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foreign trade

Established in 1904

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

OTTAWA, SEPTEMBER 4, 1954, Vol. 102, No. 5

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

Authorized as second class mail by the Post Office Department, Ottawa.
Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

COVER This Malayan miner is using the hydraulicking process to recover the tin of which his country is the world's leading source. Both Malaya and Canada will benefit from the new International Tin Agreement—expected to be functioning in six months—which is discussed in the article on page 2.

—U.K. Official Photo

MALAYA, CANADA, and

D. S. ARMSTRONG, *Trade Commissioner, Singapore.*

UNLESS THERE ARE unexpected last-minute hitches, a new international commodity agreement will be in operation within six months. The International Tin Agreement, drafted in December at a United Nations conference in Geneva, has been approved by the necessary majority. Like the International Wheat Agreement, the Tin Agreement involves both producers and consumers; there are floor and ceiling prices, and the major importing countries (in wheat, the United Kingdom; in tin, the United States) are not participants. Unlike the Wheat Agreement, the Tin Agreement includes provisions for a buffer stock and export controls to ensure that prices on the free markets of Singapore, London and New York stay within the agreed limits. The International Tin Council is now being formed and this Council will work out the operation of the Agreement in detail.

What It Means to Canada

What does the International Tin Agreement mean to Canada? Most important, it means that consumers will be able to buy between price limits of 80 cents and \$1.10 a pound. Thus they can plan their costs of production and will not have to gamble on inventory purchases as they did during the early days of the Korean war, when the price jumped from 75 cents to nearly \$2.00 a pound. By participating in this agreement, Canada contributes to the economic, political and social stability of the tin-producing countries at virtually no cost to Canadian consumers or taxpayers and enhances mutual friendship and goodwill.

Canada holds a much more interesting and significant position than merely that of the world's fifth largest consumer of tin. The last ten years have seen Canadian tin consumption rise almost without a break. In the postwar years, it has roughly doubled the pre-war rate, and Canadian per capita consumption of tin has become the third highest in the world.

By far the largest user of tin in Canada is the tinplate manufacturing industry, which has stepped up its production from 38,000 long tons a year in 1939 to 234 thousand long tons in 1952, ranking third among world producers. In addition, tin is used to make solder, babbitt, printing-type metal, bronze and brass.

The Agreement has a vital importance for the producing countries—Malaya, Bolivia, Indonesia, the Belgian

Congo, Thailand and Nigeria—most of which are considered under-developed areas with economies more or less dependent on tin. Stability of prices is more desirable than either over-production leading to restriction schemes, or high prices which give rise to complaints from consumers of "gouging". Both these situations have been common in the history of tin.

What It Means to Malaya

Malaya produces an average of 35 per cent of the free world's tin and has become the leading source of this metal. Production in recent years, averaging 57,000 long tons, has been nearly one-third less than the all-time record of 80,651 tons produced in 1950. Since 1950 there has been a small but continuous decline.

Exports, too, have dropped in the postwar years. One explanation for this is that imports of tin-ore concentrates from neighbouring countries have fallen from 20,000 tons to 6,000-7,000 tons a year. Another is that, because of Communist bandit activity and the Japanese occupation, no prospecting has been carried on for the past 14 years and Malayan producers are forced to work ore with a lower tin content.

The importance of tin, measured in monetary terms, to Malaya's economy and dollar earnings can be seen in the following figures:

	1950	1951	1952	1953
	(millions of Malayan dollars)			
Total exports	4,015.8	6,076.5	3,918.5	3,020.1
Rubber exports	2,408.2	5,439.2	1,883.4	1,232.4
Percentage of total	60.2	89.5	48.3	41.0
Tin exports	473.6	577.9	516.4	392.3
Percentage of total	11.8	9.5	13.2	13.1
Tin exports to dollar area	258.1	60.1	168.3	197.0

Tin is one of the oldest metals known to man. Bronze swords containing 12 to 14 per cent tin have been found in tombs near the Euphrates River dating back some 5,000 years. It is not known when tin-ore deposits were first exploited in Malaya, but Arab writers refer to a place in the Peninsula famous for its tin as early as the ninth century. The part which tin played in the country's development is intimately connected with the Chinese in Malaya. Their records of the early 15th century refer to the occurrence of tin in the mountains of Malacca. There was Malay tin coinage before the conquest of Malacca by the Portuguese in 1511.

The International Tin Agreement

Approved by the necessary majority, the International Tin Agreement should be functioning within six months. Here is some indication of what it will mean to Malaya, the leading tin producer, and to Canada, the fifth largest consumer.

Until 1882, tin production was entirely in the hands of local Asian inhabitants, principally Chinese and Malays, but in this year the first European mining company in Malaya was formed. Although the tin-mining industry advanced considerably with the advent of European companies and Western machinery, the most marked improvements in the methods of mining alluvial deposits occurred from 1912 onwards, when dredging was introduced.

Of the approximately 46,000 tons of tin produced in 1910, Chinese interests produced 78 per cent and European interests 22 per cent. By 1953, the percentage proportion of the total production of 57,000 tons was somewhat reversed—40 per cent by Chinese and 60 per cent by European interests.

Malayan Mining Methods

The various types of mining in Malaya are described below, with percentages indicating their importance.

● *Dredging (52 per cent)*—A tin dredge looks like an aircraft carrier floating on an artificial pond and performs like an enormous ditch-digger. A dredge consists of a flat-bottomed hull carrying an endless chain of buckets which are usually made of manganese steel. The buckets bring up ore-bearing earth and the ore is separated from the sand and gravel by a complicated process of separators, revolving screens, jigs, etc. The slag is returned to the pond behind the dredge, and the ore is separated further in tin-ore dressing godowns (sheds) before being shipped to the smelter in either Singapore or Penang. On reaching the smelter the ore has a purity of 75 per cent tin.

Although the capital cost of a tin dredge is high, the operating cost is lower than other mining methods. The 75 dredges now operating in Malaya are all owned by European (mainly British) firms. The Chinese method of functioning individually or in private "kongsi" or associations does not lend itself to large public investment.

● *Gravel Pumping (38 per cent)*—Gravel-pump mining is the method most popular with the Chinese. The ground is made to disintegrate by water ejected against it under firehose pressure. The disintegrated material is then washed along channels to a sump which supplies the suction side of a gravel pump, the function

of which is to lift the ore-bearing mixture of sand, slime and water to an inclined flume. When the mixture is run over this flume, the heavier minerals, including tin, are separated from the remainder of the materials. This low-grade concentrate is then cleaned with additional water, and subsequently cleaned further in a tin-ore dressing shed.

● *Hydraulicking (4 per cent)*—In hydraulicking, the ground is also broken up by water under pressure, but gravity rather than a pump causes the pressure. A nearby stream at a high enough level is dammed to create pressure. The water is conveyed to a monitor by pipe and hose and applied against the working face in a manner similar to that described above. The disintegrated material is carried up to the flume by hydraulic elevator (which consists of a jet of water under pressure) through an orifice, sucking in the water and gravel and forcing them up the elevating pipeline for delivery to the sluice head. The ore is then concentrated as in the previous method.

● *Open-Cast Mining (1 per cent)*—Open-cast mining is the method of ground excavation by mechanical means rather than by water. The material is excavated either by hand-shovel or by mechanical excavator and is loaded into trucks, which are then hauled to the surface either along inclined benches or up a specially prepared inclined haulage way. Here the tin ore is separated by using water and various types of separating and recovery units.

● *Lode Mining (4 per cent)*—Lode mining is the normal underground type of mining common in Canada.

● *Dulang Washing (1 per cent)*—Dulang washing is essentially a method of recovery rather than a method of mining. It is akin to the practice of panning gold which was used in Western Canada during the gold rush.

Unlike other tin-producing countries which export tin-ore concentrates to the United Kingdom, the United States, the Netherlands and Belgium for smelting, Malaya's concentrates, plus a small quantity from Thailand and Burma, are all treated at the two smelters at Singapore and Penang. "Straits tin", as it is known, has a purity of at least 99.85 per cent—a highly acceptable form for industrial use. ●

Brazil Surveys Its Coffee Crop

Early part of 1953-54 crop year saw coffee exports rising slightly, but slump has since appeared. Outlook for 1955 crop appears good, with recovery from severe frosts continuing.

M. P. CARSON, *Consul and Trade Commissioner, São Paulo.*

IN SPITE OF THE APPARENT SHORTAGE, coffee exports were about 5 per cent higher in the first seven months of the past crop year (the crop year runs from July 1953-June 1954). Record coffee prices should help maintain foreign exchange earnings despite the expected drop in the volume of sales during the remainder of the crop year and the early part of next year. The exports of the first seven months were not maintained and, in fact, those in May and June were disappointingly low. This situation continued through July. This falling-off in exports has impaired Brazil's current dollar situation and the offerings of U.S. dollars for auction each week in São Paulo have dropped from US\$2.4 million to US\$1.5 million.

Coffee Exports Down

The break in exports is indicated in the following table, which shows exports for the largest coffee port in the world—Santos:

Shipments of Coffee—Santos

	(in bags of 60 kilos)		
	1954	1953	1952
May	225,936	410,431	547,836
June	190,440	532,891	647,222
Total	416,376	943,322	1,195,058

Exports through Santos are approximately one-third those of 1952 and less than one-half of exports in the two-month period of 1953. The following table compares total Brazilian exports of the crop year 1952-53 with that of 1953-54:

Brazilian Exports of Coffee

July 1953 to June 1954—Crop of 1953-54
(compared with equivalent period of the previous crop)

	Thousand of bags of 60 kilos		Percentage + or -		Percentage of total	
	1953-54	1952-53	1953-54	1952-53	1953-54	1952-53
Santos	6.703	7.781	- 13.9	46.8	52.0	
Rio de Janeiro	3.355	2.834	+ 12.2	21.0	18.9	
Paranagua	3.008	3.428	- 12.2	21.0	22.9	
Vitoria	1.116	709	+ 57.5	7.8	4.7	
Salvador	88	22	+294.0	0.6	0.2	
Angra dos Reis	35	176	- 80.4	0.2	1.2	
Recife	32	19	+ 68.3	0.2	0.1	
Total	14.337	14.969	- 4.2	97.6	100.0	

Unusual and heavy rains coupled with strong winds in April and May 1954 prejudiced the current crop outlook. With a drop in coffee produced, a drop in quality is also expected. In many areas where the trees were heavily laden, the fruit was washed to the ground with the consequent loss of beans and damage to the quality of those which were recoverable. Such excellent producing areas in the State of São Paulo as Ribeirão Preto, Marília and São José do Rio Preto were affected by these losses but no final estimates of total damage have been published. Unseasonably heavy rains also caused some loss from the forecast estimates for the north of Parana. Parana, the newest of Brazil's coffee-growing areas, thus suffered further losses in addition to the tremendous ones from the heavy frosts of July 1953.

