas welders, electric and gas stoves, refrigerators; paint spray equipment, agricultural sprayers; steam boilers; gasoline and diesel air compressors; newsprint; agricultural equipment of all kinds.

The New York office sends out inquiries to firms on its mailing list. In the majority of cases, quotations are decided upon in New York; for large projects, the decision is made by the foreign affiliate. Payment is nearly always made by the New York office, cash against documents, except in the larger contracts when financing may be required.

Certain Canadian firms which have no established connections abroad might consider using the numerous reputable export-import houses in New York. Even those which already have agents in some foreign markets may find that a New York house specializing in other areas in which they are interested would be of advantage to them. And for small countries abroad where direct representation is not feasible, or in larger centres where competitors already have tied up the available selling facilities, the services the export-import houses offer might be well worth a try.

Any readers who are interested in this method of exporting may wish to write to the Commodities Branch, Department of Trade and Commerce, for further advice.

Competition for Entry into the Trade Commissioner Service

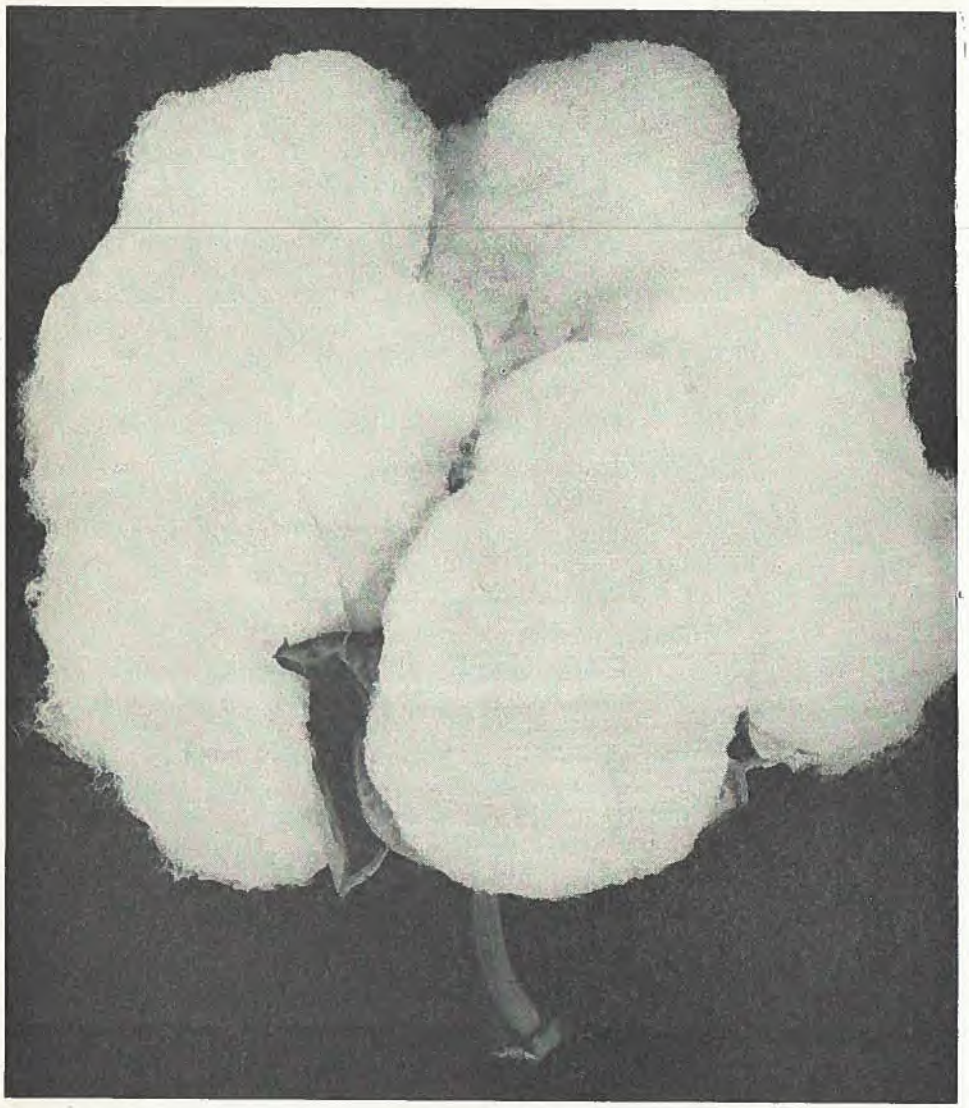
ON SATURDAY, January 22, and January 29th, 1955, the Civil Service Commission will conduct written competitive examinations for Foreign Service Officers, Grade 1, in the Trade Commissioner Service of the Department of Trade and Commerce. The examinations will be held at centres throughout Canada and at posts abroad.

To be eligible to write the examinations, the candidate must be a graduate from a recognized university or its equivalent, or he must expect to graduate in the spring of 1955. Candidates must be under the age of 31 years on June 1, 1955, and be Canadian citizens with at least ten years' residence in Canada.

Academic specialization in economics, commerce, or international trade will be helpful, as will a background in engineering, agriculture or law. Additional credits will also be granted for postgraduate training, and for business or professional experience. Candidates who pass the written examination will be interviewed by an examining board which will assess their suitability for appointment.

The procedure for applying to write the examinations is to complete and forward to the Civil Service Commission the standard application form CSC-36 quoting competition number 55-2700. The Commission will then advise at a later date the exact time and place of the examinations.

For further information about this competition, write to the Civil Service Commission, Ottawa, or to the Director, Trade Commissioner Service, Department of Trade and Commerce.



Raw Cotton

a production round-up

RELATIVELY SPEAKING, Canada does not rank as one of the world's large consumers of raw cotton. Over the last five years (1948-1953) we have used, on an average, about 394 thousand bales a year (500 pounds each), ranging from a high of about 455 thousand bales in 1950 to a low of 339 thousand in 1952. Those figures look decidedly small when we compare them with Japan's imports of 2·4 million bales for the 1953-54 season, or with the United Kingdom's 1·7 million, or with France's 1·3 million. But the United States particularly, and certain other countries, look on us as a steady and desirable raw cotton market.

The Canadian climate makes it impossible for us to grow a single pound of the raw cotton we need to keep the million spindles in our cotton textile mills whirring. Fortunately we have as next-door neighbour the world's leading producer of raw cotton, the United States. It is only natural that our textile manufacturers turn to this convenient source of supply. Last year, 86 per cent of the raw cotton we imported came from the United States.

Proximity is not the only factor favouring this trade. Speed of delivery and the fact that, in wartime, the cotton need not go by ship, are others. More important still, over the years close, friendly and stable relationships have developed between American grower and Canadian manufacturer. In fact, the United States has come to look on Canada as a part of its home market. This works to our advantage—especially in times of shortage.

This close relationship with the United States does not preclude other cotton-raising countries from sharing in the Canadian market. Actually, in the past five years the proportion of cotton purchased from the

United States has varied from 53 per cent of total raw cotton imports in 1948 to 86 per cent in 1953 and 93 per cent for the first eight months of 1954. Before the war, practically all our cotton came from south of the border.

Types We Buy

The types of cotton textiles which Canadian manufacturers turn out influence the supply sources for the raw material. Canadian production leans heavily towards the coarser and medium yarns, in counts under 20's. In 1952, for instance, Canadian mills produced 111 million pounds of yarns under 20's, 42 million pounds of those between 20's and 39's, and only two million pounds of 40's and finer. This means we need the type of cotton grown in the United States, Mexico, Brazil, Argentina, India and Pakistan; when the price is advantageous, we may buy from any one of these countries. The demand for the finer types of cotton raised in the United States, Egypt and Peru is much smaller, though purchases from Egypt went up last year.

The supply picture for the last six years and for the first eight months of 1954 is set forth in the table in the middle of the page. The reader will notice that purchases from the United States for the first eight months of '54 seem to promise a total for the year roughly equal to that of 1953.

Recent Developments

The 1953-54 cotton season (ended August first) saw world production of raw cotton reach 37·9 million bales of 500 pounds each. Consumption lagged behind and at the end of the season, the International Cotton Advisory Committee reported a world carry-over of about 20 million bales. This and other factors influenced the United States to cut its acreage for the coming season by about 24 per cent. The action had its effect on the cotton-growing plans of other countries; in Mexico, India, Egypt and Brazil particularly, it seems to have sparked production increases. Late in October, the Cotton Committee estimated 1954-55 production at 34·7 million bales, some 8·5 per cent less than in the previous season.

Raw Cotton Imports into Canada 1948-1954

	1948		*1949*		*1950*		*1951*		*1952*		*1953*		*1954 (8 mos.)*	
	(in millions of pounds and millions of dollars)													
	lb.	*$*	*lb.*	*$*	*lb.*	*$*	*lb.*	*$*	*lb.*	*$*	*lb.*	*$*	*lb.*	*$*
Total	168·9	55·5	203·9	65·7	228·6	88·4	205·5	94·3	166·0	66·0	160·5	55·5	95·2	32·6
United States	89·6	30·8	153·4	49·7	178·2	68·5	202·7	93·1	140·1	56·5	130·5	45·3	88·2	30·4
Mexico	64·4	19·9	49·5	15·6	48·3	19·1	2·3	1·0	24·6	9·1	4·5	1·5	1·0	0·3
Brazil	10·9	3·2	.....	.....	0·1	0·04	0·2	.....	N	N	3·3	1·1	5·2	1·5
India	1·0	0·2	0·5	0·1	0·5	0·1	0·1	0·03	1·1	·3	1·0	0·2	0·1	0·03
Pakistan	0·2	0·03	0·1	0·03	.....	.....	.....	.....	N	N	.....	.....	0·08	0·03
Egypt	2·4	1·1	0·07	0·05	0·07	0·04	0·1	0·1	.....	.....	10·8	4·1	0·5	0·2
Peru	0·3	0·1	0·3	0·1	0·3	0·2	0·2	0·1	N	N	0·2	0·1	0·09	0·03
Argentina	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	9·3	2·9	.....	.....

Pattern of Purchases

The postwar years have seen a rapid rise in cotton acreage in several countries, particularly Mexico, Pakistan, and Turkey. Mexico has looked to Canada as a customer and, in many of the years since 1948, has ranked second among our sources of supply. In 1948, we bought 64·4 million pounds of Mexican cotton, in 1949, 49·5 million, and in 1950, 48·3 million. Exceptional circumstances favoured these large purchases but in every year except 1953 Mexico has remained our second largest supplier. In 1953, Egypt took second place with 10·8 million pounds, and Argentina third, with 9·3 million; the latter was the result of Canada's Goodwill Trade Mission to Latin America early in that year. Purchases of Brazilian cotton have also risen lately because the price has become more favourable.

Reports on Production

The succeeding pages draw a picture of raw cotton production in nine countries, giving estimates of the crop for the coming season and information on markets. The reports, supplied by nine offices of the Trade Commissioner Service abroad, also discuss special features of the cotton trade in each of the countries covered.

It is difficult to forecast developments in Canada's own raw cotton trade because many things can affect the import pattern. It may well be, however, that if U.S. cotton prices continue high, the impact of the synthetic fabrics will force our cotton manufacturers to explore other and cheaper sources of supply.

O. MARY HILL,
Editor, "Foreign Trade".

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UNITED STATES

PRODUCTION PROSPECTS FOR COTTON in the United States have improved considerably from mid-summer expectations. The official December crop report estimated production at 13·5 million bales, compared with the September estimate of 11·7 million bales. The crop this year is slightly above average but considerably below the large crop of 16·4 million bales produced last year.

Current production this year will about balance the expected disappearance in the domestic market of 9·2 million bales, plus sales in the export market of 4·5 million bales. The carryover from previous crops on August 1st was 9·6 million bales and this may be drawn on slightly to meet requirements. In general, current production and needs are about in balance but supplies in government hands, accumulated chiefly in 1952 and 1953, will remain large. Prices are expected to remain relatively stable.

Reasons for Crop Decrease

The main reason for the decrease in production was reduced plantings because of acreage allotments and marketing quotas, as the yield is expected to be at an all-time high of 339 lb. per acre. To be eligible for significant price supports, producers must accept acreage cuts when total supplies are large in relation to domestic and export outlets. Supplies built up rapidly during 1952 and 1953 and the carry-over at August 1, 1954, the beginning of the 1954 marketing year, was the largest since 1945. Under these conditions, the Secretary of Agriculture was required to set the acreage allotment at the minimum of 21·4 million acres, a reduction of 16 per cent from the 25·4 million acres of 1953. Actually, growers reduced the acreage slightly more and on July 1 the area in cultivation was 21 per cent below a year earlier.

A supplementary factor in the production decrease was the manner in which total acreage allotment was divided among the states producing cotton. The western states of California, Arizona and New Mexico have, since World War II, produced an increasing proportion of the total United States supply. About 19 per cent of the total production came from this region in 1953 compared with only 6 per cent during the 1935-39 period. Yields in these states are approximately double the national average because most of the crop is grown on irrigated land under nearly ideal conditions. However, as acreage allotments are based on the national distribution of production in an earlier period, the acreage allotment to this high-yielding area was cut back 35 per cent compared with 16 per cent for all areas.

In the 1920's and 1930's exports of cotton from the United States about equalled domestic disappearance. During World War II exports were curtailed sharply and since then other producing countries have increased output and have taken over part of the market previously supplied with United States cotton. However, an increase in domestic consumption largely offset the loss of part of the export market so that the production requirements show no pronounced trend over a 30-year period. At the present time the domestic market absorbs about two-thirds and the export market one-third of total marketings.