The Brazilian Coffee Institute has estimated the 1954-55 exportable crop as follows:

Current Export Estimates

State	No. of Bags of 60 kilos
São Paulo	6,622,000
Minas Gerais	3,017,000
Parana	1,700,000
Espirito Santo	1,414,000
Rio de Janeiro	260,000
Bahia	220,000
Goias	155,000
Pernambuco	60,000
Mato Grosso	6,000
Total	13,454,000

This figure of 13.4 million bags compares with exports of 16.4 million bags in 1951, 15.8 million in 1952,

and 15.6 million in 1953. It is interesting to note that private estimates of firms in the trade are close to 14 million bags for export.

The São Paulo State Secretariat of Agriculture estimates at the beginning of June for the 1953-54 crop were 8.2 million bags, an increase of 2.2 per cent over the previous year's crop, but 600 thousand bags below the former estimate of 8.8 million. Regional agronomists have in their most recent statements put the number of coffee trees in São Paulo at 1,365 million, compared with 1,198 million in 1952-53.

Undoubtedly there will be continued repercussions from the serious frosts which hit Parana and São Paulo in July 1953. Large numbers of new plants were completely destroyed, many thousands will have lower yields in 1954-55, and complete recovery is not expected until 1957. Additional plantings will help offset some of this decline but new trees take from four to five years to bear fruit.

The coffee growers in São Paulo, Parana and Minas Gerais are always apprehensive about frosts during the months of June and July. The factors that tend to increase or diminish the intensity of frost damage are well known and certain practical methods to keep damage to a minimum have been developed. The topography, vegetation, tree protection for shade and windbreak, humidity, etc., must all be considered in attempts to combat the dreaded frosts. If the humidity in the months of June and July is high, the danger of damage is much greater. Drops of moisture on the leaves combined with strong sunshine produce serious burn damage to the foliage. If the frost is accompanied by cold winds, the young trees are most susceptible to serious or even fatal damage.

All the means currently available are recommended to combat frost. Straw, grass, residues from castor oil and bean plants, etc., are suggested as coverings and the more mature trees can be adequately protected by shade combined with windbreaks. These are practical methods which can be used over the years as constant protection in areas where severe frosts are most likely.

Labour and Machinery Needed

The Minister of Agriculture recently provided some pertinent statistics of Brazil's agricultural position vis-à-vis industrial development. In the ten-year period 1944-1953, the increase of agricultural workers was 4.6 per cent but the increase of industrial workers was 50.7 per cent.

In addition to this problem, a glaring shortage of mechanized implements is handicapping the industry. The extent of this shortage was revealed by the Ministry of Agriculture recently when it announced that there was a deficit of more than 50,000 tractors. This

number is also indicative of the shortage of all types of agricultural machinery and the effect is felt in coffee production.

Minimum Prices Announced

On June 3, the Federal Government announced a decree increasing the guaranteed minimum price for coffee to 20.32 cruzeiros per pound. This pricing policy is to be effective through June 30, 1955, and is based on Santos 4 type coffee. Brazilian banks are authorized by the decree to finance coffee in warehouses at 80 per cent of the guaranteed price, which is Cr.\$2,064.00 per bag compared with the former financing plan of Cr.\$1,500.00 per bag. The Production Financing Commission is authorized to purchase both hulled and unhulled coffee at the full support price.

New Exchange Rate

New Exchange regulations which went into effect on August 16, permit a lower dollar price for coffee exports while maintaining the guaranteed minimum return to producers. Under the new regulations exchange earned from coffee exports is converted 80 per cent at the former effective rate of 23.36 cruzeiros per dollar and 20 per cent at the free rate. The new effective rate for coffee amounts to about 31 cruzeiros per U.S. dollar based on a recent free market quotation of 63 cruzeiros per dollar.

There has been some difficulty in moving Brazilian coffee repeatedly because of the artificially high minimum price established early in June. With the new exchange measure sales will become more competitive in world markets.

Up to date there have been no serious threats of frost damage and barring this, the prospects for 1955 appear good. Parana is the future hope of Brazil maintaining its role as the world's leading coffee exporter. Recovery from the severe frosts of 1953 should double this year's production in Parana and approximately 3 to 3.5 million bags is the most recent estimate.

São Paulo has a large percentage of trees in the mature stage and production falls off as the trees reach maturity. Most of the land in São Paulo is the type which supports coffee for approximately 20 years. Production under the best conditions in São Paulo can be expected to remain stable and the use of fertilizers, irrigation, etc., could slightly increase this state's production.

The coffee carry-over in Brazil forecast for June 30, 1955, is expected to be greater than previous forecasts; it is possible that it will reach 2.7 million bags. The estimate is bolstered by this season's small May-to-July coffee exports as well as the upward revision of the crop estimates. ●

Ethiopia • buys dollar goods

ANDREW G. KNIEWASSER,
Acting Trade Commissioner, Cairo.

Ethiopia is importing more from dollar countries, thanks to higher earnings from its coffee exports. Canadian exporters may find sales opportunities in this small but sound market.

ETHIOPIA TODAY is enjoying a rising dollar income, thanks mainly to growing sales of coffee to the dollar area at the high prices now prevailing. This inflow of dollars means that this small, slowly developing and distant country can afford to buy dollar goods. Here is the present picture of the Ethiopian economy in more detail.

Foreign trade statistics for the Ethiopian calendar year 1945 (Gregorian calendar September 11, 1952-September 10, 1953) show total imports increased by 23 per cent and exports by 40 per cent over the E.C. 1944 figures, although the State Bank of Ethiopia estimates that about one-half of these increases resulted from federation with Eritrea in September 1952. Despite substantially higher imports, purchases of Canadian goods amounted to only Eth.\$148,990.* Canadian exporters will, however, be interested to learn Ethiopian imports from the United States increased by 40 per cent to Eth.\$28,202,421.

Coffee Sales Boost Exports

Total exports to all countries amounted to Eth.\$158,554,823 during E.C. 1945, as compared with the previous year's figures of Eth.\$114,067,662. Coffee sales alone were valued at Eth.\$83 million, a 42 per cent increase over E.C. 1944, and coffee made up 52 per cent of total exports of all commodities. It is estimated that about 75 per cent of the coffee exports were sold for dollars. Other important exports were hides and skins, Eth.\$17 million; oilseed, Eth.\$715 thousand, and beeswax, Eth.\$845 thousand.

Imports Rise

Total imports during the year amounted to Eth.\$137,840,917, as contrasted with Eth.\$11,809,499 in E.C. 1944. Principal supplying countries were the United States, Eth.\$28,202,421; India, Eth.\$24,534,143; Italy, Eth.\$22,385,969, and the United Kingdom, Eth.\$20,498,563. These countries ranked in the same relative order as during the previous year. The greatest trade gains were made by Italy, Eth.\$8.6 million; the United States, Eth.\$8.1 million, and the United Kingdom, Eth.\$6.9 million.

*One Ethiopian dollar=40 cents Canadian.

According to the Ethiopian statistics, imports from Canada dropped to Eth.\$148,990 from Eth.\$322,266 a year ago. The most important items in this small volume of trade were radio sets and parts, Eth.\$47,223; rubber tires, Eth.\$36,300, and cotton goods, Eth.\$29,710.

The following table shows Ethiopia's principal markets during the year.

Country	E.C. 1945 (Sept. 11, 1952- Sept. 10, 1953)	E.C. 1944 (Sept. 11, 1951- Sept. 10, 1952)
<i>(in Ethiopian dollars)</i>		
Aden	46,437,772	36,003,194
United States	30,599,035	11,399,967
Italy	21,475,558	9,230,301
French Somaliland	20,712,546	18,687,130
United Kingdom	10,684,938	5,442,761
Sudan	5,377,086	4,999,280
France	3,191,945	3,666,608
Total, all countries	158,554,853	114,067,662

The following table outlines Ethiopia's principal imports by commodities. The most important commodities brought in during E.C. 1945 were cotton piece goods and yarns, sugar, motor vehicles, and silk and artificial silk products.

Commodity	E.C. 1945 (Sept. 11, 1952- Sept. 10, 1953)	E.C. 1944 (Sept. 11, 1951- Sept. 10, 1952)
<i>(in Ethiopian dollars)</i>		
Cotton piecegoods	25,006,074	27,633,468
Cotton yarn	10,262,528	9,791,464
Sugar	6,653,148	5,304,217
Motor vehicles and parts.....	6,490,071	4,314,029
Silk and synthetic silk products	5,032,280	2,489,250
Rubber tires and tubes.....	4,509,766	4,295,992
Salt	3,547,782	4,938,354
Paper and paper products....	3,294,748	2,517,661
Medical instruments and supplies	2,298,987	1,281,870
Total, all products	137,840,917	111,809,499

Dollar Import Policy

Licences are required for dollar imports when the foreign exchange is to be made available by the State Bank of Ethiopia. In some cases, Ethiopian businessmen are engaged in both export and import trade and their holdings of dollars earned on export transactions

can be used for imports from the dollar area without reference to the state authorities. There is no published list of items for which the State Bank will make dollars available if import is not financed from private dollar holdings. Licences in such cases depend upon the essentiality of the goods and the state of the country's dollar reserves. Record dollar earnings from coffee have, however, enabled the Ethiopian authorities to issue licences for dollar goods more freely than at any time in the past.

The following table outlines the principal Ethiopian dollar imports during the years E.C. 1944 and 1945.

Important Dollar Imports

Commodity	E.C. 1945	E.C. 1944
	(Sept. 11, 1952- Sept. 10, 1953)	(Sept. 11, 1951- Sept. 10, 1952)
(in Ethiopian dollars)		
Rubber tires	1,418,793	1,852,884
Brass manufactures	1,349,178	.....
Automobiles	1,321,645	798,631
Industrial machinery and appliances	1,190,242	1,270,539
Aircraft parts	904,600	204,382
Motor engines and parts	735,646	382,637
Lubricating oils and greases	702,565	292,334
Printed matter	597,731	672,124
Woollen manufactures	505,036	1,074,097
Commercial vehicles	449,109	1,979,986
Silk and artificial silk products	364,338	401,953
Pharmaceutical products	325,511	321,848
Cigarettes	278,536	201,342
Motor vehicle parts	263,869	6,613
Cotton goods	222,713	416,416
Tractors	172,866	59,572
Paper products	128,688	78,049
Surgical and dental instruments	121,173	32,724
Aluminum manufactures	112,949	269
Office machines and appliances	99,327	38,224
Electrical household appliances	98,535	73,712
Spirits	65,875	17,861

The credit balance of Eth.\$21 million on the country's merchandise trading account was accompanied by further gains on other current and capital transactions. Ethiopia's exchange reserves and holdings of United States dollars are now at a peak. Official balance of payments figures at June 30, 1953, placed the country's overall balance of payments surplus at Eth.\$39.2 million, compared with Eth.\$5 million at December 31, 1952, and Eth.\$15.2 million at December 31, 1951. Dollar reserves, and hence purchases from the dollar area, can be expected to run at record levels as long as the coffee market remains firm. Coffee production is currently about 75,000 tons and is scheduled to increase by about 5,000 tons a year.