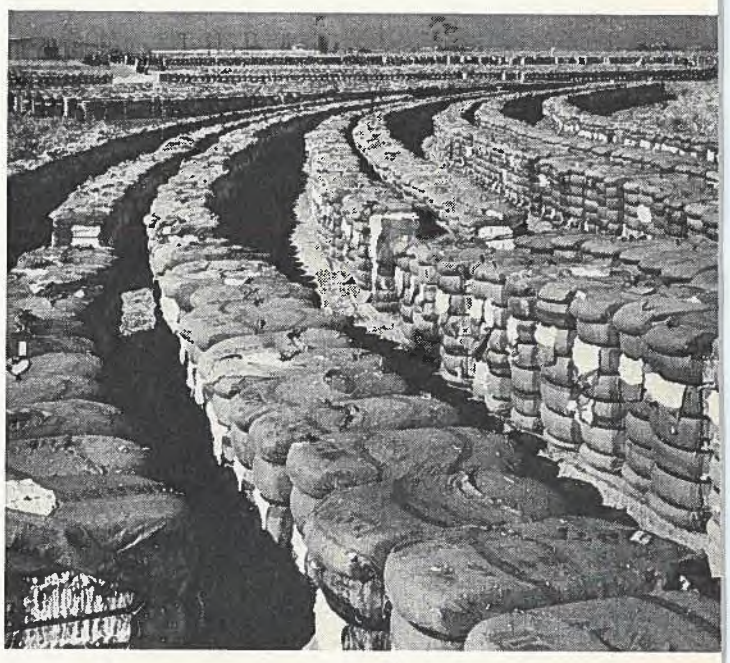
U.S. cotton exports during the crop year ended July 31, 1954, amounted to 3·9 million bales of 500 pounds each, approximately 70 per cent of the prewar average. The decline has taken place largely in European, and particularly in United Kingdom, purchases. Whereas over the period 1935-39 the U.K. took an average of 1·3 million bales of cotton annually, in 1953 it purchased only 422 thousand bales. Exports to Canada are also down from prewar. According to U.S. figures, the 1935-39 annual average was 301 thousand bales; 1953 shipments totalled only 237 thousand bales.

Export Promotion

The United States Government is actively promoting the sale of cotton for export in part by extending Export-Import Bank loans, grants, or sales for local currency as part of the Mutual Security Program. This year additional aid will be extended through Public

These 500-pound bales of raw cotton stretching into the distance form part of the carryover from previous crops which totalled 9·6 million bales on August 1, 1954. Some of this may be drawn on in coming months.

—USDA Photo



Law 480, the Agricultural Trade Development and Assistance Act, which provides for the sale of some surplus agricultural products for the currencies of friendly countries. On July 27th the Export-Import Bank announced a $60 million loan to Japan for the purchase of about 330 thousand bales of cotton from the United States. The Foreign Operations Administration has issued purchase authorizations amounting to $88 million from the 1953-54 appropriations for cotton exports in 1954-55; this will finance the export of about 482 thousand bales.

The effect that the grants, loans and other programs will have in stimulating exports is difficult to foretell, as many of the programs are not fully operative. By mid-November about one million bales were committed for export under the various programs. During 1953-54 1·8 million bales of exported cotton were financed by the Foreign Operations Administration and the Export-Import Bank.

Trends in Cotton Business

Cotton consumption in the United States tends to vary with economic activity and at the present time per capita disappearance is relatively high. In some fields, mainly industrial uses, synthetic fibres are providing stiff competition. Cotton supplied over 82 per cent of the total fibre market during the 1930-39 period but because of the inroads of synthetics, the proportion declined to 69 per cent in 1953 and the share held by synthetic fibres increased from 6·7 to 23·3 per cent. In the apparel and household goods market particularly, cotton has withstood the competition and by diligent and continuous promotion the industry has been able to increase the use of cotton in these fields.

Synthetics have practically taken over some industrial markets; one example is the automobile tire market. For a number of years before 1948, more cotton was used for tire cords and tire fabrics than for any other single use and in 1947 the industry absorbed a record 850 thousand bales. In 1947 cotton supplied 57 per cent of the fibre used by this market but this year the proportion will only be about 15 per cent.

The cotton fabric industry is, however, responding to its new situation with accelerated programs of technological and economic research and with stepped-up marketing campaigns. Though they recognize the impact of the synthetic fibres in certain uses, the cotton producers point out that their fabric has actually made competitive gains in recent years in some segments of the clothing field.

Trade with Canada

United States sales of raw cotton to Canada of 227 thousand bales during the 1953-54 crop year were low by recent or long-term standards. Exports to Canada during the 1935-39 period averaged 288 thousand bales but decreased slightly during World War II to 276 thousand bales. Sales then improved and reached 295 thousand bales in 1951. Even at the low levels of 1953, the Canadian market absorbed 6 per cent of the total United States exports, about equal to the long-term average. On the other hand, total disappearance of cotton in Canada has increased considerably since prewar. It seems obvious that cotton from other producing countries is taking over part of the Canadian market which before World War II was almost exclusively supplied by the United States.

W. L. PORTEOUS,

Assistant Agricultural Secretary, Washington.

MEXICO

WITHIN THE LAST FIVE YEARS, Mexico has moved into fifth place among the world's cotton-producing countries. Rising exports have accompanied increasing production; recently sales of cotton abroad have represented between one-quarter and one-fifth of the total value of Mexican exports.

The 1953-54 Mexican crop, gathered in the twelve months which ended on June 30th, amounted to 1,193,116 bales of 46·02 kilograms (101·244 pounds) each. Of 2,338,500 acres planted, only 1,921,500 acres were harvested because of losses caused by heavy rains, chiefly in the Matamoros area.

About 1,815,000 acres were planted for the 1954-55 crop, including 475 thousand acres in the Matamoros region, and under ideal conditions could produce a record 1·6 million bales by the end of next June.

Overseas Buyers

The Confederation of Associations of Cotton Growers reported that between July 1, 1953, and June 30 of this year, 894,700 bales were exported, leaving a carryover of 77,714 bales on June 30th. The requirements of the domestic cotton textile industry, which formerly averaged 350 thousand bales, are not expected to exceed 324 thousand bales during the current year.

Twenty-nine countries have been buying Mexican cotton. In 1952, and again last year, the United States took more than half the crop by value. In 1953, Japan, the Netherlands, the United Kingdom, Germany, Belgium, Spain and Cuba, in that order, were the next biggest buyers. The Japanese currently are taking

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delivery of an initial order of 50,000 bales (five million pounds, approximately). Canada bought about $1·5 million worth of cotton from Mexico in 1953 ($9·1 million in 1952 and $900 thousand in 1951).

Exports were valued by the Secretariat of National Economy at $138 million in 1952 and $130 million in 1953. Export taxes, which were reduced by decree on July 6th from 27 per cent to 22 per cent ad valorem, were expected to yield about 326 million pesos (peso=$·08 U.S.) to the Treasury during the present fiscal year.

Official agencies, the National Bank of Foreign Trade particularly, complain that too large a proportion of sales abroad are effected by re-export from the United States and they are trying to encourage more direct trading. One of the difficulties which the Bank feels must be solved is indicated by its comment that "since the great majority of cotton firms operating in Mexico are the same companies that export U.S. cotton, it is logical that they will try to sell the U.S. product and only under the pressure of price consideration sell Mexican fibre". This problem may be worked out in the future.

M. T. STEWART,
Commercial Counsellor, Mexico, D.F.

ARGENTINA

ARGENTINA has produced and exported cotton for more than 25 years. From 1927 to 1931, an average of 80 per cent of the crop was sold in international markets but twenty years later, about 1947, although production was five times greater, the percentage exported had dropped to 15 because of a much larger domestic textile industry. Sales abroad have been higher in the last few years, however, and given the expansion in production which is expected under current government policy, Argentina's importance in the international raw cotton trade may well increase, since home production now fills domestic requirements completely.

Production Is Rising

Argentine cotton, which is of good spinning quality and average staple, is grown mainly in the northern province of Presidente Peron (formerly Chaco), with the surrounding provinces of Corrientes, Formosa, Santa Fe, Misiones and Santiago del Estero contributing 20 to 30 per cent of total production. In addition, small amounts are raised on irrigated land in Cordoba. The crop is vital to the main production area which is generally considered to have only limited agricultural possibilities aside from cotton. For this reason, cotton growing will probably continue to receive government encouragement and assistance.

Production of raw cotton* increased from 18 million pounds in 1920 to a record of 312 million pounds in 1949-50 and the average for the past five years has been 269 million pounds. The most important single factor in this rise has been larger acreage. Yield per acre has improved, partly because of the introduction of improved varieties, but it is still more than 20 per cent below the U.S. average.

The 1953-54 crop (planted August-November '53, harvested February-July '54) is estimated by the trade as close to 300 million pounds. Increased sowings, greater percentage harvested, and higher yield of fibre from seed cotton all contributed to the increase over the previous year. Conditions early in the crop year were exceptionally favourable and only heavy frosts early in May, which stopped growth, prevented the achieving of a new production record. The crop contained an unusually low percentage of both the top and bottom grades and average quality was probably a little above normal. Although seeding of the new crop is not yet completed, the guaranteed producer prices are considered attractive and a further increase in acreage is expected this year over last year's 1·4 million acres. Conditions so far have been excellent for planting and germination and although it is too early to estimate the final result, the trade is optimistic that it will be better than this year.

Market Pattern Is Changing

The dynamic growth of the Argentine textile industry in the last two decades and a restrictive import policy in recent years have combined to alter drastically the markets for Argentine raw cotton. Whereas twenty years ago four-fifths was exported as raw cotton, during several of the past ten years domestic requirements have absorbed the country's entire production. Normally, surpluses are available for export but there has been a noticeable change in the nature and the number of markets since prewar days, as the table on the next page indicates.

Total exports in 1953 set a record of approximately 135 million pounds and although definite data by countries are not available, it is known that Japan was the leading customer, taking close to 55 million pounds, followed by the U.K., Belgium, the Netherlands, Germany and Canada.

* Raw cotton is fibre cotton and represents approximately 33 per cent by weight of the seed cotton which is picked.

Argentine Exports of Raw Cotton

Destination	Average 1930-1939		Average 1950-1952		1953	First 9 mos. 1954
	tons	% of total	tons	% of total	tons	tons
United Kingdom	11,434	42·6	11,914	37·9		
Germany	8,201	30·2	289	·9		
Spain	2,012	7·5	3,245	10·3		
France	1,757	6·5	402	1·3		
Belgium	1,062	4·0	1,801	5·7		
Italy	845	3·1	3,684	11·7		
Netherlands	802	3·0	1,685	5·4	(breakdown	
Japan	553	2·1	5,129	16·4	not available)	
Peru	.....	.....	1,820	5·8		
Switzerland	.....	.....	240	·8		
South Africa	.....	.....	366	1·2		
Panama	.....	.....	333	1·1		
CANADA	.....	.....	267	·8		
Others	266	1·0	222	·7		
Total	26,833	100·0	31,397	100·0	61,443	12,507

Export quotas have been established this year for 77 million pounds, most of which has already been sold; of this, 27 million pounds had been shipped by the end of September. The trade considers that the export quota may be increased by another 10 million pounds when the prospects for the coming crop are a little more certain. The Government authorizes exports and subsidizes them to the extent of the difference between world prices (converted at US$1 to five pesos) and domestic prices. The fact that recent export sales of C-grade cotton have been made at slightly over 4,000 pesos per metric ton, whereas the guaranteed minimum domestic price is 7,300 pesos per ton, indicates the extent of the subsidy. Exports to Canada in the past few years have been limited, although 1953 was something of an exception, largely as a result of the efforts of the Canadian Trade Mission. In that year Canada bought 9·3 million pounds of Argentine cotton, compared with no purchases in 1952 or in 1951.

Trends

Only two major trends are apparent in the Argentine cotton industry—increasing production of raw cotton and increasing manufacture into textiles. There are a number of factors underlying the production trend —officially-guaranteed high prices, assistance in financing production costs, and a limited choice of alternative uses for the land in some areas. Because local production now supplies almost all domestic textile requirements, continued expansion of textile manufacture can only come through growth of the domestic market and through textile exports. High costs make exports on any large scale unlikely without heavy subsidization.

In the technical field, the search for improved varieties of seed continues but as there was a complete switch-over to U.S. varieties during the early 1940's, no noteworthy improvement can be expected. Mechanical cotton pickers from several countries, including Russia, are being tested experimentally but mechanical picking cannot be expected to play a prominent role in Argentine production for some years to come. Fertilizers have not yet been used to any great extent nor is there any indication that they will be in the near future. Some improvement in quality is being achieved with new imported ginning machinery, but the results are necessarily limited.

W. F. HILLHOUSE,

Agricultural Secretary, Buenos Aires.

EGYPT

PROMISING EXPORT PROSPECTS and higher initial prices offered to growers by the Egyptian Cotton Commission have resulted in a 20 per cent increase in acreage sown to cotton in Egypt this season.* Early growing reports were optimistic, but later ones mention unfavourable weather conditions and infiltration caused by the Nile flood. Some people well versed in the cotton business now think that the greater acreage may not result in a larger crop. Previously, private estimates put the crop at nearly 9 million cantars (1 cantar=approx. 100 pounds) but this has been lowered to about 7·2 million cantars.