Ethiopia is predominantly an agricultural country and is largely self-sufficient. Per capita income is estimated at about US\$68 a year, considerably below that of Southern Rhodesia (US\$151) or Egypt (US\$122). Imports are consequently heavily weighted with con-



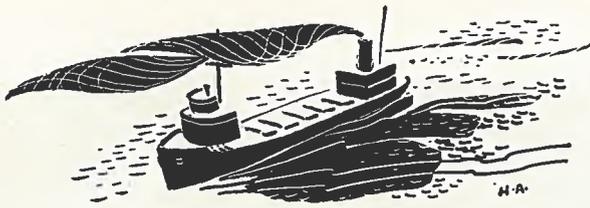
—U.N. Photo

Increases in Egypt's exports and imports are credited in part, by the State Bank, to federation with Eritrea which took place in 1952. The picture shows Eritreans lining up at the polls to vote for their first Representative Assembly.

sumer goods such as cheap cotton piece goods and a few essential food items such as sugar and salt, which are not produced in sufficient quantities domestically. The development of coffee as the most important cash crop has, however, brought a measure of prosperity and considerable cash resources to the country. Earnings from coffee are in turn leading to a demand for such luxury goods as automobiles, electrical appliances, radios, and also to much higher government revenues. A larger and growing proportion of the Government's revenue is being spent on improving communications and on development and industrialization projects. There is, as a result, a growing market for capital goods.

Business Prospects

A number of new Canadian products have been introduced into the Ethiopian market in recent months. Noteworthy among these are pharmaceuticals, antibiotics, whisky and certain motor vehicle parts. Canadian goods are not well known as yet, but Canadian businessmen do have an unusual advantage in that the name of Canada is known throughout the country because western education in Ethiopia has for many years been mainly in the hands of Canadian missionaries and teachers. Some 150 Canadians are engaged in this work at present and considerable goodwill has been built up. ●



transportation notes

Brazil

FREIGHT RATES RAISED—Freight rates from the Atlantic Coast ports of Canada and the United States to the port of Rio de Janeiro will be increased 25 per cent, effective October 4. The increased rates are designed to cover the higher costs resulting from congestion in the port. Continued labour agitation has caused the congestion. Vessels have been forced to anchor in mid-stream waiting docking facilities. During one week in July, some 47 vessels were reported anchored and waiting their turn to unload. This is causing serious delay in delivery and clearance of goods—Rio de Janeiro, Aug. 6.

British East Africa

MOMBASA EXPANDED—Mombasa, Kenya's principal port, is to be expanded because of the steady increase in traffic. Eight stub head jetties, each capable of handling 100-foot lighters, and two deep-water berths are being built, and additional lighters have been ordered—Cape Town, Aug. 7.

Canada

NEW AIR SERVICE TO HONG KONG—On August 9th, Canadian Pacific Airlines Limited began a second weekly service into Hong Kong. CPAL flights now arrive in Hong Kong from Vancouver, via Tokyo, every Monday morning, and leave every Monday afternoon. The second flight arrives each Friday afternoon and leaves each Saturday morning.

Chile

FARES AND FREIGHT TARIFFS INCREASED—The Chilean Government has decreed a 30 per cent increase in passenger fares on the Chilean State Railways, and a 60 per cent increase on present freight tariffs. Applications for exemption from these increased charges have been submitted to the Chilean Government by agricultural enterprises and the small mining concerns—Santiago, Aug. 9.

Colombia

ROADBUILDING PROGRAM—The Colombian Government is signing contracts with firms in Britain, Germany and the United States for the supply of 770 units of varied roadbuilding equipment, valued at approximately \$2 million. Payment is on the basis of 20 per cent when the contract is signed and

the balance payable in six equal instalments beginning February 1955 and ending in August 1957. This equipment will be used to carry out a large roadbuilding program affecting approximately 1,500 miles of highway, most of which is expected to be completed by the end of 1955—Bogota, July 30.

Egypt

SUEZ CANAL TRAFFIC—The number of vessels and tonnage passing through the Suez Canal in 1953 set another record. Total tonnage amounted to 92,905,000 tons, compared with 86,137,000 tons in 1952. Tankers showed the greatest increase—from 28.8 million tons to 31.2 million tons—followed by mail vessels, up from 10.4 million to 12.2 million tons. The principal goods moved through the Canal during the year were oil products, fertilizers, fabricated metal products, cereals and cement—Cairo, Aug. 5.

India

NEW AIR SERVICES—With the inaugural flight on July 16th of Air-India International's weekly ten-hour Constellation service from Bombay to Singapore via Madras, a new link was forged in India's government-owned network of air lines connecting important world centres. Specially for this service, a powerful long-distance radio-telephone system was installed in Madras in order to help planes on the 1,820-mile final leg of the route to Singapore to keep in touch with the aerodrome. Madras, India's third largest city, will now have direct connection by Constellation airliner with Europe and Africa, as well as with South-East Asia. Another projected weekly service, Bombay - Calcutta - Bangkok - Hong Kong - Tokyo, is expected to be inaugurated by Air-India International some time in September, after conclusion of a bilateral air transport agreement between India and Japan. A proving flight of the 22-hour run to Tokyo has recently been completed—Bombay, July 29.

Indonesia

GARUDA INDONESIA AIRWAYS—The Indonesian Government and KLM, the Netherlands airline, have signed a six-year agreement on the Garuda Indonesian Airways. Effective April 30, 1954, this agree-

ment shortens the original one by 20 years. Under it, the Indonesian Government will take over all the shares now held by KLM and KLM will withdraw from the GIA management but will continue technical assistance until 1960. The new management will be appointed by the Government of Indonesia as sole shareholders, and will include a director general, two directors and three assistant directors. As a temporary measure, until the end of 1956 the head and assistant head of the technical assistance group will be appointed director and assistant director of GIA. It is the intention that KLM will have withdrawn all its personnel by 1960. No figures were mentioned in the joint communique issued after the signing of the agreement—Djakarta, Aug. 4.

Israel

PUBLIC ROAD TRANSPORT—The Ministry of Communications has ordered a number of new Leyland buses from England for local co-operatives. The chassis and engines are being imported, the bodies will be built locally. Twenty chassis have already arrived in Israel and the first buses have been put into service—Athens, July 30.

Thailand

RAILWAY AND PORT DEVELOPMENT—A loan agreement totalling Baht 1,100 million (approximately \$55 million) has been signed by the Thai Government with the International Bank for Reconstruction and Development. Projects to be aided include railways, the port and irrigation. For the railways it is hoped to buy this year thirty 1,000 h.p. diesel locomotives, 857 freight cars, 65,000 tons of new rails, carrier telephones and signal equipment. In the Bangkok port area, part of the fund will be used for dredging the Chao Phya Channel and the Klong Toey area. A new power station and mechanical cargo-handling equipment are also included in the scheme—Singapore, July 30.

Turkey

PORT DEVELOPMENT—Ground-breaking ceremonies for the new seaport at Samsun on the Black Sea, where no natural harbour exists, were held in April. The project is part of an extensive port development program, partly financed with International Bank loans, now totalling US\$16.3 million. The Samsun project will cost over \$23 million, including almost \$10 million for mechanical equipment, and is scheduled for completion in five and a half years. A premium of about \$5,000 will be paid the contractors for every week of earlier completion. Among other facilities, the port will provide 150

thousand square feet of bonded storage space and a 2,000-foot wharf, and will be protected with two breakwaters 4,500 feet and 9,000 feet long. When completed it will be able, theoretically, to accommodate simultaneously fifteen 10,000-ton vessels attached to buoys, plus five 10,000-ton vessels alongside the quays and is expected to handle one million tons of cargo a year. The new port will serve a rich hinterland whose principal export today is tobacco. Other projects in the general port development program include the expansion of two ports, Haydarpasha and Salispazar on the Bosphorus, and of Izmir on the Aegean and Iskenderun on the Mediterranean. The new facilities at most of these ports have been designed to service new grain elevators being built with the help of another International Bank loan. Work has just begun on the new docks and quay in the Haydarpasha Bay on the Asiatic coast across the Bosphorus from Istanbul. This will expedite handling of shipments after 1955 which are now suffering severe delays at the Port of Istanbul.

The \$25-million contract for the new port of Mersin on the Mediterranean has been awarded to the Netherlands firm which drew up the plans. Payments to the contractors will be spread over ten years and will include a large proportion in Turkish produce—Athens, Aug. 6.

CIVIL AVIATION—The government-controlled Turkish Air Lines has acquired six four-engine 15-passenger "Heron 2" aircraft and one eight-passenger de luxe executive type from de Havilland of the United Kingdom. The only Turkish air transport company, this line is heavily subsidized by the Government. It maintains a steadily growing schedule of local services and a few short international services to Greece, Lebanon, Cyprus, and Egypt—Athens, Aug. 6.

United States

SHORTER SHIPPING SEASON—United States shipping spokesmen on the Great Lakes are almost unanimous in the opinion that the 1954 navigation season will have one of its earliest closings in recent history. The reason is that the shipping industry's major cargo, iron ore, has become a drug on the market. Reflecting the reduced operation schedule of United States steel mills (the national average to date is 65 per cent of capacity), the spokesmen said that stocks of ore on hand at lower lake ports and steel plants were the greatest in the last 16 years—Detroit, Aug. 20.

Sales Safari in Latin America

When he set out on his first trip to Latin America last spring, this young executive was experimenting with personal selling in foreign markets. His rewarding experience may persuade other exporters to follow in his steps.

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

EARLY LAST MAY, a young Canadian sales manager unpacked his bags after a trip to Latin America in search of new markets. Sitting down to assess the results of his sales safari, he discovered that in five weeks spent visiting five countries he had written enough orders to more than cover his travelling expenses and had heartening assurance of future business. And he had talked with customers, present and prospective, and learned at first-hand the problems and peculiarities of five different markets.

When Keith Young, netting sales manager for the Drummondville Division of Dominion Textile Company Limited, headed south last March, he hoped both to introduce a new product and to step up sales of a traditional one. The new one was nylon fish netting, which made its debut commercially in Canada in 1948 when Lake Winnipeg fishermen tried it out in the form of fine gill nets. Since then, it had become widely used in the West Coast salmon fishery, been adopted in lobster pots, and experimented with in other types of fishing. The traditional product was cotton nets and seine twine which Drummondville had been making since before World War II.

A Time for Selling

His journey was motivated by the urgent need to hold established markets and to find new ones. Mr. Young's company first entered the export market during the war, when fishermen in the British West Indies and Latin America were cut off from Britain, the traditional supplier of cotton netting and twines. The early postwar years found the Canadian company holding its gains and in 1951 Drummondville chalked up an export record, selling as far afield as New Zealand, the Belgian Congo and British West Africa. Then—the old familiar story—came the dollar shortage in sterling countries and in others the keen winds of competition began to blow. It was a time for trying what Aesop Glim, the famous advertising copywriter, once called the "hat trick"—putting on your hat and going out to assess the situation for yourself.

When I talked with Mr. Young about his trip, he made one telling point at the start. A sales expedition abroad—and particularly a first one—resembles a mili-

tary campaign: from the time the idea is hatched, success depends on planning. To begin with, he pored over reports from the Company's agents and studied sales statistics; later he made a trip to Ottawa to seek the advice of Trade and Commerce officials. He decided on the basis of the facts he collected that he would concentrate on five countries only—Panama, Peru, Haiti, Venezuela and Cuba. Each of these is a hard currency country with dollars to spend; each has a sizable fishing industry.

In laying the groundwork for his journey, he had other assistance. The Trade and Commerce officers put him in touch with the Canadian Trade Commissioners responsible for each of the countries he planned to visit. These men arranged hotel accommodation for him, collected background information, lined up contacts, and provided interpreters. The result: when he arrived in Lima (to take one example) the Trade Commissioner had ready figures on the Peruvian fishing industry, the annual catch and its composition, the types of boats used, prices received for the fish in export markets, and so on. He also had appointments made. The saving of the visitor's time and energy was significant.

From his experience in those closely-packed five weeks, Mr. Young emerged with a firm conviction of the value of personal selling in foreign markets. Some of the things which he discovered may help other Canadian exporters who decide to follow in his steps.

Doing Your Homework

First of all, says Mr. Young, do your homework thoroughly before you set out. Make yourself an authority on your product so that you can answer any and all questions about it. Be able to explain the manufacturing process from raw materials to the finished article; be ready to talk about any research that is going forward. Know what your product will and will not do and how the quality compares with what your competitors are offering. Your clients expect you to be an expert. On his trip, Mr. Young discovered that the people with whom he talked wanted specific, technical details on the advantages of nylon

over cotton netting, or of treated cotton seine twine over the untreated. They wanted to broaden their technical knowledge. Says Mr. Young: "The people I met were willing to spend no end of time in hearing everything I knew about fishing conditions in other parts of the world and what methods other fishermen were using."

This leads to another point. If you set out mainly to introduce a new product, make sure that the moment is propitious. First of all, don't sell something in a foreign market until it has been exhaustively tested in the domestic market. An impressive amount of research and experiment preceded the appearance of nylon fishing nets in Canada and data on their special virtues, on relative costs, etc., were painstakingly accumulated. Mr. Young went to Latin America armed with this information, ready to pass on the experience of other fishermen and to discuss comparative costs. He was ready too to quote firm prices and delivery dates.

Sizing Up the Market

On his travels he was not only dispensing information but also acquiring it. Months ago he had realized that sitting in an office thousands of miles away and corresponding with agents isn't the best way to assess a market and the type of demand. Now he wanted an answer to a specific question—could his company sell nylon nets or netting in all these countries or should it push the older cotton type? He got his answer. In Peru the decision was in favour of the new product: he obtained business from all the major fishing companies and, he adds, "If I had not gone down, we definitely would not have got the orders." In Venezuela, on the contrary, he discovered that the fishing industry had not developed to the point where the more expensive nylon nets could be profitably used. In Cuba, a treated cotton net best met the fishermen's needs and in Haiti, where most fishing nets are still made by hand, cotton seine twine filled the bill.

Educating the Agent

One of the telling arguments for a sales manager making this type of trip is that he can do both a sales and an educational job. He can arouse the interest and enthusiasm of the agent and brief him on the special features of the product. Even in a short visit, some one from head office can give the agent background on the product and how to sell it—something of the same training that new salesmen on headquarters staff receive. This has a double value: many exporters believe that local advertising is best left in the hands of the agent and a well-informed representative can do this promotion more effectively.

But the visitor should not spend all his time with the agent or with prospective buyers. One practice that pays dividends in a foreign country (as it does at home) is calling on all the company's present customers, even if the conversation has to be conducted through an interpreter. During calls of this kind, the salesman discovers what the customer thinks of the product and, if he is dissatisfied, the reasons. Perhaps the research department back home can help. In other words, on a trip of this kind sell service as well as goods. This business of serving the foreign customer doesn't end there; it's a continuing assignment. High on the list of the service the buyer wants comes rapid delivery. To make this possible, Mr. Young stresses, the company must keep enough stock on hand so that an overseas order can be dispatched by the next boat. If the customer is kept waiting, his future orders may go to a competitor. In catering to fishermen particularly, you have to keep an eye on the seasons. Drummondville not long ago shipped some nylon nets to Norway and Iceland by air cargo so that these nets would arrive in time for the opening of the cod-fishing season.

The exporter with a new product to sell must also be willing to write some losses off to experience. If the customer is reluctant to try something new, he should be assured that if the product doesn't live up to expectations, he will receive credit for the amount of the sale.

Going Yourself Pays

Just about the time that Mr. Young returned from his journey, R. M. Fowler, president of the Canadian Pulp and Paper Association, appeared before the Trade Relations Committee of the Canadian Senate. In speaking about export markets, Mr. Fowler said: "For Canadian traders to get their share of the new business, they must recognize that conditions are not the same as they have been for the last eight years . . . We now have something to sell and must resist the habits of inertia that have grown up during the postwar years. We can no longer expect the buyers to come to us. We must go to them and be prepared to adapt ourselves to their needs."

Mr. Young's experience confirms Mr. Fowler's words. To the Canadian exporter who is thinking of setting out on a foreign selling campaign, Mr. Young sums it all up this way: "Plan what markets you want to canvass, visit them, introduce your product, and get the orders. Then, a year later, go back and follow up your customers."

He's already planning that second trip.*

* Since this story was written, Mr. Young has made a second sales trip—this time to the United Kingdom, Iceland, Norway and Denmark, with equally gratifying results.—Editor.

Selling in the Los Angeles Market

As the third largest metropolitan area in the United States, Los Angeles offers a varied and growing market. Here is advice for Canadian exporters who may wish to share in the sales opportunities.

KENNETH WARDROPER, *Vice-Consul, Los Angeles.*

CANADIANS suffer the disadvantage of distance when it comes to appreciating the amazing postwar growth of Southern California. At the turn of the century Los Angeles was a city of only 100 thousand, dependent largely on the agricultural area surrounding it. Today the Los Angeles metropolitan area has an estimated population of 5.2 million and carries on a retail trade valued at an estimated \$6.3 billion last year—a 43 per cent increase within five years. The whole built-up region sprawls over about 1,000 square miles and is beginning to encroach upon adjoining counties.

Wartime Growth Continues

From being largely an agricultural area, Los Angeles County, particularly during the last war, leaped into industrial prominence. Led by the expansion in the aviation industry, large numbers of new plants sprang into being in Southern California. Shipbuilders and manufacturers of electronics equipment, motor vehicles and a myriad of other products erected large establishments where none had existed before.

Contrary to the fears of many pessimists, the pace hardly slackened at war's end. Today, in addition to being well in advance in the production of aircraft, Los Angeles leads all other areas in the United States in the manufacture of pumps and compressors, oil tools, refrigeration equipment and canned sea foods. It comes second in automobile assembly, women's outerwear, rubber goods including auto tires, storage batteries, heating and plumbing equipment, millwork, concrete and plaster products, and pressed and blown glass. It is third in the refining of petroleum products. Until 1950, Los Angeles County led the nation in the value of farm products and, despite urban and industrial development, continues to maintain a high rank in farm output—total value for 1952 was \$252.7 million. Los Angeles, of course, still is unchallenged as the motion picture capital of the world.

Year by year the expansion continues. During 1951, 1952, and 1953 some \$829 million was poured into industrial plant expansion programs and more and more major concerns located western and even national headquarters in Los Angeles or came into the area with major establishments (e.g., Anheuser-Busch with a new \$50 million plant). Over one billion dollars were spent on industrial and domestic construction in

1953, with the Los Angeles area coming second only to New York. Keeping pace with the growth in industry and population, home building went forward at a fantastic speed. In each of the years 1950 to 1953 nearly 100 thousand new dwellings were built—about the same number as in all of Canada in those years. Because the urban area (unlike other large cities) has a relatively low density of population, living has come to depend on motor vehicles to a degree not equalled anywhere else in the world. In 1953 the Los Angeles metropolitan area had 2.5 million registered motor vehicles, or more than one for each two persons including men, women and children.

It would be possible to go on quoting statistics and making comparisons to prove the fact of the recent growth and present stature of Los Angeles. But the point that this area of the United States—with its great concentration of people, industry and activity—cannot lightly be passed over as a market should be sufficiently clear. The question now is, what can Canadian exporters hope to sell in this territory and how can they best approach it?

Approaching This Market

The opportunities are there, but the channels of commerce need exploration and careful study because the area has only recently emerged as an important market. Basic Canadian exports such as newsprint and aluminum find their way here without much trouble. The exporter of general merchandise, however, sometimes feels himself confronted with obstacles because he has difficulty in finding the large and long-established trading houses of the kind he has become familiar with in San Francisco and New York. Many of the large number of importing firms are small and not long established, with the result that the lack of extensive bank credit makes it hard for them to take advantage of opportunities presented. In this situation Canadian exporters naturally must be cautious about proposals made and should weigh a number of factors carefully before taking action.