The following table outlines acreages sown by varieties.

* In Egypt, the season runs from September 1 to August 31.

Variety	*1954-55*	*1953-54*
	*Feddans**	
Karnak	559,300	475,190
Menufi	35,413	16,852
Giza 30	442,843	365,079
Ashmuni	539,925	416,881
Giza 31 (Dendera)	1,020	5,163
Zagora	.....	44,757
Others	926	382
Total	1,579,427	1,324,304

* 1 feddan=1·038 acres.

Early this year, the commission announced increases in its buying prices amounting to seven tallaris per cantar for long-staple varieties and five tallaris per cantar for short-staple varieties—(1 tallari=$0·56). This increase is believed to be the most important single factor leading to the rise in acreage. The Egyptian Government is, in addition, carrying on a seed selection scheme costing some £E700 thousand, aimed principally at improving the quality of Ashmuni. Trained personnel from the Ministry are now visiting growing areas with instructions to destroy foreign varieties which have become mixed with this type of cotton. It is expected that, as a result of these measures, both output and quality will improve during the 1954-55 season.

The 1953-54 season was regarded as a successful one by the Egyptian authorities from the point of view of distribution and prices obtained. Exports during the period September 1, 1953, to August 31, 1954, amounted to 7·2 million cantars as compared with 7·0 million cantars for the 1952-53 season. India, Germany, Japan and Switzerland increased their purchases; sales to France and Italy were somewhat lower.

Egyptian peasants begin the task of picking some of the country's great cotton crop. The 1954-55 season is expected to see a harvest of about 8·2 million pounds of cotton gathered.

The normal pattern of Egyptian export trade in cotton has been resumed with the return of United Kingdom buyers. Sales during the year to Canada and the United States amounted to 340 thousand cantars.

The following table summarizes Egypt's principal export markets for the last two seasons.

	Season		*Sept. 1, 1953 to*
	1951-52	*1952-53*	*Aug. 31, 1954*
	(thousands of cantars)		
India	614	967	1,051
United Kingdom	345	405	1,189
France	776	1,237	1,007
Germany	700	464	756
Italy	787	614	610
Switzerland	199	268	344
Japan	259	368	440
Czechoslovakia	198	266	255
Total, including all countries	5,821	7,100	7,232

Recent movements of cotton have not been satisfactory and total sales are below those of last year, in spite of increased exports of top-quality cotton. The Minister of Finance recently disclosed that the quantity of Karnak cotton exported from the beginning of the season until November 11 amounted to 284 thousand cantars, the same as in the corresponding period last year. Giza 30 exported amounted to 174 thousand cantars against 150 thousand cantars in the corresponding period last year. However, exports of Ashmuni amounted to only 110 thousand cantars against 402 thousand cantars last year. An expected increase in the price of cotton is perhaps the reason for hesitation to sell on the part of both cultivators and merchants.

Government Controls

In Egypt the Cotton Commission controls the sale of cotton in much the same way as the Wheat Board deals with wheat in Canada. The Commission buys all cotton produced at fixed prices. It is then offered to exporters at prices determined by a formula based on New York futures, after quantities required for the domestic market have been set aside. Export taxes amounting to £E6 per 220 pounds gross weight for Karnak and Menufi and £E4 per 220 pounds for other varieties are paid by the exporter. Apart from this tax and a licensing requirement for lower grades of Ashmuni and Zagora, there are no restrictions on the export of cotton.

Prices at which the Cotton Commission will sell to exporters for the year 1954-55 have been fixed at the Egyptian currency equivalent of the daily closing New York futures prices for 15/16″ middlings plus 40 per cent for Karnak and Manufi, and 12·5 per cent for the shorter staples—Ashmuni, Zagora, Giza 30 and Dendera.

Exporters do, however, find room in which to vary offering prices under this formula as a result of a government regulation which permits them to sell to

local importers 75 per cent of their U.S. dollar and pound sterling earnings, 45 per cent of their pounds sterling (India) and 66⅔ per cent of their Deutsche-marks. Premiums for exchange acquired this way vary from day to day, but the fact that such currency carries with it an entitlement to import goods which are otherwise prohibited makes it an attractive proposition for local businessmen. Thus, if the premium for Import Entitlement Account U.S. dollars is 5 per cent on a certain day, a cotton exporter is able to offer U.S. importers a discount of 75 per cent of 5 per cent—that is, 3·75 per cent—on the net selling price.

Premiums have been falling in recent months because of a serious business recession within the country and cotton exporters have, as a result, not been able to offer substantial discounts. Indications are, however, that, thanks to agreement on the Canal Zone issue, business will improve and hence an increase in the demand for imported goods and higher import entitlement account premiums can be expected. Egyptian cotton will, as a result, become more competitive with American grades in the months to come.

Trade with Canada

Canada is an intermittent buyer of Egyptian cotton, purchasing when prices are favourable, and almost entirely Ashmuni, one of the shorter staple varieties. Purchases by Canada in the 1953-54 season amounted to 21,326 bales compared with only 3,960 bales in the preceding season.

Egyptian cotton merchants believe, however, that the Canadian market can be developed further. A number of new agency connections have been formed in recent months and this, plus the likelihood that greater discounts will be offered to Canadian importers in the months ahead, suggests that further business will be concluded this year. Efforts are being made to sell long-staple varieties as well; one shipment of 46,000 pounds of Karnak has recently been arranged.

ANDREW G. KNIEWASSER,
Acting Trade Commissioner, Cairo.
(at time of writing)

BRAZIL

BRAZIL has been an exporter of cotton since the 18th century and now ranks as a major source of supply. Cotton's importance in the economy has increased greatly in recent decades and today it comes immediately after coffee as a foreign exchange earner.

The original cotton-growing area was the northeastern shoulder of the country but the centre has shifted to the south, principally the state of São Paulo. This area now accounts for approximately 55 per cent of production and well over 90 per cent of exports. The south specializes in varieties of American Uplands origin and produces a staple of intermediate length—normally 80 per cent of the crop ranges in staple length from ⅞″ to 1 and 3/32″. The Northeast raises a finer cotton, with a higher proportion of long-staple fibre.

Current Crop

Cotton seed planted for the 1953-54 crop in São Paulo was down 26 to 28 per cent from the previous year, probably because of uncertainty about price and increasing competition from cereal crops for the land. The reduction in seeding, however, has been partially offset by higher yields per acre. Growing conditions in the state of São Paulo have been excellent and expectations are for a 1954 crop of 220 thousand tons, down slightly from the 235,504 thousand of the preceding year.

Production for Brazil as a whole is estimated to show a similar trend. The 1953-54 crop is expected to reach 350 thousand metric tons compared with 388,090 in 1952-53. It is difficult to forecast 1954-55 production at this time, but if the trade's expectations of a 25 to 30 per cent increase in the sale of seed for planting are realized, production should be well above the 1953-54 level.

Prices and Exports

With the exception of 1952, the volume of Brazilian cotton exports during the last five years has remained remarkably stable. The actual figures are:

Year	*Exports (in metric tons)*
1949	139,759
1950	128,845
1951	143,412
1952	28,130
1953	139,515

Many normal buyers of Brazilian cotton stayed out of this market during 1952 because of the uncompetitive price at which it was being offered. The Banco do Brasil, under the Government's price support program, was buying cotton at prices 30 per cent above world market levels. In the second half of 1953 the Bank began to clear these stocks at world prices and has now liquidated all of its 1952 purchases and most of the cotton it acquired during 1953. With the adop-

tion of this policy, Brazil has resumed its place in world cotton markets.

The principal purchasers of Brazilian cotton for the first eight months of 1954 have been Japan, the United Kingdom and Germany, in that order. Large volumes also have moved to Hong Kong, France, Italy and Spain. Sales to Canada have been relatively small (about 1,418 metric tons) and determined largely by price. Price has become a more important factor generally in the international cotton market, particularly in the hard currency areas where availability of exchange is not a factor in determining source of supply.

Export Controls

The Brazilian Government does not tax cotton exports but requires that licences (these are freely granted) be obtained before export is made. The foreign exchange regulations, however, stipulate a minimum price below which export licences are not granted. The minimum price is based upon current market quotations and fluctuates accordingly. The state of São Paulo has a 3·3 per cent turn-over tax on all cotton transactions, not recoverable upon export.

Recent Regulations Help Exports

Up until August of this year, cotton exporters converted their foreign exchange through the Banco do Brasil at the official rate of one U.S. dollar to 18·36 cruzeiros, plus a bonus of 10 cruzeiros per U.S. dollar, or the equivalent, for all export earnings.

Under existing law the official rate of 18·36 cruzeiros to the dollar is paid on all exchange and the bonus of 10 cruzeiros per dollar (for all commodities except coffee, which has a 5 cruzeiro bonus) on 80 per cent of the value of exchange. The remaining 20 per cent earns a bonus equal to the difference between the official rate and the rate prevailing on the free exchange on the working day preceding the day on which the exchange is closed. Since the free rate is currently considerably above the official rate, this measure serves to enhance the competitiveness of Brazilian goods in foreign markets.

Assistance Given Cotton Growers

Brazilian Governments, both Federal and State, are well aware of the importance of cotton culture to the economy, and are pursuing a number of programs intended to strengthen this branch of agriculture.

The Federal Government in 1951 enacted a cotton price support law which may be invoked at any time by decree. The support program is not in effect now because the Government feels that present world prices provide growers with an adequate return, but recommendations have been made that the 1954-55 crop be supported at Cr.$330.00 per 15 kilos of type 5 cotton. Present quotation for this type (roughly equivalent to U.S. middling) is approximately Cr.$430.00 per 15 kilos at São Paulo.

The Governments are also, through their own agencies and in co-operation with producing and trading groups, engaged in a number of projects intended to improve quality and yield. These efforts include the selection and distribution of cotton seed, research into new varieties, encouragement of the efficient use of fertilizers and machinery, and a general advisory field service.

Through these measures Brazil hopes to consolidate its position as a major producer and exporter of raw cotton.

M. P. CARSON,

Consul and Trade Commissioner, São Paulo.

PERU

IN 1953 and again in 1954, the cotton industry of Peru reached new production peaks. However, because the price of raw cotton fell, the value of the crop decreased in 1953 to an estimated $68-70 million, some $15 to $17 million less than in 1952. Domestic consumption has increased sharply and steadily over the years but because production has gone up even faster, exports have also risen and cotton sales abroad have retained their position as Peru's leading source of foreign exchange.

Peruvian Cotton, 1930-1954

Year	*Acreage Hectares*[1]	*Production Bales*[2]	*Exports Bales*[2]	*Domestic Consumption Bales*
1930	133,688	258,258	242,158	16,051
1935	162,088	374,770	342,857	28,398
1940	175,000	365,332	223,304	34,408
1945	136,862	300,147	272,325	50,600
1950	134,396	323,259	323,598	54,688
1953	200,000	422,585	390,276	54,720
1954[4]	200,000	465,522	396,000	66,000

[1] Hectare=2·471 acres.
[2] Bales of 500 pounds.
[3] includes linter.
[4] Estimated export statistics are based on the calendar year; the crop year is understood to end with the harvesting of the Pima crop in the Piura Valley in March.

Acreage for 1953-54 is shown as constant but because the water supply now is more dependable, production may well increase even further without a corresponding increase in land under cultivation.

1953 Exports of Peruvian Cotton

To	Bales[1]	Thousands of U.S. dollars[2]	Per cent by weight
United Kingdom	72,928	10,218	18·90
Chile	61,701	8,440	15·99
Colombia	45,509	6,115	11·79
Germany	42,449	5,769	11·00
Belgium	40,760	5,766	10·56
Netherlands	17,182	2,393	4·45
United States	12,827	1,921	3·32
Argentina	11,471	1,906	2·97
Japan	11,093	1,529	2·87
All others	43,107	6,219	11·18
	385,900	54,245	100·00

[1] Bales of 500 pounds.
[2] Converted at Soles 20=US$1.00.

The United Kingdom has been a consistently heavy buyer of Peruvian cotton and over the past five years has purchased 30 per cent of the total Peruvian crop. In recent years neighbouring Latin-American countries have taken a larger proportion—in 1953, a high of 33 per cent.

The increasing importance of Latin American markets is indicated in the table below, which gives the relative importance of Peru's main cotton buyers during 1949-1953 and in the first seven months of this year.

	(7 mos.) 1954	1953	1952	1951	1950	1949
United Kingdom	1	1	3	1	1	1
Chile	6	2	1	9	6	5
Colombia	10	3	5	13	8	6
Germany	3	4	11	6	7	9
Belgium	2	5	4	2	2	3
France	5	6	2	3	13	14
Netherlands	4	7	6	11	12	10
United States	11	8	7	7	4	4
Argentina	7	9	9	10	5	7
Japan	8	10	8	8	10	21
India	19	20	14	4	3	2

Canada imports only small amounts of Peruvian cotton. In 1953, however, we were the third largest importer of Peruvian linters, with 198 bales out of a total of 4,346 bales. Most of the remainder went to the United States and the United Kingdom, the main purchasers of Peruvian linters.

Chief Varieties Produced

In 1952-53, 87·6 per cent of all cotton picked in Peru was "Tanguis", a variety similar to American cotton but generally coarser and of longer staple, ranging between 1 and $\frac{5}{32}$" and 1 and $\frac{3}{16}$". Because of these factors and its unusual whiteness, it goes to specialized markets for knitting yarns for the hosiery trade. It is grown principally in the central and southern central valleys on the Peruvian seaboard. Britain buys nearly half of the Tanguis crop; Belgium, Holland, Germany and France also take sizable amounts.