A conservative businessman with experience gained elsewhere might perhaps make the mistake of turning down business offered by a firm with a working capital position that appears weak, or one employing what he considers a too liberal credit policy. It must be always



This aerial view of Los Angeles' Lakewood housing project, incorporated this year, is one indication of the startling growth in both the metropolitan area and Southern California since the war. Los Angeles' population of 5.2 million carries on a retail trade estimated last year at \$6.3 billion.

borne in mind that in Los Angeles, with a rapidly expanding population, the market cannot be anything but buoyant and that firms not even founded or of little significance in 1945 now command surprising assets.

Advice to Canadian Exporters

Some Canadian exporters have in the past tended to follow the practice of appointing exclusive agents either in New York or San Francisco. Since the war this procedure has sometimes seriously hampered the flow of imports to this area, particularly from Europe. Los Angeles firms today do have cause for complaint if they are asked to surrender part of their profit margin in commissions to agents in other centres when they are completely capable of importing directly from the foreign supplier. With Los Angeles now the third market in the United States, there are other sound reasons why agents and representatives should be located where the business is to be done. No one can possibly understand conditions in a region hundreds or thousands of miles distant, or promote trade successfully at long range in an area as large as this one. Local businessmen, and Los Angeles businessmen above all, always prefer to deal with the man on the spot. If this desire is not taken into account, the Canadian exporter will in the long run lose far more than the initial extra effort and cost he may expend.

United States customs duties, which are of course unavoidable, often destroy much of the competitive

advantage of many Canadian products. To offset their effect, the Canadian exporter must pay particular attention to freight costs. Unfortunately Los Angeles business appears to have become geared to a high turn-over rate, relatively low inventories, and prompt deliveries; this places a premium on rail and road transport. From the point of view of cost alone, ocean freight may appear to keep laid-down costs to a minimum but to satisfy customers, care must be taken to schedule regular shipments and to develop warehousing arrangements—especially during the winter months for goods shipped through Montreal and other St. Lawrence ports.

Sales Opportunities

Though the people of Los Angeles are extremely price-conscious, the high average income leaves much room for sizable sales on the basis of quality. With some initial effort it should be possible to develop a good volume of sales in quality meats, preserved fruits and other food products. Distribution should be sought through the large chain stores and supermarkets, which have progressed to a far greater extent than in Canada, rather than through individual specialty stores. Above all else, goods must be attractively packaged. In introducing any new food product it is well to bear in mind that in a community containing perhaps more than 250 thousand Canadians and former Canadians, a brand of distinctively Canadian character may enjoy a certain advantage.

Probably more specialty items find a market in Southern California than anywhere else. Ordinarily Canadian products cannot compete because of price. However, it is generally fair to say that if a Canadian product finds a market elsewhere in the United States, it should sell even better in Los Angeles. Any gadget or anything just a little different seems to hold an almost irresistible attraction for the average Angeleno. The best outlets again are the large department and chain stores.

Market for Fish

Canadian exporters of fish and fish by-products should find a growing market in Southern California for so long as no new tariffs or other restrictions are imposed. Cattle feed supplements should do particularly well; so should high-quality grains for stall-feeding mixtures. (Because of the demand for fluid milk by the large urban population, there has grown up in Los Angeles County the greatest concentration of the dairy industry anywhere in the United States.) The large production of truck gardeners creates a demand for inorganic and fish fertilizers and peat moss, all of which are supplied in part from Canada. Canadian seed potatoes and certified seeds should sell more widely than at present.

The high rate of construction in Los Angeles was mentioned earlier. This major industry is not at the moment drawing as much of its requirements from Canada as some might expect. A semi-arid, generally treeless region, Southern California buys its wood products from outside sources and there are opportunities for the sale of Canadian lumber, hardwood plywoods and veneers. Some Canadian exporters are already selling in this market.

Apart from the strictly trade opportunities existing in Los Angeles, Canadian manufacturing concerns will find a great deal of interest on the part of industrial firms seeking to license manufacturing processes in Canada or to establish branch plants there. This is especially true in the oil-tool and electronics industries and the complex of manufacturers supporting the aircraft industry. In the latter field, it would be worth-

while for Canadian firms to explore the possibility of undertaking subcontracts for the manufacture of aircraft components.

Only an attempt has been made in this article to sketch what Los Angeles now means to the United States economy and what opportunities it may hold for the Canadian businessman. Perhaps even more than in other parts of the United States, the Los Angeles businessman and industrialist react more favourably to efforts to make direct personal contact. Even the blasé New Yorker usually returns rather astounded by what he has seen during a first visit to Los Angeles. The Canadian business visitor will probably go home with an entirely fresh outlook on the economy of Southern California and also, perhaps, with promising prospects for trade with that area.



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.

T. G. MAJOR, Canadian Government Trade Commissioner in Dublin, Republic of Ireland and Belfast, Northern Ireland, begins his Canadian tour in Ottawa on September 7th. His itinerary is:

Ottawa—Sept. 7-9	Guelph—Oct. 8
Regina—Sept. 13	Hamilton—Oct. 12
Vancouver—Sept. 16-21	London—Oct. 13
Edmonton—Sept. 24-27	Windsor—Oct. 14
Winnipeg—Sept. 29	St. Catharines—Oct. 15

K. F. NOBLE, Canadian Government Trade Commissioner in Johannesburg, South Africa, begins his Canadian tour in Ste. Hyacinthe on September 7th. His itinerary is:

Ste. Hyacinthe—Sept. 7, a.m.	Saint John—Sept. 13, p.m. and 14, a.m.
Granby—Sept. 7, p.m.	Kentville—Sept. 15, p.m.
Sherbrooke—Sept. 8, a.m.	Halifax—Sept. 16
Quebec—Sept. 9	Stewiacke—Sept. 17, a.m.
L'Islet—Sept. 10, a.m.	Amherst—Sept. 17, p.m.
Fredericton—Sept. 13, a.m.	Montreal—Sept. 20 to 30

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

Chamber of Commerce—Hamilton, London, Quebec, Regina, Sherbrooke, St. Catharines, Ste. Hyacinthe, Windsor.

Board of Trade—Amherst, Granby, Guelph, Halifax, Montreal, Saint John.

Canadian Manufacturers Association—Edmonton, Toronto, Winnipeg.

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

Department of Industry and Development—Fredericton.

Belgian Congo: Business Picks Up

Congo's economy has absorbed shock of fall in world prices of raw materials and business picture has brightened. Development plans in colony, plus rising purchasing power of Africans, should strengthen demand for overseas goods. Canadian exporters might consider representation there.

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

THE ECONOMIC DIFFICULTIES which faced the Belgian Congo during part of 1953 were partially overcome by the end of the first half of 1954. Prices of agricultural and mineral products—the backbone of the Congo's prosperity—reacted more firmly during the first four months of this year and the combined price index increased by 6.6 points to reach 139.7 (1949=100). Industrial development in the colony continued at a steady rate with some important factories and hydro stations under construction. The business picture looks a good deal brighter than it did during the latter part of 1953, although prices of some commodities—in particular palm oil and palm kernels—have not picked up in the way many expected.

Export Trade Rises

The export trade of the Congo for the first three months of 1954 reached a value of 4,733 million francs (first three months 1953, 4,556 million francs) and some 320,463 tons in volume (257,342 tons in 1953 for the same period). Despite a drop in world prices for certain agricultural and mineral products, (except coffee) the large volume of export sales indicates an active interest in the Belgian Congo's raw materials. Minerals made up about 65 per cent of the above exports and agricultural products about 34 per cent. The United States is the Congo's best customer, buying about 24.9 per cent of her goods. Belgium and Luxembourg (23.7 per cent), France (12.2 per cent), Germany (11.1 per cent), the United Kingdom (8.4 per cent) follow.

Canada's imports from the Congo are limited chiefly to palm and palm kernel oils, coffee, and tropical woods. *Direct* imports into Canada for the first four months of 1954 amounted to about \$850 thousand (Canadian f.o.b. statistics). Indirect imports reaching Canada via the United States would increase this figure to over one million. It is interesting to note that Canada's direct imports of palm oil and palm kernels alone during the year 1953 exceeded \$2 million.

The Belgian Congo's purchases abroad during the first quarter of 1954 totalled about 4,531 million francs (1953 for the same period, 4,216 million francs) giving a favourable balance of trade of over 202 million

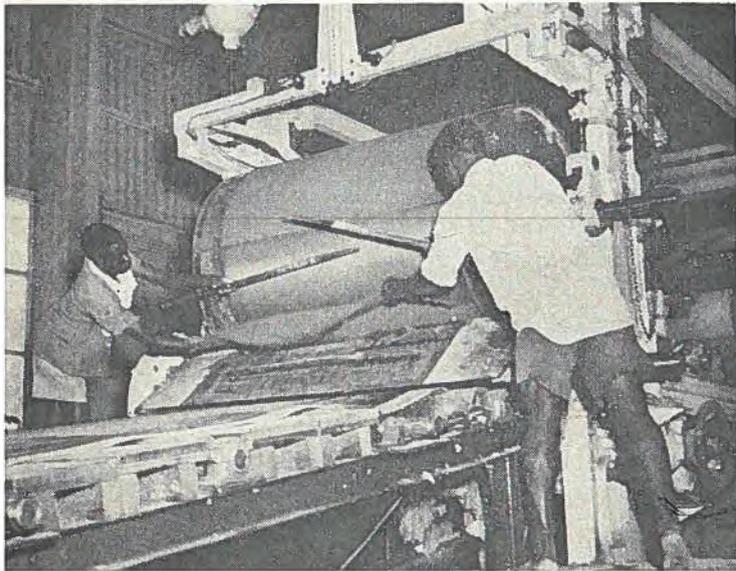
francs. At the end of the calendar year 1953 the favourable balance of trade stood at about 2,500 million francs, of which about 700 million francs was with the dollar countries.

Belgium and Luxembourg supply about 40 per cent of the Congo's requirements, followed by the United States (23.2 per cent), United Kingdom (7 per cent), and Germany (5 per cent). Germany is making a determined effort to capture this market with her vehicles, machinery, tools and hardware. This German competition is now being felt by other European countries who were, until about two years ago, enjoying an undisturbed outlet in the Congo.

It is still too early to determine how Canada will fare in this market during 1954. On the basis of official statistics covering the first four months, Canada has lost ground to Holland in herrings and powdered milk and improved her position over the United States for flour of wheat. Sardines arriving from Germany and Portugal for the African trade sell at very competitive prices, currently lower than recent Canadian quotations. Canada's exports to the Belgian Congo for the first four months of 1954 reached about \$915 thousand in value (Canadian f.o.b. statistics).