"Pima" (9·13 per cent) is similar to Egyptian Sakel or Arizona Pima. It is an off-white, long-staple cotton ranging from 1 and $\frac{7}{16}$" to 1 and $\frac{11}{16}$" and Belgium and Germany are the principal purchasers. The Piura Valley in northern Peru produces all the Pima and also the minor varieties—"Karnak", an Egyptian type, and "Acala", similar to California cotton. Acala has a very regular short staple averaging 1 and $\frac{5}{32}$"; it is very white and requires little if any bleaching when it is being processed.

The current price of Tanguis No. 3 (1 and $\frac{3}{16}$") is about $32 per quintal of 46 kilograms and Pima No. 1 (1 and $\frac{9}{16}$") $38 per quintal.

The average price of Tanguis in 1953 was $34.37, compared with $39.12 in 1952, and $56.58 in 1951, decreases of 12 and 39 per cent respectively.

Cotton and the Economy

Although the Peruvian production of cotton amounts to less than 2 per cent of the world production, this fibre does more to sustain the country's economy than any other single commodity. Its relative importance is shown by the fact that exports of cotton and its derivatives were valued at US$55·1 million in 1953 and constituted 29·36 per cent of total exports.

Domestic consumption of raw cotton in 1953 was estimated at 54,720 bales valued at US$11 million. This, in turn, supports a sizable textile industry which satisfies most of the domestic demand for primary textiles.

Production Problems

The Peruvian farmer's main production problem is water. There is practically no rainfall on the barren Pacific seaboard plain and most of the cotton is produced by using irrigation from rivers of the valleys running to the coast from the Andes. The rivers are shallow and volumes unreliable. Some farmers have drilled deep and expensive wells but the rivers continue to be the main source of water. Large-scale irrigation storage dams, diversions and similar projects have been sponsored by co-operative groups and the Government has been particularly active in this field.

The agrarian groups of the different valleys have organized experimental stations for yield improvement, insect and plague control, and other projects of common interest. The quality of the crop is slowly reflecting these attempts at improvement.

Export Tax Base

The Government annually fixes an arbitrary domestic cost price on which to base export taxes. In 1954 these were Tanguis, Soles 480 (about US$24) and Pima, Soles 600 (about US$30). When export prices exceed these bases, 100 per cent of the surplus goes to the Government's general revenue fund. In 1953, the revenue from this source was Soles 86,983,294. A national defence tax of 30½ cents U.S. per 100 pounds is also imposed, plus a small unemployment tax which varies according to the price. Export licences are

readily granted but all shipments are subject to grading by the Cotton Institute, which also makes sure that export taxes are not being circumvented. There are nine grades of Tanguis and five of Pima, depending on colour, impurities, preparation and style.

Current Crop

The Tanguis crop, grown in the central and southern valleys, was favoured during January to May with ideal growing conditions. Unfortunately the record prospects were seriously affected by abnormally low temperatures in May and June, which carried over into July and August. Estimates are for a crop of 360 thousand bales (in 1953 it was 366 thousand bales) despite a slightly larger acreage.

In the Piura Valley in the north, where Pima is grown as well as Karnak and Acala, there has been good weather, a constant water supply thanks to a new multi-million dollar irrigation scheme, and freedom from plagues. The crop is expected to reach 60,000 bales, more than double the yield that could be expected if the irrigation project had not been completed.

The market for Peruvian cotton has been excellent; only about 20,000 bales of the Tanguis crop remains unsold. Of the Pima crop, about 25 per cent was sold for forward delivery and with the European interest in this variety, it is practically certain that the quantity still to be sold will be disposed of without difficulty.

H. J. HORNE,

Commercial Secretary, Lima.

BRITISH EAST AFRICA

THE MOST IMPORTANT COTTON-PRODUCING DEPENDENCY of the United Kingdom is Uganda in British East Africa. African farmers in the Protectorate have just harvested 160 million pounds of Egyptian-type raw cotton and are devoting an additional 30,000 acres to its production this season. However, a good deal of the crop was planted late and the yield is not expected to exceed the 400 thousand bales (400 lb. each) just harvested.

All of the cotton grown in Uganda is purchased by the Lint Marketing Board at a price fixed in advance of each season. The Board sells the cotton delivered to it at the most favourable terms it can obtain and turns in any profits to a Cotton Price Assistance Fund which the Government administers.

A few years ago, the Uganda Cotton Growers Association Limited of Kampala drew up a quality-incentive scheme which has resulted in an improved standard of Uganda cotton. At the suggestion of the Association, the Lint Marketing Board began selling overseas on the basis of physical standards rather than on description. This change was adopted primarily to make clear to farmers in that area the importance of improved cotton culture. As an added incentive, the Board started paying a premium for higher grades of fibre.

Canadian textile factories wishing to buy Uganda cotton should write directly to the Secretary of the Lint Marketing Board, P.O. Box 518, Kampala, for prices on the grades available.

Tanganyika Sells to U.K.

Tanganyika has just harvested 32 million pounds of raw cotton and hopes to boost production to about 35 million pounds during the 1954-55 season.

The principal varieties grown by African farmers in the Territory are "Allan", "Floradora" and American-type BP-52, which produce staple lengths of between 1 and $\frac{3}{32}$" and 1 and $\frac{1}{4}$". Quality production is encouraged by maintaining a substantial price difference between the higher and lower grades of seed cotton.

About half of Tanganyika's 1953 crop was sold in the United Kingdom; the remainder went to India, Japan, Italy, Western Germany, Southern Rhodesia, South Africa and Hong Kong. Canada has not bought any Tanganyika cotton in recent years but Canadian textile manufacturers wishing to try the finer grades produced in the Territory can obtain the names of suppliers from the Canadian Trade Commissioner in Johannesburg.

Kenya Crop Small

Most of Kenya's small cotton crop is produced in Nyanza Province, which borders on Uganda. Last year farmers in that area harvested 3·2 million pounds of raw cotton which they sold to the Lint Marketing Board in Kampala. This year, Nyanza farmers were able to plant a good deal earlier than last season and they hope to reap close to 3½ million pounds of raw cotton—weather and pests permitting.

In the Coastal Province 990 thousand pounds of raw cotton were produced in the 1953-54 season. Although it is too early to estimate the 1954-55 crop, no radical change is expected. Growers in this province sell their production locally by tender. No taxes are collected on bales shipped overseas but an export permit is required.

HOWARD CAMPBELL,

Assistant Trade Commissioner, Johannesburg.

INDIA

THE LARGEST and perhaps the most important industry in India is the manufacture of cotton textiles and the production of raw cotton therefore holds an important place in the Indian economy. Before partition, the principal cotton-growing area of the sub-continent was that portion which became West Pakistan and thus, following partition, raw cotton was generally in short supply. For a number of reasons, Pakistan cotton was not easily available to the Indian textile industry and India was forced to import much greater quantities of raw cotton, much of it from the United States. This meant a considerable drain on the dollar pool of the sterling area.

To ease the situation, a campaign was inaugurated to increase the production of raw cotton in India and the following table indicates the success so far:

Production of Raw Cotton in India

Season	*Long staple (7/8" and above)*	*Medium staple (below 7/8" and above 11/16")*	*Short staple (11/16" and below)*	*Total*
1953-54*	535†	636†	371†	1,542†
1952-53	377	475	343	1,192
1951-52	360	479	389	1,228
1950-51	268	568	329	1,165
1949-50	216	522	292	1,030
1948-49	126	348	218	692
1947-48	125	441	292	858

* Provisional.

† Cotton year=September 1 to August 31.

The production of cotton has increased steadily throughout this period with the exception of the 1948-49 and 1952-53 seasons, when adverse weather conditions prevailed. Particularly noticeable is the greater production of the long-staple varieties which has increased more than four times. Since the start of the campaign, emphasis has been on the long-staple varieties whenever additional acreages are brought under cotton cultivation.

Acreage and Yield Increase

The rise in production has been brought about both by increased acreage sown to cotton and by higher yields. Between 1947-48 and 1953-54, the area planted increased from 10·6 to 17·0 million acres, and the average yield per acre from 80 to 90 pounds.

According to the first estimate of the 1954-55 season, which was released in mid-October, the acreage under cotton is 12·9 million acres compared with 11·8 million for the first estimate of the 1953-54 season. From previous experience, the area at the first estimate is generally about 65 per cent of that finally reported. On this basis the final estimate for the current season would be 19·8 million acres, an increase of 2·8 million acres over the 1953-54 season.

The growing of cotton is fairly widespread throughout the country but the principal growing areas according to States are Madhya Pradesh or Central Province, 30 per cent; Bombay, 20 per cent; Hyderabad, 20 per cent and Madras, 13 per cent.

Imports Still Needed

Despite the rather large production of cotton in India, the country is far from self-sufficient, particularly in the longer staple varieties. Large volumes of these varieties are imported from Egypt, British East Africa, the Sudan and, to a decreasing extent, the United States. Over 56,190 tons of Egyptian cotton were purchased in 1953-54 and only a little over 7,000 tons of U.S. cotton.

When cotton was in short supply, the United States was the principal source but as soon as the other producing countries, mainly located in the soft currency area, had supplies available for export India switched its purchases to them. Imports are entirely confined to raw cotton with a staple fibre of 1 and $\frac{1}{16}$" or above.

Exports Largely Short-Staple

Because India produces more short-staple cotton—1 and $\frac{1}{16}$" and below—than the domestic industry requires, some quantities of these short-staple varieties are available for export. Japan has of recent years become India's main customer, followed by the United States, the United Kingdom, and several countries of continental Europe.

The export of raw cotton is under government control and the quantity permitted to be exported varies with the available supply and with domestic needs. During the year ended September 30, 1954, the export quota was fixed at 68·6 million pounds made up of the following varieties of short staple cotton:

Bengal Deshi	29·4 milion pounds
Mathia, Kalgain, Dholleras	19·6 " "
Oomra Deshi	19·6 " "

In addition, Assam and Comilla varieties are freely licensed for export. Total exports up to the present amount to 45·4 million pounds. Because the export quota was not filled, it has been decided to permit export of additional quantities of Mathia, Kalgain and Dholleras up to the end of December, but no additional quantities of Bengal Deshi will be permitted export.

Initial export quota for the new crop year has been set at 40 million pounds of short-staple cotton, including 20 million of Bengal Deshi, 10 million of Dholleras, and 10 million of Oomras and Central India. This quota may be increased later, if the crop permits.

An export duty is levied on certain varieties of cotton; on others there is no duty. The export duty on Bengal Deshi amounts to Rs.125 per bale and there is no duty on Assam and Comillas. All other varieties are subject to a duty of Rs.200 per 392-pound bale. In addition, there is a levy of four annas per bale on all cotton exported from India. The export duty is assessed for revenue purposes and may be altered subject to conditions in the export market. The tax of four annas is quite modest and raised approximately $25,000 during the year of largest exports.

India is a net importer of raw cotton because exports of the short-staple varieties are less than imports of long-staple cotton. In 1952-53 the consumption of domestic cotton by Indian textile mills amounted to 1,416 million pounds and for the first ten months of 1953-54 totalled 1,263 million pounds, 1,515 million pounds on a yearly basis if the current monthly average is maintained. Industries other than textile mills use small amounts—about 112 million pounds a year—for such purposes as mattresses, quilting, padded apparel and hand spinning.

Trends in Production

The general tendency is to concentrate on the production of increasingly larger quantities of long-staple cotton. Though increases in the area under cotton cultivated may not be as pronounced as in previous years, the trend will probably be to change from the production of short to long-staple cotton. If this can be accomplished, the need for imports will be lessened and foreign exchange saved.

The development of the Indian textile industry, which is now capable of producing 5,000 million yards of cotton textiles a year, seems to assure the future of raw cotton production in the country and the main task now is to improve the quality and the length of staple.

RICHARD C. GREW,

Commercial Counsellor, New Delhi.

PAKISTAN

TWO FIBRE CROPS—jute and cotton—earn for Pakistan over 80 per cent of its foreign exchange. Cotton exports bring in about 38 per cent of this and jute 42 per cent, but there is an important difference between the two. Pakistan, with India, holds a virtual monopoly in world jute production, but its cotton must face keen competition from many other countries both in quality and in price.

Principal Varieties

About 90 per cent of Pakistan cotton is grown on irrigated land and the industry is concentrated in the west wing of the country, in the provinces of Sind, Punjab and North West Frontier, and the states of Khairpur and Bahawalpur. In addition, some 8 million pounds of Comilla cotton are grown annually in East Bengal. Acreage has varied from 2,866,000 acres during the cotton growing season 1952-53 to 3,430,000 acres during the cotton growing season 1949-50. Production in 1949-50 was slightly under 500 million pounds and in 1952-53 was over 586 million pounds. During the 1953-54 cotton growing season, 2·88 million acres produced slightly more than 562 million pounds. Yields are still comparatively low, averaging approximately 300 pounds per acre, but they are improving.

Pakistan cotton consists principally of acclimatized American varieties with staple lengths ranging from $\frac{13}{16}$″ to 1 and $\frac{1}{16}$″. Indigenous cotton, Desi, which has a very short rough staple, accounts for 10 per cent of the acreage under cotton. Production of Desi cotton is centered in India and Pakistan and some is produced in Burma. This very short staple cotton is valued for mixing with wool and for making absorbent cotton products.

The principal varieties of cotton produced in West Pakistan include the following: Sind Desi, Punjab Desi, 4F Punjab RG, 4F Punjab SG, LSS Punjab RG, LSS Punjab SG, 289 FNT Sind RG, 289 FNT Sind SG, 289 FNT Punjab RG, 289 FNT Punjab SG.

A new American variety known as 360F, now under experiment, is designed for cultivation in irrigated areas of the Punjab.

During the commodity boom in 1951 and 1952, Pakistan's foreign exchange earnings from cotton

reached nearly $297 million and $204 million respectively, compared with $105 million in the previous year and $146 million in the crop year 1953-54. The sharp fluctuations in cotton prices which took place during the 1952-53 season have eased to some extent. The export of cotton is subject to Open General Licence and at the present time an export duty of Rs.90/–* per bale (392 pounds) is imposed on staple cotton, and an export duty of Rs.60/– per bale on Desi cotton.

The rapid expansion of the textile industry in Pakistan —from 17 cotton textile mills in 1947 to 63 at present—has meant that much more raw cotton is retained for the domestic industry. In fact, about 50 per cent is today used within the country. Exports of cotton during the 1953-54 season totalled about 397 million pounds and went mainly to China, Japan, continental Europe, the United Kingdom, Australia, and the United States.

Development Plans

Before partition, the growing, processing and marketing of cotton was largely in the hands of the Hindus. Most of them migrated to India after partition and their operations were taken over to some extent by inexperienced Moslems. As a result, the quality of Pakistan cotton suffered; different varieties were mixed and the standard of the ginning was lowered. The Government of Pakistan realizes the importance of cotton to its economy and is taking steps to improve the quality and increase the production of Pakistan cotton. A number of research and development schemes for improving yield and grade are being implemented and the Pakistan Industrial Development Corporation is establishing a number of modern American ginning plants in Pakistan which will be operated with the assistance of United States technicians.

Cotton in this country is sown between March and June and picked from September to the end of January. Indications are that the 1954-55 crop will be a good one and the quality of Sind cotton is reported as the best in five years. There was some fear that the floods which damaged the Punjab may have affected cotton production in that province. However, it is now considered that flood damage to the cotton crop will be negligible. Preliminary estimates of production for the current season are 175 thousand bales of Desi and approximately 1,450,000 bales of longer-staple varieties. There is little or no carryover from the previous season.

Trade with Canada

Pakistan has shown interest in the Canadian market and earlier this year Pakistan Government officials visited Canada to stimulate Canadian purchases of Pakistan cotton. The country needs the dollars which could be earned by cotton exports but as ruling prices for its cotton have been, and seem likely to remain, above those of the United States, prospects for the marketing of Pakistan types in Canada remain uncertain.

R. K. THOMSON,
Commercial Secretary, Karachi.

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.

J. C. BRITTON, Commercial Counsellor in Tokyo, Japan, began his Canadian tour in Vancouver on November 26th, and will complete it in Toronto, January 3-15.

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

Welland—Jan. 3
Kitchener—Jan. 4
Guelph—Jan. 5

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

Board of Trade—Guelph.

Chamber of Commerce—Kitchener, Welland.

Canadian Manufacturers Association—Toronto.

West Germany
and its agricultural imports

B. A. MacDONALD, *Commercial Counsellor, Bonn.*

Bad weather this summer has affected quantity and quality of German harvest; this may mean larger purchases of Canadian agricultural products, particularly wheat. German milling quota regulations changed to permit higher percentage of imported hard-quality wheat.

AS THE WORLD'S SECOND LARGEST MARKET for agricultural products, the Federal Republic of Germany has a particular interest for Canada. Roughly three-quarters of all Canadian exports to this country consist of agricultural commodities; West Germany's 1953 purchases of Canadian wheat were exceeded only by those of the United Kingdom and Japan, and its 1952 purchases only by those of the United Kingdom.

Because of bad weather this year, the final harvest returns are still not available and the import outlook remains clouded. It does appear, however, that imports of some of the main commodities of interest to Canada will have to be larger than last year. This is particularly true of wheat and, above all, of hard-quality wheat. Germany may also import from foreign countries larger quantities of oilseeds, meats and meat products, butter, cheese, and eggs, and possibly malting barley. Imports of tobacco will probably be larger, and there may well be opportunities for the sale of Canadian tobacco.

On the other hand, import demand for corn and for sugar is likely to be lower than in the preceding year. This may be true also of animal and vegetable oils.

Cereal Production

The total area seeded for cereals in the 1953-54 crop year was slightly larger than in the previous year. The official figures are, in thousand hectares:

AREA SEEDED IN BREAD GRAINS

	1952-53	*1953-54*
Rye	1,394	1,523
Wheat and spelt	1,155	1,107
Mixed winter grain	74	76
Total bread grain	2,623	2,706

AREA SEEDED IN FEED GRAINS

	1952-53	*1953-54*
Barley	788	736
Oats	1,055	986
Mixed summer grain	265	333
Total feed and industrial grain	2,108	2,055

The table shows that the area seeded for bread grain increased by 80,000 hectares and that for feed and industrial grains fell by 50,000 hectares, giving a net increase of 30,000 hectares.

Yield per Hectare

The 1954-55 yield per hectare (preliminary estimate) was as follows, compared with 1953-54 and the average for the years 1950-53:

ESTIMATED YIELDS PER HECTARE
(in hundred kilograms)

	average 1950-53	*1953-54*	*1954-55*
Rye	23·1	23·5	26·3
Wheat and spelt	27·4	27·5	25·9
Mixed winter grain	24·1	24·0	24·9
Total bread grain	25·0	25·3	26·1
Barley	25·4	26·3	26·1
Oats	23·7	24·2	25·5
Mixed summer grain	23·7	25·2	26·2
Feed and industrial grain	24·3	25·1	25·8
Total grain	24·7	25·2	26·0

The table shows that *quantitatively* the yields were greater this year for all except wheat and barley and the decline in the barley yield was slight.

Total Production

The preliminary estimates for 1954-55 production (which may of course be altered within a few days when the expected final harvest results become known) are as follows, compared with the preceding year.

CROP 1954-55
(in 1,000 metric tons)

	1953-54	*1954-55*
Rye	3,280	4,008
Wheat and spelt	3,179	2,867
Mixed winter grain	179	189
Total bread grain	6,638	7,064
Barley	2,072	1,917
Oats	2,554	2,514
Mixed summer grain	668	873
Total feed and industrial grain	5,294	5,304
Total grain	11,932	12,368

Unless these provisional figures prove quite wrong, total wheat production has declined by about 300 thousand tons. Production of rye, on the other hand, has shown a remarkable rise of 730 thousand tons. Thus total production of bread grains registered a net *quantitative* gain of 430 thousand tons. Production of feed and industrial grains rose only slightly, because the considerable increase for mixed summer grain was offset by declines for both barley and oats.

Effects of a Sodden Summer

Although this year's total grain crop rose from 11·9 million tons last year to a postwar record of 12·3 million tons, the quality is another story. Not for decades has Germany had such a sodden summer; there was scarcely a rainless day during July and August and over many parts of the country rainfall was 150 to 160 per cent of normal. By the end of the summer it was widely believed that crop losses, not only of grain but also of hay and of root crops, would be so heavy that farmers would suffer serious financial losses and the Government might have to give emergency assistance.

As the autumn advanced it became clear that the overall situation would not be quite as disastrous as feared, although many individual farmers would experience severe losses and might need help. The losses are largely due to deterioration in quality. Sprouting and high moisture content have seriously affected a good deal of the grain although no final figures on the extent of this damage are yet available.

Probable Wheat Imports

Because a good deal of this year's wheat crop will be suitable only for feed or industrial uses, there is little doubt that the demand for imported wheat during the current crop year will be somewhat larger than last year. Experienced observers in the trade have estimated this demand as low as 2·4 million and as high as 2·7 million metric tons, or between 86 and 97 million bushels. The following figures compare these estimates with actual wheat imports in recent years.

WEST GERMAN WHEAT IMPORTS

(thousands of metric tons)

1950-51	*1951-52*	*1952-53*	*1953-54*	*1954-55 (estimate)*
2,293	2,224	2,280	2,300	2,400-2,700

Milling Quota Regulations Amended

German government milling regulations require millers to use not less than 40 per cent of indigenous wheat and not more than 32 per cent of imported "hard quality" wheat ("Qualitaets-Hart-Weizen"). The remainder of 28 per cent, generally known as soft or "filling wheat" ("Fullweizen"), may consist of either domestic or other foreign wheat. The Government pays the miller a subsidy towards the cost of inland freight on the hard-quality wheat from the port of arrival (which must be a German seaport) to his mill. The subsidy is differentiated by zones of distance from the seaport. Only Canadian Manitobas No. 1, 2, 3 and 4, U.S. Hard Red Winter, No. 1, 2, 3 and 4, Hard Red Spring, No. 1, 2, 3 and 4 and Argentina wheats qualify for the designation "hard quality" and thus for the freight subsidy.

An indication of the widespread fall in the milling quality of this year's wheat is the fact that the Bundestag approved on November 12th a recommendation

This grain being harvested at Trier in West Germany helps to make up the 12·3 million-ton crop of bread, feed, and industrial grains—a postwar record. The rainy summer did not affect the quantity but caused serious deterioration in quality; much of the wheat will only be suitable for animal feeding or industrial use, and demand for imported wheat will increase.

of its agricultural committee that millers be allowed to use a lesser proportion of domestic wheat and a higher percentage of imported hard-quality wheat. The new percentages are as follows:

PERCENTAGE OF DOMESTIC WHEAT TO BE MILLED

September-November 1954, inclusive	25 per cent
December 1954-January 155, inclusive	30 " "
February-May 1955, inclusive	20 " "
June-July 1955, inclusive	30 " "

PERCENTAGE OF IMPORTED QUALITY WHEAT TO BE USED

August-October 1954, inclusive: not to exceed an average of 32 per cent during this period nor more than 40 per cent in any one month.

April-July 1955, inclusive: not to exceed an average of 40 per cent during this period nor more than 45 per cent in any one month.

French Wheat

The large French wheat surplus created rumours in trade circles that negotiations were under way for the purchase by Germany of 400 thousand to 500 thousand tons of French wheat. Germany's heavy credit balance, plus France's debtor position in EPU, lent support to these reports. Immediately after the Paris Conference these rumoured figures rose to as high as 800 thousand tons, to which was added in some cases the suggestion that a long-term wheat purchase agreement was also under consideration.

Subsequent reliable information indicates that the position as regards France is as follows: 100 thousand tons of French wheat have been purchased to date; negotiations for next year's Franco-German trade agreement are to begin shortly; thereafter discussions on the possibility of a long-term trade and economic agreement will start and it would be natural for commodities such as wheat, sugar, and alcohol to be included in such discussions.

Wheat Purchases and Arrivals

According to the latest official information, a total of 1,187,400 metric tons of foreign wheat were imported between July 1st and October 31st. On the basis of information received from the trade it is estimated, however, that a total of about 1·5 million tons of foreign wheat was actually *purchased* between July 1st and November 20th—i.e., some 350 thousand tons more than actual arrivals up to the end of October. However, no official information is available at present covering the whole of the longer period.

Sources of the wheat arrived up to October 31st were:

	(in metric tons)
Canada	287,300
United States	177,500
Australia	38,300
Argentina	158,600
France	100,200
Turkey	189,500
Various countries	236,000
	1,187,400 tons

According to official information the German purchases under the International Wheat Agreement between July 1st and November 19th were as follows:

	(in metric tons)
United States	374,800
Canada	310,600
Australia	136,100
	821,500 tons

Some price ranges in US$ per metric ton reported by one of the leading German import firms are shown in the table below.

It is reported that the United States has guaranteed a 12 per cent protein content for hard winter wheat.

The following table gives the best estimate available at time of writing of the probable import requirements in the current crop year for those commodities having most interest for Canada. Actual imports in earlier years are given for comparison:

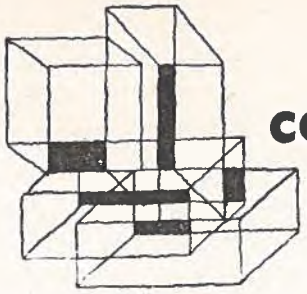
IMPORTS 1950-51 to 1953-54 AND PLANNED IMPORTS 1954-55

(in '000 tons)

Product	*1950-51*	*1951-52*	*1952-53*	*1953-54*	*Planned 1954-55*
Wheat	2,293	2,224	2,280	2,300	2,500
Rye	185	313	270	93	200
Feed grains	1,166	2,141	1,604	1,300	.....
Meat and meat products	189	68	101	145	201
Butter	37	15	12	7·8	16
Cheese	45	43	45	57	55
Oilseeds	528	434	575	560	580
Animal and vegetable oils	270	305	394	381	350
Eggs	107	83	99	134	140
Sugar	551	722	149	247	185
Tobacco	45	46	51	56	60

Some Prices Paid for Imported Wheat, Jan. 1-Nov. 1, 1954

Canadian Manitoba No. 2 or No. 3	$70/69	f.o.b. Canadian-U.S. Port
US. Hard Winter No. 2	$66/70	" " " "
U.S. Red Winter No. 2	$59.50 / 60.00	" " " "
Australian	$74/74.20	c.i.f. Hamburg-Antwerp range
Argentina Plata	US$74	" Emden-Hamburg
Argentine, Moroccan and Tunisian durums	$107	c.i.f. German port
French	$59/60	f.o.b Strasbourg



commodity notes

Antigua

EDIBLE OIL—The cotton processing industry will soon be equipped for the manufacture of edible oils which will be expressed and refined from cottonseed and copra. Machinery for the plant has arrived, and it is hoped that production will begin before the end of the year—Port-of-Spain, Nov. 19.