Purchasing Power Greater

As mentioned in a previous report on the Belgian Congo (see *Foreign Trade* of January 9, 1954), the purchasing power of the natives has increased immensely over the past few years. Their tastes have also taken on more of a European flavour in the larger centres (e.g. Leopoldville, Elisabethville and Stanleyville). Men's clothing and household goods (for example, proper beds and mattresses, pots and pans, chairs, tables) have profited from this native demand. Electricity will be available in the larger cities and town for the Africans before long and this will create a brisk demand for inexpensive household electrical goods. The Africans exposed to the European way of life still constitute only about 8 per cent of the 14 million people of the Belgian Congo and the mandated territory of Ruanda-Urundi. This is a very small number in a country which is about one-third the size of Canada and has a European population of a mere 76,000. It is unlikely that the natives living in



Canada sells some asbestos to the Congo, and here in the Eternit factory Canadian asbestos is sheeted off after being mixed with concrete. The Africans' purchasing power has increased greatly; Canadians interested in this market should investigate problems of representation.

the interior will be influenced by the European way of life for some time to come.

The Financial Picture

The cost-of-living index for Europeans showed 308·352 points (1935=100) at the end of December 1953. This rose to 309·291 by March 31st and reached 310·131 on July 1, 1954. Small firms employing Europeans are beginning to feel the impact of high rents, salaries and social security commitments, some are training the African clerk to replace the European.

The budget proposals for 1954 provide for expenditure on current account of 7,499 million francs (about 14 per cent more than 1953 budget) and revenue of 7,880 million francs, to produce an estimated surplus of 381 million francs. The cost of public works under the Ten-Year Plan will considerably exceed the initial estimates. To help finance the Plan, the Congo has since 1950 been issuing a series of loans on the markets in Belgium and elsewhere, amounting to more than 10 billion francs. Two loans were issued during 1953—the first for 60 million francs Swiss at 4 per cent—the third loan issued in Switzerland) and the second in the Congo for 2,000 million francs (4½ per cent repayable in 1974). The original figure of 25,000 million francs from public funds envisaged for the Plan, which started in 1950, had at the end of 1953 reached about 27,800 million francs. It is probable that the cost will actually exceed some 50,000 million francs.

Although the much publicized Congo Ten-Year Plan calls for heavy expenditure, both public and private, the colony's budgetary position is sound. Export taxes, which provide about one-third of the revenue

in normal times, encourage the processing of certain materials because of the lower tax levied on the processed product. Export taxes on raw materials are flexible and are adjusted to take care of sharp drops in world prices, such as those for palm oil and palm kernels this past year.

Representation in the Congo

The problem of representation in the Belgian Congo is sometimes difficult for Canadian exporters, thousands of miles away, to understand. A distinctive feature of Congo trade is the extent to which it is governed by a small number of large trading firms who act as importers, distributors, wholesalers, and agents. Most of them have head offices in Belgium and orders are passed through their offices there. The few first class commission agents who cover the whole of the Congo can almost be counted on one hand.

Because import licences are granted freely for most goods entering this colony, there are far more foreign firms seeking an outlet than there are first class importers. Many local companies prefer to import for their own account a well-established brand which is already represented in the Congo rather than launch a new one on the market. The small commission agents have difficulty at times in finalizing business with the large established firms. The latter prefer to buy directly from the manufacturers and, for some products, they do not welcome making agency agreements. They take this attitude (particularly in the pharmaceutical field) because it gives them the opportunity to buy where they can buy most cheaply without breaking off any formal contract.

Personal Visit Recommended

Canadian exporters wishing to do business in the Congo would be well advised to visit Belgium first to establish important contacts with the head offices of Congo firms. A tour of the Congo after discussions in Belgium is desirable and strongly recommended. An overnight plane service from Brussels to Leopoldville affords an excellent opportunity for businessmen to visit the Belgian Congo and see for themselves the problems which they will face if they wish to do business in this fascinating market.

The economy of the Belgian Congo has absorbed the shock of the fall in world prices of raw materials without flinching. It is in satisfactory balance and, provided that no further deterioration in prices of raw materials sets in, the danger point has been passed. Special attention being given to increased agricultural and mineral production and to the standardization of certain crops, in particular cotton, has gained confidence of overseas buyers. There is still much to be done but the authorities are tackling the problems in an energetic and courageous way.

Coconut Oil from the Philippines

Most of the coconut oil produced by this \$22.5 million Philippine industry goes to U.S. buyers; producers are somewhat concerned about declining prices.

H. E. LEMIEUX, *Vice Consul and Assistant Trade Commissioner.*

THE COCONUT OIL INDUSTRY in the Philippines was capitalized at US\$22.5 million at the end of 1953. The daily crushing capacity was about 1,700 tons of copra (450 thousand long tons per year), although only a part of this capacity actually was in operation, largely because the copra varied in quality. Some 12 mills were crushing copra exclusively and four others were producing oil as a by-product of their desiccating operations. Three factories were processing crude coconut oil into edible oils and shortening and other factories were using it in margarine and laundry and toilet soaps. Principal by-products turned out included glycerine, copra cake and meal. Altogether, coconut oil and desiccated coconut represented about 8 per cent of Philippine exports in 1953, compared with 15 per cent in 1949.

Because virtually thousands of small operators are engaged in making it, it is impossible to determine the total production of coconut oil in the Philippines. However, a fair idea of local output is obtained by adding the volume of coconut oil exports to coconut oil for domestic consumption manufactured in the large mills. Table I records production expressed in terms of copra long tons of 2,240 lb. each. Though there are great variations in growing conditions and in the quality of copra from year to year, the rule-of-thumb generally followed in the trade is that 100 kilos of copra yield 63 kilos of coconut oil.

Coconut Oil Production

	<i>Estimated Production (in long tons)</i>
1946	44,212
1947	86,597
1948	99,512
1949	116,600
1950	132,220
1951	141,263
1952	132,459
1953	158,677

Duo and super-duo expeller type of crushers are used, all up-to-date models and in excellent condition. The crushing plants have nearly all been built since the war and are considered highly efficient.

The bulk of the coconut oil produced in this country is inedible and is principally for export. Only a few tons of edible oil are exported. The following tabulation of Philippine coconut oil exports for the past few years shows the pattern of the trade. (Volumes are in metric tons and values in U.S. dollars.)

Coconut Oil Exports

Destination	1953		1952		1951	
	Volume	Value	Volume	Value	Volume	Value
United States	59,539	\$17.2	53,699	\$10.0	44,325	\$14.0
British Africa	513	.13	5,210	1.0	4,691	1.7
Switzerland	493	.13	6,838	1.5	6,787	2.2
Colombia	478	.14	1,656	.4	.....	.....
All others .....	.....	.....	17,442	3.8	11,071	6.7
Total	61,023	17.6	84,845	16.7	66,874	24.6

The reader will note that there was a decrease of 26.36 per cent in the volume of oil shipped in 1953, compared with 1952. The increase in value (about 1 per cent) stemmed solely from high prices prevailing during that period.

Under the Philippines-United States Bell Trade Act of 1946, 200 thousand tons a year of Philippine coconut oil may enter the United States free of duty. However, production has never been sufficient to fill that quota, principally because war-damaged mills could not be put back into operation quickly enough in the early postwar years. The Bell Trade Act has now been extended for eighteen months—to January 1, 1956. This is important to the industry because the United States market absorbs such a large proportion of the Philippine coconut oil and pays Philippine producers some \$13 million for it. The coconut oil market today is keenly competitive and price is a determining factor. Whether or not buyers in the United States will turn to substitute products is a matter for speculation. Prices at present are receding but the coconut oil market is characteristically unsteady.

Trade in By-Products

Copra meal and cake are by-products of the coconut oil industry, and about 90 per cent of the output of each is exported, the major portion to the United

See also "Copra from the Philippines", July 24th, p. 8.

States. The remaining 10 per cent is consumed locally as cattle and poultry feed. During 1953, a total of 69,000 metric tons of meal and cake, valued at \$4.2 million, went to the United States. In 1952 the corresponding figures were 76,000 tons, valued at \$5.5 million, U.S., of which 73,000 tons, valued at \$5.25 million, were shipped to the United States market. Other importers included Belgium, Denmark and Germany, in that order.

Glycerine is another by-product; some 2,900 metric tons of it were produced during 1953 and 2,231 long tons were exported to the United States.

During the same period, the industry also produced some 24,400 metric tons of shortening, 2,300 tons of

margarine, 14,200 tons of edible oil, 50,000 tons of laundry soap, and 3,300 tons of toilet soap for domestic consumption.

Outlook for Industry

The article on copra in the Philippines published in the July 24 issue of *Foreign Trade* forecast that copra production would pass the one-million-ton mark this year, topping the 1952 production and possibly that of 1951. Coconut oil output will perforce continue to depend on that of copra. Local trading circles do not expect any difficulty in finding markets for coconut oil this year. However, prices are going down in sympathy with copra prices and the result may be a decrease in the total export value of this product and its derivatives. ●

commodity notes

Australia

MINERALS—During the calendar year 1953, mine production of all metals in Australia, with the exception of tin, was, in terms of the metal contents of ores, concentrates and other minerals produced, in excess of 1952 figures. The biggest increase was for copper, up 101 per cent, followed by zinc, up 21.7 per cent. The increase in copper production, which totalled 37,364 tons compared with 18,578 tons in 1952, was mainly the result of greater production at Mt. Isa (Queensland). Lead production last year totalled 269,296 tons against 228,196 tons in '52; zinc production was 239,069 tons compared with 196,450 tons, and iron, 2,132,086 tons compared with 1.9 million tons. Silver output was 12.2 million fine oz. (11.3 million oz.), and tin 1,494 tons (1,611 tons). Black coal production dropped to 18,441,000 tons from 19,405,000 tons, but brown coal production (all from open-cuts) increased by 153 thousand tons to 8.2 million tons.

Australia spent £73.2 million on 1.5 billion gallons of petroleum and shale oils during the year. The value of aluminum imports for the period was £2.8 million; imports of sulphur were worth £2.1 million—Melbourne, Aug. 9.

Brazil

EARTH-MOVING EQUIPMENT — LeTourneau-Westinghouse is building a factory in Campinas, State of São Paulo, which will be the first heavy earth-moving machinery manufacturing facility in Brazil. In conjunction with Brazilian interest,

Tratores do Brasil, S.A., will furnish equipment for building roads, airports and railroads; plans call for completion late this year or early in 1955—São Paulo, Aug. 6.

Chile

NEWSPRINT—Proprietors of Chilean newspapers have printed their fears that before long there will be an acute shortage of newsprint, resulting most probably in unemployment of workers in the printing line. The reason given for the expected shortage is lack of foreign exchange. The Printing Labourers Union have asked the Minister of Economy to consider an increase in the current quota for imported newsprint, which was reduced by 66 per cent in 1954—Santiago, Aug. 12.

Federation of Rhodesia and Nyasaland

COPPER—Copper production in Northern Rhodesia in 1953 exceeded for the first time the United Kingdom's consumption of new copper, says the annual report of the Mines Department. Output of blister and electrolytic copper, valued at \$89.7 million, set a record, at 362,581 tons. Meantime Britain's consumption stood at 321,054 tons, about 100 thousand tons less than in 1952—Johannesburg, Aug. 1.

Greece

SALT—Foreign capital in the amount of \$680 thousand will be invested by a Swiss firm in imported equipment for expansion of the Missolonghi salt

works at a total cost, including the drachma expenditure, of \$1.7 million. Greece's potential of maritime salt production is almost unlimited. Production has been carried on in 21 salt works by the State Salt Monopoly but output has, until now, been determined only by estimated domestic demand and no more than 15 of the 21 salt beds have been active in any one year. Last year, of the 80,000 tons of salt collected, about 5 per cent was consumed in the curing of fish and in other industries. The increase in salt production is being planned for export, and for increased production of caustic soda to be used in conjunction with anticipated production locally of alumina from Greek bauxite—Athens, Aug. 11.

India

OIL—The newly-completed \$35-million oil refinery of the Standard-Vacuum Refining Company of India, at Trombay, near Bombay, which represents the largest single private dollar investment in this country, began production July 29th, one year ahead of schedule. This new plant is said to be capable of increasing India's oil refining capacity from 5,400 to 30,400 barrels a day, supplying approximately 30 per cent of total domestic requirements. The annual rated output of the refinery is 90 million gallons of gasoline, 59 million gallons of diesel oil, 58 million gallons of industrial fuel oil, 49 million gallons of bunker oil, and 40 million gallons of kerosene—Bombay, Aug. 11.

Indonesia

FISH—According to figures compiled by the Ministry of Agriculture, Indonesia's inland fish production in the past few years has shown a continuous increase, from 156 thousand tons in 1949 to 241,500 in 1953. Before World War II, production averaged 147 thousand tons a year. In spite of the increase, fish production still cannot meet domestic needs and further attempts to increase production are imperative—Djakarta, July 31.

Israel

VEHICLE SPARE PARTS—In the last four years, the annual turnover of the Israeli vehicle spare parts industry has increased five-fold to over \$600 thousand. Thirty factories and workshops are now producing spare parts for automobiles, tractors and agricultural machinery, such as king pins, wheel bolts and nuts, bronze bushings, oil seals and retainers, brass fittings, shackle bolts, mufflers, gas-oil and brake linings, oil filter elements, pistons and piston rings, distributor caps and rotors, fan belts, radiator hoses, etc. The industry also reconditions used spare parts, including dynamos, starters, carburetors, distributors, fuel pumps, starter drives and

armatures. In addition to growing domestic demand, exports have been made in recent years to Turkey and some Middle East markets, and promising enquiries are coming in from European and South American countries—Athens, Aug. 11.

Japan

BICYCLES—During the first five months of 1954, \$2,711,000 worth of bicycles were exported from Japan, an increase of \$1,720,000, compared with the amounts exported for the same months in 1953—Tokyo, Aug. 6.

Mexico

COTTON—The Mexican cotton crop in 1953-54 yielded 1,193,116 bales, and 1,468,000 bales should be picked in 1954-55, according to calculations made by the Confederation of Cotton Growers' Associations. The cotton-growing year extends from July 1st to June 30th. With a carry-over of 90,000 bales on July 1, 1953, there were 1,283,000 bales available on June 30th this year. The Confederation believed that the needs of the domestic textile industry would not exceed 324 thousand bales—Mexico, D.F.—Aug. 13.

SILVER—Mexico, the leading world producer of silver, exported 928,274 kilograms of the metal in 1953, evaluated by the Government at 218.2 million pesos. Exports in 1952 amounted to 609,768 kilograms worth 110.6 million pesos. The National Bank of Foreign Trade reported that the United States, Germany, France, Switzerland, Holland, Cuba, Colombia, Panama and Portugal, in that order of importance, were the principal buyers last year—Mexico, D.F., Aug. 9.

Netherlands

ORNAMENTAL PLANT PRODUCTS—The 1953 Annual Report of the Netherlands Ornamental Plant Products Marketing Board shows that Dutch exports of flower bulbs, floricultural and woody nursery products in 1953 had a total value of over 189 million guilders, exceeding the 1952 exports by approximately 15 million guilders or nearly 9 per cent.

This increase is mainly attributable to the 32 per cent rise in exports of woody nursery products, which advanced from 16 million guilders in 1952 to nearly 21.5 million in 1953. Among the major buyers of these products the United Kingdom ranks first with 4.7 million guilders, followed by Western Germany, nearly 3.2 million; Canada, 2.9 million; the United States, 2.3 million; Sweden, 2.2 million; Belgium-Luxembourg, 1.65 million, and Switzerland, 1.1 million.

Exports of floricultural products (cut flowers, live plants, etc.) rose in value by 14 per cent—21.6 million guilders in 1952 as against 24.6 million in 1953. Major buyers of these products in order of importance were: Western Germany, Belgium-Luxembourg, Sweden, the United Kingdom and Switzerland; these countries took approximately 94 per cent of the total exports of these products.

Value of flower bulb exports increased by 5 per cent from 136 million guilders in 1952 to 143 million in 1953. The major destination of these exports was, as in 1952, the United States, 44 million guilders and Canada five million guilders, which together took approximately 34 per cent of the total export value of flower bulbs. The United Kingdom, with over 30 million guilders, was second, followed by Sweden, 18 million; Western Germany, 14.7 million; France, nine million; Italy, 3.4 million; Switzerland, 3.3 million, and Belgium-Luxembourg, 3.26 million. Of total exports of ornamental plant products, over 68 per cent were sold within Europe. Of the remainder the United States took 24 per cent and Canada 4 per cent, principally of flower bulbs and woody nursery products—The Hague, Aug. 19.

NEWSPRINT—It is estimated that about one-eighth of Holland's newsprint production has been paralyzed as a result of a recent fire in the country's biggest paper factory, N.V. van Gelder and Sons. Some of the staff of the firm's factory have expressed their willingness to work part of their holiday to make good the loss in production—The Hague, August 17.

South Africa

CITRUS FRUIT—Producers and field officers in the South African Co-operative Citrus Exchange, covering the seven producing centres of the Union, have estimated the present crop to be even higher than last year's when a record 5,196,000 cases of citrus were exported. That crop earned a gross return of £10 million making citrus cultivation the second most important agricultural export crop and surpassed only by wool. Although citrus fruit is shipped to some 20 countries, the United Kingdom is by far the principal market taking about two-thirds of the crop—Cape Town, August 2.

WOOL—South African wool sales for the 1953-54 season totalled more than £64 million, second only to the record of £90.8 million set in the 1950-51 season. The total weight of wool sold in 1953-54, 268.3 million pounds, exceeded that of the previous season by more than 11.5 million pounds. Britain, France, Germany and Italy, in that order, were the principal buyers of the wool, over 98 per cent of which was exported—Cape Town, August 12.

Sweden

WALLBOARD—The market for the Swedish wall-board today is somewhat better than during 1953. Total production capacity of the industry is about 400 thousand tons a year. However, in 1953 only 60 per cent was used—approximately 127 thousand tons were exported and 140 thousand consumed at home. Because of increased building activity it is estimated that domestic consumption in 1954 will increase by about 10,000 tons. Although factory stocks are quite small, delivery periods are relatively short.

Export prospects are good and prices are stable. During the first quarter of this year, Sweden exported 38,426 tons, compared with only 25,678 tons during the same period last year. Of this amount, 19,699 tons were exported to the United Kingdom, against only 8,926 for the first quarter in 1953. The reason for this increase is the easing of British import restrictions on wallboard—Stockholm, August 17.

PLYWOOD—Sweden's exports of pine or spruce plywood for the first quarter of 1954 amounted to 2,246 tons, as compared with 1,313 for the same period in 1953. Exports in tons to the various countries for the January-March period (1953 in brackets) were: Denmark, 277 (220); Germany, (east and west), 393 (414); Netherlands, 64 (44); Belgium, 170 (18); United Kingdom, 1,157 (330); Republic of Ireland, 43 (20); Switzerland, 7 (5); Canada, 73 (184); United States, 85 (5); other countries, 137 (73)—Stockholm, August 17.

West Germany

PHARMACEUTICS—Pharmaceuticals production in the Federal Republic in 1953 exceeded the one billion mark (1,062 million) for the first time, an increase of over 15 per cent as compared with 1952. The increase was principally in pharmaceutical specialties. The Federation of Pharmaceutical Industries state that exports are also on the increase; during the first quarter of 1954, exports of processed pharmaceuticals were valued at DM26.5 million, exceeding the export value of non-processed articles by approximately DM3 million—Bonn, August 12.

SYNTHETIC FIBRE—Synthetic fibre production during the first quarter of 1954 was as follows: 34,887 tons of staple fibre (Zellwolle), 14,509 tons of rayon, 1,385 tons of staple fibre and rayon waste. The monthly staple fibre production increased from an average of 9,753 tons in 1953 to 11,629 tons in the months January to March 1954. During the same period, monthly rayon production went up from 4,333 tons to 4,836 tons—Bonn, August 16.

New England Studies Fisheries Problems

Once the leading industry in New England, the fisheries have been declining in economic importance. Recent developments, however, suggest that cures for the current ills are being prescribed and should soon take effect.

D. H. CHENEY, *Vice-Consul and Trade Commissioner, Boston.*

IN RECENT MONTHS, the problems of the New England fishing industry have been receiving a good deal of attention. They were discussed at some length in Congress this past session, when a bill was introduced to provide larger funds for research into and development of fisheries resources and for improving the techniques of marketing fish products. The passing of the bill* assures the United States industry of up to \$3 million a year to spend on these projects and some \$1 million of this may be used in the New England area.

Before discussing how this money will probably be employed, it might be well to give the reader some background about the New England industry and its development over the centuries. The fisheries took on importance almost as soon as the first colonists arrived in New England and for 150 years after formed the backbone of the economy. By the latter part of the 17th century they were the main source of wealth. Fish provided cargoes for seagoing vessels and thus made possible the region's great ocean commerce.

With the growth of other industries, fishing declined in relative importance. By 1880 only 37,000 out of a total labour force of 1.5 million derived a living from it. By 1950 there were 24,000 fishermen and 14,000 shore workers in the industry at a time when the total labour force had grown to about 4½ million.