Argentina

DDT—A plant for manufacturing DDT is to be established in the province of Cordoba shortly, according to an announcement by representatives of J. R. Geigy, S.A., Basle, and Sociedad Mixta Atanor, Buenos Aires. Planned production of five tons a day would meet domestic needs and leave some for export—Buenos Aires, Nov. 24.

Australia

OIL—Australasian Petroleum Industry Ltd., has announced that production is expected to begin within the next few months at the £40-million oil refinery at Kwinana, Western Australia, the most modern in the world. The refinery will handle an intake of three million tons of crude oil a year and its output will be 2·8 million tons of refined products. Oil will be brought in by a modern fleet of Anglo-Iranian tankers from Kuwait on the Persian Gulf. It is expected that, until the refinery has been fully prepared for production, crude oil will be stockpiled in huge storage tanks which have been erected on a 950-acre Kwinana site. Kwinana's products will be marketed in Australia; by-product of the refinery will be bitumen—Melbourne, Nov. 25.

NEWSPRINT—Australian Newsprint Mills Ltd. nearly doubled the output of its Boyer, Tasmania, plant to 60,406 tons in the year ended June 30, 1954. This compared with 34,009 tons produced in 1953. The production increase was won because the Tasmanian Hydro-Electric Commission provided the full contract entitlement of electric power from October 1, 1953. This enabled two papermaking machines to be used from then on.

According to the directors, new developments in newsprint-making are being introduced—an improved process to give a sheet a colour which will compare favourably with overseas newsprint, and a semi-chemical plant to give a stronger pulp. Sulphate pulp supplied by N.Z. Forest Products Ltd. was used in place of Canadian sulphite, and proved satisfactory for blending with the eucalypt mechanical pulp made by the company at Boyer. Australian Newsprint Mills Ltd. expects to produce an additional 10,000 tons of newsprint in 1955—Melbourne, Nov. 25.

Brazil

CEMENT—In 1953, Brazil produced approximately 22 per cent of all the cement produced in Latin America. The 2,041,000 metric ton production in 1953 was a 62 per cent increase over the 1,260,000 metric tons average during 1948-1950. Brazil is followed by Mexico with 18 per cent and Argentina, 17·9 per cent. Some new plants have been added to Brazil's capacity during 1954 and a steady increase should result. However, Brazil is far from self-sufficient in cement; the tremendous building programs in the large cities make heavy demands. Imports of cement are still very large; in 1951, 1952 and 1953 they were (in thousands of metric tons) 656·6, 819·8 and 996·6, respectively—São Paulo, Nov. 29.

Finland

CELLULOSE—Total Finnish exports of cellulose during the first six months of 1954 amounted to 446 thousand tons, compared with 383 thousand for the same period last year. Most of this increase was for sulphite pulp, from 220 thousand to 271 thousand tons; exports of sulphate pulp increased from 163 thousand to 175 thousand tons. About one-third (154 thousand tons) of cellulose exports in the first half-year went to Great Britain (last year 135 thousand tons), 106 thousand tons went to the United States (56,000 tons), and 104 thousand tons to France (41,500 tons)—Stockholm, Nov. 28.

Israel

PEANUTS—Over half a million dollars worth of peanuts were exported by Israel during the 1953-54 season. The United Kingdom, France, Holland, Switzerland and Australia were the major buyers of

the 1,760 tons exported. Because of the success of this new export commodity, Israel plans to double or even triple the cultivation of peanuts next year—Athens, Nov. 24.

Italy

SYNTHETIC FIBRES—Production of synthetic textile fibres in Italy during the first half of 1954 totalled 71,900 tons, compared with 51,674 tons in the same period in 1953. Exports rose to 13,781 tons in the first half of 1954, compared with 12,621 tons in the same period last year.

Following agreements for the use of Du Pont patents for Italy, several Italian factories are now producing synthetic fibres under licence. It is anticipated that within a year or two all domestic needs will be met from Italian production and there will be a surplus for export—Rome, Nov. 29.

Japan

ARTIFICIAL PEARLS—Exports of artificial pearls from Japan attained a record value of $513,800 during October, compared with $485,900 in September. Exports in January 1954 amounted to only $350 thousand, but the trade has made substantial progress since then—Tokyo, Nov. 25.

Netherlands

SEED—Seed exports in the 1953-54 season were almost the same in volume and value as those of 1952-53; they amounted in both years to more than 22,000 metric tons, worth nearly 22·3 million guilders. Shipments of 9,700 metric tons of seed flax again formed the bulk of the exports. However, they were 500 tons less than in 1953 and, for the first time in three years, fell below 10 million guilders in value to 9·2 million guilders. France was the major buyer taking 5,200 tons—500 tons more than in the previous year.

Other major seed shipments were sugarbeet seed, 3,400 m.t., green peas, 1,900 m.t., spring wheat, 1,800 m.t., dun peas, 1,100 m.t.—The Hague, Dec. 6.

Philippines

COPRA—Copra today constitutes the Philippines' largest single dollar-earner and in postwar years has replaced sugar as the country's leading industry. The Philippine coconut industry faces several problems, including maintaining quality, marketing, and the serious "kadang kadang" disease. Probably as important as any other problem is the urgent need of coconut growers for financing. Unlike the sugar industry, which is fairly well centralized, the Philippine coconut industry consists of literally thousands of small growers, who find it difficult to secure bank loans.

The Philippine National Bank has recently urged coconut producers to "combine their resources" by establishing centrals. This should make easier the granting of financial assistance and the manufacture of higher and more uniform grades of copra. It should also eliminate the major complaints against Philippine copra in world markets. Exports of copra have fallen off in the first eight months of this year, compared with the same period last year (172 million pesos as against 232 million)—Manila, Nov. 26.

South Africa

SHEEP—Since the last census of South African sheep was taken in 1952, the Union has had two very favourable years resulting in excellent lamb crops. South African Wool Board officials estimate that the country's sheep population is now 37 million, the highest since 1939. This compares with 127 million in Australia and 36 million in New Zealand a year ago—Johannesburg, Nov. 24.

URANIUM—The Governments of the United States and United Kingdom had, by June this year, made loans to a total of £34·5 million to finance uranium production in South Africa. At that time six uranium plants were producing and six more are expected to come into production during the year—Cape Town, Nov. 22.

RAYON PULP PLANT—South Africa is constructing a rayon pulp plant in Natal at an estimated cost of £8 million. This enormous installation will produce some 40,000 tons of pulp a year which will be shared equally between Britain and Italy. The plant is expected to come into production in 1955 and will boost South Africa's exports by about £3 million a year—Cape Town, Nov. 20.

Spain

ORANGES—Orange exports from the new crop are beginning. Total output for this year is estimated at one million metric tons, about 30 per cent less than last year's crop. The present crop was severely damaged by frost in the early part of the year—Madrid, Nov. 29.

TARTARIC ACID, CREAM OF TARTAR—Production and export of tartaric acid is rising; in 1953, production reached 3,700 tons and 2,500 tons were

exported. An official trade journal estimates this year's output at almost 5,000 metric tons, of which 3,000 tons will be available for export.

Production of cream of tartar last year was about 300 metric tons, of which 200 tons went to the local trade—Madrid, Nov. 22.

HAZELNUTS—The 1953-54 hazelnut season is now over and, according to a trade weekly, exports reached 8,527 metric tons. The principal buying countries were, in order of importance: Switzerland, 4,816 metric tons; Holland, 985 tons; France, 843 tons, and Germany, 675 tons. Only 2,605 metric tons of the previous year's crop were exported—Madrid, Nov. 29.

RICE—This year's rice crop, according to a local trade journal, is estimated at approximately 350 thousand metric tons; 250 thousand tons will be reserved for home consumption and the rest will be exported—Madrid, Nov. 29.

Sweden

WOOD—Exports of wood by the middle of September amounted to 760 thousand standards, and sales during the remainder of the year will be a little over 50,000 standards. During the first eight months of the year, a total of 2·38 million cubic metres, valued at 529·8 million kronor, was exported, compared with 2·69 million cubic metres worth 565·3 million kronor in the same period of 1953.

Some contracts for the sale of wood during 1955 have been concluded, and by the end of October between 115 thousand and 125 thousand standards had been sold. Prices were a little higher—between £81 and £83 were obtained for 7″ o/s fir battens, an increase of £1-£2 as compared with recent quotations. These rising prices appear to apply only to the better qualities, and the prices for fifths remain about the same. The principal buyer is the United Kingdom, although some contracts have been made with Denmark and Belgium—Stockholm, Dec. 2.

Tanganyika

CASHEW NUTS—A cashew nut factory is being erected at the new port of Mtwara to process and pack nuts grown in the southern province of Tanganyika. The cashew nut harvest in this part of Tanganyika amounts to several thousand tons a year and the new factory is expected to handle 15,000 tons during its first year of operation. If all goes well, the factory will be operating before the end of this year—Johannesburg, Nov. 26.

United Kingdom

PAINT—During the year ended September 30th, exports of paint from the United Kingdom were valued at £10·7 million, compared with £9·5 million in the previous year. This represented an increase in value of over 12 per cent, and in volume of nearly 14 per cent. The volume of exports at that date had reached the previous record set in 1951, although the value was slightly below the 1951 peak —London, Dec. 10.

SYNTHETIC TEXTILE FIBRES—British capacity for the production of man-made fibres, other than rayon, amounts to about 48 million lb. a year. With expansion plans announced by British producers, this capacity should increase to about 75 million lb. a year by 1956.

The most important of these fibres is, of course, nylon; present capacity is about 25 million lb. a year. The other two principal fibres are terylene and ardil—a regenerated protein fibre. Present output of the former is about one million lb. a year, but by 1956 this will be raised to 22 million lb. Capacity for the production of ardil is some 22 million lb.—London, Dec. 10.

United States

AUTOMOBILES—Despite early fall work stoppages for model changeovers, factory sales of new motor vehicles for the first 10 months of 1954 passed the five million mark in October. Production for November should total 591,300 vehicles and December forecasts show that about 637 thousand new cars will come off the assembly lines. Exports of new motor vehicles in the ten-month period totalled 322 thousand units, more than 16 per cent above the comparable period in 1953. Shipments abroad accounted for 6·1 per cent of total factory sales compared with only 4·3 per cent during the first ten months of 1953.

On the basis of new car registrations, General Motors, Ford and Chrysler accounted for 94 per cent of the passenger cars sold in the United States in the first nine months of 1954. Total registrations were 4,139,272, as compared with 4,370,044 for the same period in 1953. General Motors' share was 50·21 per cent, Ford's 30·89 per cent and Chrysler's 13·18 per cent. Chevrolet was only 98 units ahead of Ford, the former being 1,033,825 as against the latter's 1,033,727. Others were as follows: Buick, 393,846; Oldsmobile, 307,346; Plymouth, 300,527; Pontiac, 260,449; Mercury, 216,326; Dodge, 112,552; Cadillac, 82,952; Chrysler, 75,419. Others in order of sales were Studebaker, 70,617; Nash, 64,953; DeSoto, 57,144; Packard, 31,521; Lincoln, 28,653; Hudson, 26,945; Willys, 14,329; Kaiser, 7,144; Henry J., 1,044, and miscellaneous, 19,953—Detroit, Dec. 10.

Banking Abroad — Republic of Ireland

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

THE REPUBLIC OF IRELAND has ten banks which carry on commercial foreign exchange business. All but two of them have branches throughout the country and all have correspondents in practically every foreign country, including Canada. These Irish banks maintain current accounts with Canadian banks and the latter keep balances with their Irish agents.

The ten banks—all of which have been approved by the Department of Finance as authorized dealers in foreign exchange—are:

Bank of Ireland	Dublin	(Head Office—Dublin)
Hibernian Bank Ltd.	"	(" " ")
Munster & Leinster Bank Ltd.	Cork and Dublin	(" " Cork)
National Bank Ltd.	Dublin	(" " London)
National City Bank Ltd.	Dublin	
Northern Bank Ltd.	"	(" " Belfast)
Provincial Bank of Ireland Ltd.	"	(" " Dublin)
Royal Bank of Ireland, Ltd.	"	(" " ")
Ulster Bank Ltd.	"	(" " Belfast)
Guinness and Mahon	"	

Foreign Exchange Facilities

The Irish banks have departments in Dublin specializing in foreign exchange business. In addition, the Bank of Ireland has subsidiary foreign exchange offices at the transatlantic airport of Rineanna, Co. Clare, and also at Cobh and Cork. The Hibernian Bank maintains a subsidiary foreign exchange office at Collinstown Airport in Dublin, and the Munster & Leinster Bank maintains a similar office at Cork.

The Foreign Exchange Departments in Dublin or at the other centres mentioned deal with the exchange requirements of their customers. Canadian banks advise their customers about their business in Ireland and undertake, on their behalf, the collection of bills, etc., through their Irish correspondent. The procedure relating to bills of exchange is governed by the Bills of Exchange Act, 1882, and conforms with the general practice in the United Kingdom. Bills for collection are mainly dealt with at Head Offices in Dublin unless other arrangements are made between Irish and Canadian banks.

There are no specific regulations other than the exchange control regulations governing Irish banking transactions in foreign exchange. Foreign exchange controls and restrictions, introduced on September 18, 1939, provided that all payments to countries outside the sterling area would be subject to an exchange licence and all foreign exchange receipts from non-sterling area countries must be offered for surrender to the state. The Exchange Control Order, 1947, which replaced the wartime emergency legislation, had the effect of bringing the exchange regulations more into line with those in the United Kingdom. All payments to non-sterling area countries required exchange control approval. This is granted automatically for approved imports and for payments arising under contracts executed before September 18, 1939, or executed since that date with exchange control permission, when the amount has been verified and provided that the method of payment is in line with the general prescription of currency requirements. Export proceeds must be received in the way set forth in the regulations and certain currencies must be sold to an authorized dealer.

The Irish pound is officially at par with the United Kingdom pound. Exchange rates for other currencies are based on comparable London quotations.

Exchange control is not operated by the Central Bank of Ireland but by the Department of Finance, and the Department's permission is required before orders are placed for goods originating outside the sterling area. Much of the authority for approval of normal payments is delegated to the commercial banks. The Department of Industry and Commerce normally issues import licences for industrial goods, and the Department of Agriculture for agricultural products.

Import and Export Control

Certain goods are subject to import prohibition and others, regardless of the country of origin, to quote restrictions. Most goods, however, do not require an individual import licence. Whether or not an individual

import licence is required, the Department of Finance must give permission before orders are placed for goods originating outside the sterling area. General exchange control authority has been given for the purchase of a wide range of goods from most countries outside the dollar area. Where there is exchange control authority, either general or particular, the appropriate foreign exchange or permission to credit a non-resident account is granted automatically.

A system of export licensing is applied to a limited range of goods. Exporters of goods to countries outside the sterling area are required to obtain payment of the value of the goods within six months of shipment, in the manner prescribed in the regulations. Where payment is received in a currency specified for surrender to the State, this currency must be sold to an authorized dealer. (Specified currencies include, among others, U.S. and Canadian dollars.)

Angolan Coffee in World Markets

A. B. BRODIE, *Canadian Trade Commissioner, Leopoldville.*

PORTUGAL has, in the last sixteen years, earned increasing amounts of foreign exchange from coffee grown in its African colony of Angola and since the end of World War II, the industry has made great strides.

Angola chiefly raises the Robusta type of coffee and it is known and sold in world markets as Novo Rodondo, Amboim, and Ambriz. The production of the Arabica type, which is grown successfully in Kenya and the high regions of the eastern part of the Belgian Congo (the Kivu Province), is negligible in Angola. Each year the area under coffee has increased and current statistics give it as over 195 thousand hectares (482 thousand acres), four-fifths of the production is in the hands of Europeans. Altogether, Angola now accounts for about 2½ per cent of the world's coffee.

Despite the early discovery of Angola by Paulo Dias de Novais, who reached Luanda in 1575, neither coffee growing nor any other type of farming was introduced into the colony until three centuries later, when settlers arrived from Brazil, Madeira and Portugal. With the Colonial Act of 1931-33, fathered by Dr. Salazar (then Minister of Colonies), Angola's agricultural production was put on a stronger footing.

The importance of coffee to the Angolan economy became apparent after the end of the last war. The abnormally high prices of the past few years, plus the untiring technical assistance given the planters by the Junta de Exportacao do Cafe (the official coffee association) stimulated the development of plantations and recognition of Angolan coffee in world markets.

Dollar Earner

Angola's favourable balance of trade with the dollar countries is the result of her large exports of coffee and of fishmeal to the United States. During 1953, the United States took approximately 60 per cent of Angola's selected coffee exports which totalled about 60,000 tons. Other importers, in order of importance, were the United Kingdom, the Netherlands, and Portugal.

In the first eight months of this year, Canada imported $156,966 worth of Angolan green coffee. As a result of the trade treaty between Canada and Portugal signed on May 30, 1954, green coffee from Portugal's African province now receives most-favoured-nation treatment. This means that it is permitted to enter Canada at the rate of two cents a pound, rather than at the general rate of five cents a pound.

Crop Prospects

As in Brazil and other coffee-growing countries, the Angolan coffee plant is delicate and vulnerable to unseasonable weather. Because of late rains in the Amboim-Redondo areas, the outlook for the coming crop (1954-55) is not favourable. Fortunately, the coffee plants in the Uige and Ambriz regions appear to have withstood the prolonged dry spell more successfully. Recent reports now estimate that the total crop will be as low as 40-45,000 tons.

Coffee represents in value more than 50 per cent of Angola's total exports and the quantities sold abroad over the years have increased from a mere 18,000 tons in 1938 to close to 60,000 tons in 1953. Whether this growth in volume and value will continue will depend largely on the trend in the world market which is now unusually quiet.

The Canadian Trade Commissioner in Leopoldville, Belgian Congo, will be glad to furnish the names and addresses of responsible Angolan coffee exporters. His mail address is: Bôite Postale 373, Leopoldville, Belgian Congo.

General notes

Argentina

TRACTOR FACTORY—It has been announced that the French firm Someca, which belongs to the SIMCA Group which recently joined the Ford Motor Co. of France, will install in Argentina a factory to produce 40 horsepower tractors at the rate of 1,500 units a year. It has already been announced that Fiat, Deutz, Fahr and Hanomag will jointly produce 12,800 units a year—Buenos Aires, Dec. 2.

Australia

RECORD EMPLOYMENT—Number of employed in Australia reached a record 2,730,600 in September. This is an increase of 7,300 over the August figure but does not include rural and domestic workers. Employment in the defence forces was reduced by 600 to 62,900—Sydney, Nov. 30.

SULPHATE OF AMMONIA PLANT—According to its annual report, the Electrolytic Zinc Co. of Australasia Ltd.'s new plant at Risdon, Tasmania, for the production of sulphate of ammonia should be ready for operation early in 1955. However, electric power will not be available until the middle of the year and even then it will be below the rate contracted for, and may continue so for some time. The plant cannot operate at capacity until full power is available. When it is, the plant will supply half of current Australian consumption.

The company produced 104,714 tons of sulphuric acid, 14 per cent of Australia's output, in the year ended June 30th. It roasted 212,353 tons of zinc concentrate for 186,509 tons of calcine. A fourth flash roaster and a third new contact sulphuric acid unit will be built at Risdon. Total acid-making capacity will then be 172 thousand tons a year, representing maximum use of the sulphuric content of the zinc concentrate needed to maintain zinc production at 100 thousand tons a year. The new plant will replace those operated in South Australia on behalf of the Electrolytic Zinc Co.; the one at Port Pirie has already been closed—Melbourne, Nov. 29.

Chile

FISHING VESSELS FROM SPAIN—A local press report indicates that Chile has acquired from Spain five small fishing vessels for service on the Chilean coast. These vessels, which were expected to arrive early in December, are 250 h.p., have a storage capacity of 60 tons and accommodation for ten men. Cost of each vessel is estimated at Ch.$10 million (roughly US$50,000 "Official Bank" rate or US$35,000 "Brokers" free rate)—Santiago, Nov. 20.

Finland

SULPHITE COOKING—A new method for cooking sulphite has been introduced and tested at a factory in Finland; the inventor is Esko Vilamo. Details of the process are not yet available, but the factory has been using it for over a year and others are preparing to introduce it. According to the Finnish press, the Vilamo method reduces the cooking time by 30 per cent and increases the digester's capacity considerably. The cooking process can be done by timing, as for sulphate, and thus can be finished at a certain time without needing pulp and lye tests in the final stage. The new method also requires less sulphur and wood and gypsum does not form—Stockholm, Dec. 6.

France

CAMPAIGN AGAINST ALCOHOLISM—As part of its campaign against alcoholism, the French Government has announced certain measures which affect the wine industry. Rural distillers (who operate mainly on a small-scale artisan basis) will be required to produce evidence of their occupation as farmers in order to qualify for the ten litres of pure alcohol allowed tax-free for consumption on the farm. The manufacture and sale of distilling equipment will be controlled with a view to reducing the total amount in operation. Excise taxes on alcoholic beverages have gone up 20 per cent, and on spirits or aperitifs about 55 francs per litre. The maximum degree of alcohol now allowed is: aperitifs with wine base 18°, bitters 30°, aperitifs with aniseed and alcohol base 45°. French consumption of alcohol, at 19·5 litres per capita or 28 litres per adult, is twice that of the next highest consumer, Italy. Seventy per cent is absorbed in the form of wine, 15 per cent in brandies and liqueurs, 9 per cent in cider and 6 per cent in beer.

With this new program to reduce national consumption by 20 per cent, the present surplus production of wine will remain acute until large-scale measures are undertaken for conversion to other crops. One such scheme, the irrigation of the Lower Rhone-Languedoc region, will take an estimated six to ten

years and will cost 22 billion francs for the canals and ten billion for the treatment of soils—Paris, Dec. 9.

Indonesia

WEST JAVA ESTATES—It is reported that in the first half of 1954 only 65 per cent of the prewar number of rubber, tea, cinchona and other estates were operating in West Java—Djakarta, Nov. 26.

WIRE AND NAIL FACTORY—Industries Service for East Java Province has announced that an agreement has been reached for the construction of a nail and wire factory in Sourabaya. About six million rupiahs will be spent on equipment; technical experts from West Germany will build and operate the factory—Djakarta, Nov. 26.

Netherlands

CATTLE FOR ARUBA—For the first time in the history of Dutch livestock exports, a trial shipment of six head of cattle, two sows and one goat has been sent to the island of Aruba. This experiment will be watched with interest because its success or failure will influence the course of future exports to the Caribbean area—The Hague, Dec. 7.

Philippines

VEHICLE REGISTRATIONS—Registered vehicles in the Philippines in 1953 totalled 108,936, made up of 50,876 passenger cars, 56,197 trucks and jeeps and 1,863 motorcycles—Manila, Nov. 29.

MANUFACTURING—A recent survey of 2,600 local firms showed that the value of goods manufactured by Philippine industry in the year 1953 exceeded US$650 million. The food industry, with 386 establishments, topped the list with an output estimated at US$191 million. Beverage plants alone accounted for a production valued at $67 million. Production of cigarettes and other tobacco products increased considerably; value of production in the 87 plants was given as $75 million.

The textile industry turned out goods worth $28 million in 43 establishments. The over 300 wearing apparel manufacturers produced nearly $50 million worth of suits and other made-up textile goods. Combined production value of the 19 firms engaged in the manufacture of vegetable and animal oils and fats was reported at $40 million—Manila, Dec. 2.

South Africa

BANANA POWDER PLANT—The Chairman of the South African Banana Growers' Union has announced that a £60,000 banana dehydration plant will be erected near Port Shepstone, Natal, if samples now being produced in a pilot plant are favourably received by overseas buyers. According to the chairman, the proposed plant would absorb 500 tons of bananas a month and produce 50 tons of powder. Growers along the south coast of Natal suffer enormous losses each year through frost damage resulting from the transportation of their fruit in uninsulated railway trucks. The dehydration scheme should cut down this loss—Johannesburg, Nov. 26.

United Kingdom

DYESTUFFS INDUSTRY—In the last 35 years, the dyestuffs industry in the United Kingdom has grown from a very small enterprise to one which now meets 95 per cent of the demands of the domestic market and is a large-scale exporter as well. Present capacity in the dyestuffs industry is valued at £25 million. Since 1937, the industry has more than doubled its share of the international trade in dyestuffs and its exports currently earn more than £1 million a month—London, Dec. 10.

INDUSTRIAL PRODUCTION—The index of British industrial production reached 134 in October (1948=100), surpassing the previous record of 133 achieved in November 1953. During the first ten months of 1954, industrial output increased 5·9 per cent over the same period of 1953. Since many industries are now operating at peak capacity, further increases in output will depend on increased capital investment and increased efficiency. The production rise in 1954 was largely the result of substantial increases in consumer spending, particularly on durable goods —London, Dec. 10.

United States

TRANSPARENT BOXCAR EXHIBITED—An interesting development for determining what happens when goods are shipped by rail freight is a transparent boxcar exhibited by the Grand Trunk Western Railroad. One side of the car has been fitted with plexiglass to permit shippers, freight handlers, train and yard crews to see inside and observe the effects of proper and improper loading, coupling, packaging, crating and stowing. The car is being used across the Grand Trunk-Canadian National System in a campaign to reduce damage to shipments. A three-foot speedometer records the actual speed at which the car is coupled to other units. Another indicator shows the mileage and running speed of the movement of the car. Still another recorder inside registers the impact of switching and coupling operations. An inner metal screening protects the car's contents from the plexiglass panels which are set in rubber to absorb their expansion under heat and to cushion them—Detroit, Dec. 13.

trade and tariff regulations

Australia

HIGHER TARIFFS—The Federal Government has increased tariffs on imports to give increased protection to Australian industries, but has reduced the duty on some imported paper and oil and abolished the duty on children's films. Rayon cord, fabric and yarn for motor tires is one of the main categories affected by the increase. Other items affected are methyl chloride, filter paper of asbestos, plastics of styrene type, wrist watches, hand and breast drills, forged table knives and carving forks, and steels and safety pins—Sydney, Nov. 19.

Colombia

IMPORT RESTRICTIONS ON EGGS—As of November 9, 1954, new restrictions have been imposed on the import of eggs both for hatching and for consumption. Previous authorization from the Colombian Department of Agriculture is now required, plus a fully authenticated health document from the Canadian veterinary authorities.

Greece

SPECIAL LEVY ON IMPORTS—It was reported in *Foreign Trade* of November 13 that Greece had imposed a special levy on imports effective September 23rd. Readers will recall that this new import tax is levied in addition to the existing turnover tax and amounts to one-quarter of this tax. On most imports, it increases the turnover tax of 6 per cent of the duty-paid value, increased by a 15 per cent markup, to 7½ per cent payable on the same basis.

Further information now available reveals that this tax is levied on all taxable imports into Greece, and not only on those of a kind also made in Greece as was reported in the earlier notice—Athens, Nov. 18.

Republic of Ireland

IMPORTS OF ELECTRIC LAMPS AND COTTON PIECE GOODS—By three Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts, 1934 and 1937, further quotas and quota periods have been announced as follows:

Certain Electric Filament Lamps: 100 thousand articles for the period December 1, 1954, to November 30, 1955, as against 50,000 articles for previous six months' period.

Certain Woven Cotton Piece Goods: 545 thousand square yards for the period December 1, 1954, to May 31, 1955, as against 1,520,000 square yards for previous six months' period.

Certain Woven Cotton Piece Goods: 2,140,000 square yards for the period December 1, 1954, to May 31, 1955, as against 2,400,000 square yards for previous six months' period—Dublin, Nov. 19.

Mexico

TARIFF INCREASES—Modifications in the duties on imports into Mexico were made on a wide range of products by a decree of November 18, 1954, effective seven days later. Some of the changes were upward adjustments made, according to a statement of the Mexican Ministry of Finance, to discourage further unnecessary imports. Others were brought about by incorporating into the rates a general 25 per cent increase in duty effective last February. Increases in the ad valorem portion of the duty range from 5 per cent to 20 per cent. Increases were also made in the specific portion of the duty.

Exporters wishing to know the modified rates on particular products may obtain this information by writing to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

New Zealand

INQUIRY INTO IMPORT DUTIES ON PLYWOOD—Information has been received that the New Zealand Board of Trade proposes to inquire into and report upon the question of what rates of duty shall be imposed on plywood. The present rates are—British Preferential, 20 per cent ad valorem applicable to United Kingdom; 20 per cent ad valorem plus 22½ per cent of the duty to Canada; and 45 per cent ad valorem plus 22½ per cent of the duty to most-favoured-nation countries, including the United States.

Interested Canadian firms may wish to have their views on this requested tariff change placed before the New Zealand Board of Trade—the government body investigating tariff changes. The most effective method of making representations is for Canadian firms to request their representatives in New Zealand to act on their behalf before the Board.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF —It was announced on November 19, 1954, that the South African Board of Trade and Industries has received the following representations respecting the tariff:

Increase in duty on:

1. Woven, unbleached, bleached, printed, piece-dyed or yarn-dyed plain and jacquard embossed cotton terry towels, including terry bath and hand towels and/or cloths, and towelling defined by pattern, by 25 per cent ad valorem or 3s. per lb. (4s. per lb. in respect of the maximum rate) whichever duty is the greater, in addition to the present effective duties.

2. Woven, unbleached, bleached, printed, piece-dyed or yarn-dyed plain and jacquard embossed cotton terry towelling in the piece, by 25 per cent ad valorem or 3s. per lb., whichever duty is the greater, in addition to the present effective duties.

3. Baby cotton terry towelling napkins, feeders and bibs; terry face towels and/or cloths, by 25 per cent ad valorem or 3s. per lb. (4s per lb. in respect of the maximum rate), whichever duty is the greater.

4. Terry bath mats, by 25 per cent ad valorem or 3s. per lb., whichever duty is the greater.

5. Terry towelling bathing stoles and shawls—

(*a*) weighing not more than 12 oz. each, by 25 per cent ad valorem or 3s. per lb., whichever duty is the greater;

(*b*) weighing more than 12 oz. each and imported singly or in pairs or in the piece, consisting wholly of cotton, or of cotton and wool containing more than 60 per cent of cotton, by 25 per cent ad valorem or 3s. per lb., whichever duty is the greater.

6. Handles, wooden (other than shaped but otherwise in the rough) for picks, shovels, mechanics' tools and agricultural implements, from various rates of duty to 40 per cent ad valorem.

7. Wooden handles and stocks for brushes including paint brushes, brooms, whisks and mops, from various rates of duty to 50 per cent ad valorem.

8. Manufactured wood including dowels, wood turnings and parallel rounds, from 20 per cent to 40 per cent ad valorem.

9. Hubs, rims, spokes, felloes, shafts, tent bows and poles, cut or fashioned, not finished, from various rates of duty to 50 per cent ad valorem.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations would be for such firms to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally taken under review soon after the announcements are made it is advisable that interested Canadian firms take action as soon as possible.

United Kingdom

LICENSING OF BOOKS, ANTIQUES, AND WORKS OF ART—As from December 8, the following may be imported into the United Kingdom from any source without an individual import licence: printed non-fiction books; antiques (goods produced or manufactured more than 100 years before date of import); and works of art.

Works of art are defined as paintings in oil or water colours, framed or unframed, on any material; ink, pencil and charcoal drawings, and pastels, framed or unframed, on canvas or paper (including board); and hand-engraved or hand-etched blocks, plates or other material, and hand-printed impressions thereof, framed or unframed.

WORLD OPEN GENERAL LICENCE EXTENDED —The Board of Trade has announced that from December 1 the following will be admissible into the United Kingdom from any country under Open General Licence: nepheline syenite, wallboard of flax waste, and wool noils, tops and waste.

United States

DUTY-FREE ENTRY OF CRUDE SILICON CARBIDE—U.S. Treasury Decision T.D. 53661 of November 8, 1954, states that all entries covering imports of crude silicon carbide entered, or withdrawn from warehouse for consumption prior to August 28, 1954, should be liquidated free of duty as "crude artificial abrasives" under tariff paragraph 1672.

This treasury decision also makes reference to Public Law 689 which amended tariff paragraph 1672 by inserting the words "crude silicon carbide" after "corundum ore", thereby providing for duty-free entry for crude silicon carbide on and after August 28, 1954.

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 1·03292.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. Dec. 10	Notes (See below)
Argentina	Peso	Preferential buying	·1291	
		Basic buying	·1936	
		Preferential selling	·1936	(1)
		Basic selling	·1291	
		Free	·06969	
Austria	Schilling		·03724	
Australia	Pound		2·1605	
Belgium Luxembourg & Belgian Dependencies	Franc		·01931	
Bolivia	Boliviano	Official	·00509	
British West Indies	Dollar		·5626	(3)
	Pound		2·7006	(4)
	Dollar	Brit. Honduras	·6751	
Brazil	Cruzeiro	Official selling	·05144	tax 8%
		Official buying, coffee	·03073	(2)
		Official buying, other	·03414	(5)
		Free	·01271	
Burma	Kyat		·2033	
Ceylon	Rupee		·2025	
Chile	Peso	Official	·00484	
Colombia	Peso	Basic	·3873	
Costa Rica	Colon	Official	·1724	(6)
		Controlled free	·1458	
Cuba	Peso		·9681	tax 2%
Czechoslovakia	Koruna		·1345	
Denmark	Krone		·1402	
Dominican Republic	Peso		·9681	
Ecuador	Sucre	Official	·06454	(7)
		Free	·05577	
Egypt	Pound		2·7800	
Fiji	Pound		2·4330	
Finland	Markka		·00421	
France	Franc		·00277	(7)
French Africa	Franc		·00553	(8)
French Pacific	Franc		·01521	(9)
Germany	D Mark		·2305	
Greece	Drachma		·03227	
Guatemala	Quetzal		·9681	
Haiti	Gourde		·1936	
Honduras	Lempira		·4841	
Hong Kong	Dollar	Free	·1634	*Nov. 26
Iceland	Krona	Official	·05945	
		Special buying	·04577	
		Special selling	·03688	
India	Rupee		·2025	
Indonesia	Rupiah	Basic	·08492	(10)
Iran	Rial	Certificate	·01163	
Iraq	Dinar		2·7108	

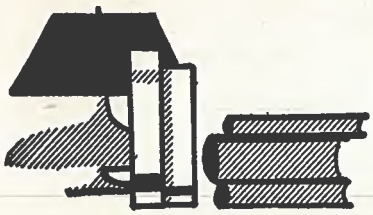
* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Dec. 10	Notes (See below)
Ireland	Pound		2·7006	
Israel	Pound	Official	·9681	
		Premium	·5378	
Italy	Lira		·00155	
Japan	Yen		·00269	
Lebanon	Pound	Free	·2988	
Mexico	Peso		·07745	
Netherlands	Guilder		·2549	
Netherlands Antilles	Guilder		·5134	
New Zealand	Pound		2·7006	
Nicaragua	Cordoba	Effective buying	·1467	(11)
		Official selling	·1373	
		With Surcharge I	·1203	
		With Surcharge II	·09633	
Norway	Krone		·1355	
Pakistan	Rupee		·2926	
Panama	Balboa		·9681	
Paraguay	Guarani	Basic	·04610	(1)
		With Surcharge I	·03586	
		With Surcharge II	·02689	(12)
Peru	Sol	Certificate	·05095	
Philippines	Peso		·4841	tax 17% (2)
Portugal	Escudo		·03379	
El Salvador	Colon		·3873	
Singapore & Malaya	Straits dollar		·3151	
South Africa (Union of)	Pound		2·7006	
Spain & Dependencies	Peseta	Basic buying	·04421	
		Basic selling	·08628	
		Basic commercial selling	·05894	(1)
		Free	·02486	
Sweden	Krona		·1871	
Switzerland	Franc		·2259	
Syria	Pound	Free	·2704	*Nov. 10
Thailand	Baht	Official	·07745	(1)
		Free	·04489	*Oct. 29
Turkey	Lira		·3458	
United Kingdom	Pound		2·7006	
United States	Dollar		·9681	
Uruguay	Peso	Official	·6373	
		Basic buying	·5439	
		Special buying	·4120	(1)
		Basic selling	·5095	
		Special selling	·3952	
Venezuela	Bolivar		·2890	(12)
Yugoslavia	Dinar		·00323	

* Latest available quotation date.

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 rate is official rate plus auction price of currency certificates. Effective buying rate for other than coffee is 80 per cent at official rate, 20 per cent at free rate.
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.



businessman's bookshelf

The Economic Future of Canada

By Dr. H. N. H. A. Van der Valk. 203 pages. $3.75.

STARTING FROM the geographical and geological premise that Canada has a still-moving frontier, the author deals successively with such basic economic factors in the Canadian scene as population, national income, investments, resources, secondary industry, transportation and foreign trade. Dr. Van der Valk, who is executive director for the Netherlands of the International Monetary Fund, is able to present Canada to Canadians and foreigners alike with a detachment which leaves a clear picture shorn of the detail and national prejudice often found in works by writers closer to the picture.

As might be expected, the author conducts his economic study of a new and expanding country down the avenues of finance where he is particularly qualified as a guide. He reaches the conclusion that Canada's economic growth is well-balanced and in the final chapters he projects his study into the next two decades. His text is well documented and for Canadians his geographical references present no difficulties. For his Dutch and other readers, however, a map of Canada would have been helpful.

Published by: McGraw-Hill Company of Canada Ltd., Toronto.

The Complete Plain Words

By Sir Ernest Gowers. 199 pages. $1.25.

TWO FAMOUS BOOKS on the use of the English language, *Plain Words* and the *ABC of Plain Words,* have been revised and combined with new material in this volume by their author, Sir Ernest Gowers. The original books and the new one were written for British civil servants at the request of the British Treasury to help in improving official English. *Plain Words* was written first as an introduction to the subject; the *ABC* followed to fill the need for an indexed reference book that could be kept on the desk and consulted when difficulties arose. *The Complete Plain Words* takes the place of both books and has a reference index.

The book is intended primarily, the author says in his preface, for those who use words as tools of their trade in administration or business. It is wholly concerned with what is described as "the choice and arrangement of words in such a way as to get an idea as exactly as possible out of one mind into another". Sir Ernest points out that he is not a grammarian and that *The Complete Plain Words* makes no claim to be a grammar of the English language. Two chapters do deal with some points of grammar and punctuation. Other subjects covered are legal English, how to draft a letter, the choice of words (avoid the superfluous, choose the familiar), and the handling of words.

Anyone who ever has tried to convey clearly on paper an idea, a wish or an instruction will find this book invaluable. It can also be read for pleasure alone because of the author's humour and the beautiful clarity of his writing.

Order from: United Kingdom Information Office, 275 Albert Street, Ottawa.

Foreign Trade Handbook

Canadian Bank of Commerce. 95 pages. Free.

THE TASK of converting Canadian dollars into U.S. dollars, pounds sterling into Canadian dollars, or fractional discount rates into decimal premium rates, consumes time and energy in many export or import businesses. Now The Canadian Bank of Commerce has moved to lighten the task by presenting, in a looseleaf binder, tables that make these calculations quicker and easier. Included are tables for converting fractional premium rates to decimal discount rates and vice versa, for premium conversion, for discount conversion, and for changing sterling to dollars. Other indispensable information is included, such as weights and measures, world monetary units, and a world time chart.

Order from: The Canadian Bank of Commerce.