In the coastal areas, fishing remains the principal occupation. In Gloucester, Mass., for instance, some 30 per cent of the labour force depend directly and another 40 per cent indirectly upon fishing for a livelihood.

Organization of the Industry

Groundfish, including haddock, ocean perch, cod, flounder, pollock, whiting, cusk and hake are the most important species in the New England fishery and constituted almost 60 per cent of the weight and value of fish landed at the region's ports in 1950. In addition there are important catches of herring, mackerel and shellfish (including lobsters, clams, oysters and scallops). Total catch for the record year 1950

amounted to just over one billion pounds valued at \$60.6 million.

Fresh and frozen fish products are a New England specialty; approximately 85 per cent of the catch is sold in these forms. The region now accounts for 80 per cent of the domestic production of packaged seafoods; in 1951 its plants produced 165 million pounds of packaged fresh and frozen fish and shellfish.

Before the First World War, New England was also a large producer of salt fish. With the introduction of filleting and quick freezing, the great strides in refrigerated transportation, and the entry of chain stores into the fish business, packaging of fresh seafood for home consumption was stimulated and the market grew. The same developments made it possible for foreign producers to find worthwhile outlets in the United States.

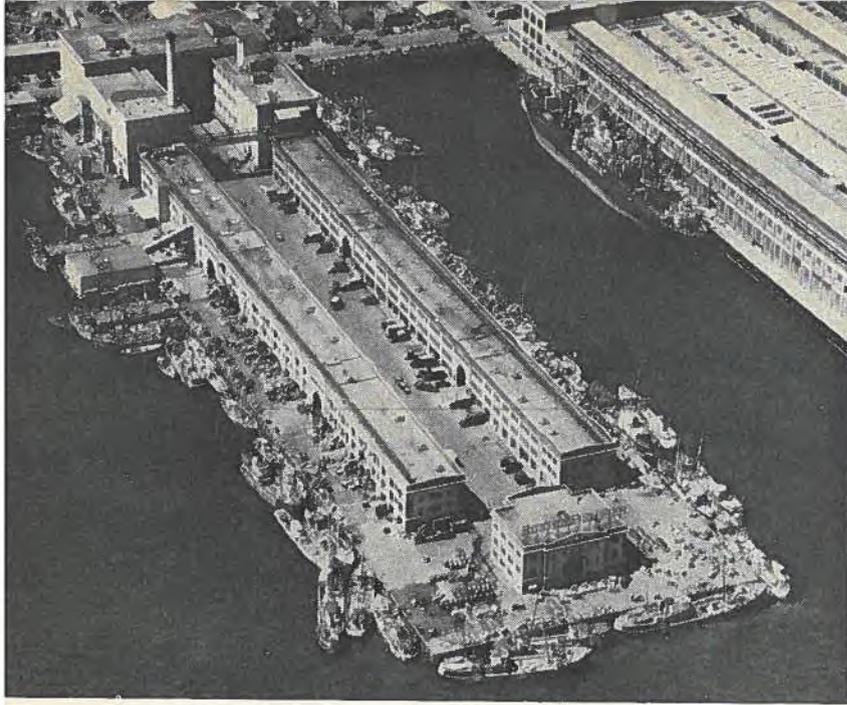
Main Ports and Their Production

The leading New England fishing ports in order of importance are Gloucester, Boston and New Bedford in Massachusetts and Portland in Maine. Each port has its own specialty and their catches, equipment and methods of operation are distinctive. Boston is the world's principal haddock port. In 1953 landings of this species totalled 98.4 million pounds valued at \$8.6 million. Until 1942 Boston led all other New England ports in the quantity of fish landed but Gloucester has since taken first place. In addition to haddock, Boston is also noted for large landings of cod, flounder and pollock.

A unique feature of the Boston fishing scene is the famous fish pier, where many of the city's fish processors, dealers, importers and brokers have their offices. There too is the New England Fish Exchange, through which all cargoes of fish arriving in the port are bought and sold, much in the manner of a stock exchange. During 1953 more than 153.3 million pounds of fish were sold in the Exchange.

Gloucester's specialty is ocean perch or rosefish. In 1950 this species accounted for over 61 per cent by

* For details, see "The Case of the Groundfish Fillets" in *Foreign Trade*, August 7, 1954.



This is Boston's famous fish pier in which many of the city's fish processors, dealers, importers and bankers have offices, and which houses the unique New England Fish Exchange, at the end of pier in foreground. More than 153·3 million pounds of fish were sold in the Exchange last year. Boston is the world's principal haddock port and is also noted for large landings of cod flounder and pollock.

weight and 63 per cent by value of the port's catch. Last year landings totalled 88·3 million pounds, valued at \$3·4 million. Gloucester is also noted for important catches of whiting, haddock and flounder and has recently become the centre of the new pre-cooked fish stick industry.

Scallop and flounder are the principal landings at New Bedford, a port that has become more important since 1937. At the present time, approximately half of the U.S. production of sea scallops originates there. New Bedford also produces large quantities of trash fish which are used for reduction into animal food, and is an important haddock producer. In 1953 landings of flounder at New Bedford reached 22·4 million pounds valued at \$3·2 million; the scallop catch totalled 16·3 million pounds, valued at \$7·2 million.

The Maine ports are the largest producers of lobster in New England. Last year the catch set a record of 22 million pounds worth \$8·2 million. Portland is the principal fishing port and is also important as an ocean perch producer; Rockland has also gained in importance in recent years. Both are active centres for the processing of fish sticks. Maine is also the home of New England's great sardine industry, centered around Eastport. This state supplies 95 per cent of the domestic herring sardine pack, 90 per cent of the domestic lobster shipments, and 75 per cent of the domestic soft shell clam production. More than 70,000 people in Maine depend directly or indirectly on the commercial fishery for their livelihood.

Current Problems

With this general picture of the New England industry in mind, we turn to its current problems. First on the list comes declining production. New England fishermen are faced with decreasing supplies of fish in their local fishing grounds, the most important of which is Georges Bank off Cape Cod. They must go farther

for their catch and stay out longer. Longer trips mean higher pay for crews, larger and costlier boats, and more expensive gear. The quality of the catch also suffers the longer it must be kept before it can be landed and processed. The table on the opposite page, giving production of the main species for selected years from 1928-1952, shows something of the fluctuations in the fish harvest.

Insurance Costs High

Second among these problems comes the high cost of insurance on fishing boats and for the protection of fishermen. Crew insurance premiums in 1951 were \$150 per man; by 1953, they had risen to \$400. A large Boston trawler with a crew of 17 pays from \$7,500 to \$12,500 for a \$350 thousand protection and indemnity policy.

Another problem cropped up with the discovery and commercial production of synthetic vitamin A, which has had a serious effect on the fish liver oil business. Fish liver oil production, once the principal source of vitamin A and providing an average annual income of \$12·7 million between 1941 and 1948, has now subsided to a value of \$2 million.

The increased use of factory ships which process and freeze the fish at sea and stay out for long periods poses a serious labour problem. Crew members are reluctant to remain at sea for extended periods and the eight-hour day means that three full crews must be carried. This adds greatly to the costs of operation. Furthermore such ships operate in direct competition with land-based processing plants and offer the threat of loss to their operators and labour force. In addition, because the land-based plants and the factory ships would both be financed by the fish distributors, the latter are reluctant to invest large amounts of capital in ships which would reduce the earnings of their shore establishments.

New England Catch of Selected Species 1928-1952

	<i>Cod</i>	<i>Pollock</i>	<i>Flounder</i> (in thousands of pounds)	<i>Whiting</i>	<i>Haddock</i>	<i>Ocean Perch</i>	<i>Herring</i>
1928	90,366	11,040	50,274	8,378	237,708	.....	70,555
1933	99,632	15,027	37,795	9,419	160,107	264	48,087
1938	118,385	40,287	46,836	25,095	157,935	65,005	21,047
1942	65,540	22,089	56,194	53,997	117,216	114,737	60,148
1948	68,251	37,757	71,834	80,468	154,607	238,095	192,091
1952	42,401	26,953	55,410	105,955	161,341	189,042	153,513

(These figures include catches taken in other than New England waters.)

Last among the problems comes foreign competition, though this may not be as serious as it is sometimes said to be. Although imports have risen rapidly during recent years, it is also true that total New England catches and sales of groundfish, particularly ocean perch, have expanded sharply over the same period. The total market has also expanded enormously and the opportunities for further growth are there. It is conceivable that an increase of one pound per capita in the U.S. consumption of fish (now one of the lowest in the world at about 12 pounds) could result in a demand that domestic production and imports together would find it difficult to meet. The tremendous expansion in the sale of precooked fish sticks which has taken place during the past year is indicative of the opportunities, as the President pointed out in rejecting the Tariff Commission's recommendation for an increased duty on imports of groundfish fillets.*

Tackling These Problems

In the face of these difficulties, what is the New England fishing industry doing about them? Earlier in the year, a New England Fisheries Committee, headed by one of the industry's most energetic and successful leaders, was formed. This group supported the legislation introduced in Congress by Senators Saltonstall and Kennedy of Massachusetts for greater aid to the fishing industry. Now that the bill has become law, the committee hopes to see the money used in the following ways:

- For increased biological and oceanographic research to lead to a sound conservation program;
- For a statistical program to provide details of current market conditions and records of landings to assist the biologists;
- For exploratory fishing and better equipment for locating new fishing grounds and improving methods of detecting and catching fish;
- For technological studies to discover better ways of processing, preserving and marketing and new ways of using waste materials after processing;
- For an educational program to encourage wider consumption of fish.

* See "The Case of the Groundfish Fillets" previously mentioned.

A number of firms are now experimenting with radar sounding equipment for locating fish and results so far have been encouraging. The latest processing machinery is being installed in the fish plants of Boston, Gloucester and other ports. Legislation was passed recently in Massachusetts increasing the size of mesh in nets used by haddock fishermen in an effort to reduce the tremendous destruction of baby haddock. Results thus far are heartening and conservation experts are predicting a substantial improvement in this important fishery within ten years. Constant effort is being put into the improvement of packages and methods of marketing. Large-scale advertising is now carried on by the Maine sardine industry and by the fillet producers.

Improved fishing boats capable of freezing whole fish at sea for later processing ashore promise to solve the quality problem while finding greater acceptance with labour. New materials for the manufacture of fishing nets also are being tried out.

New Products Meet Success

One of the most notable successes to date has been the development of prepared products, particularly precooked, breaded fish sticks. Monthly rate of production in the United States grew from 100 thousand pounds in early 1953 to an estimated monthly rate of 1½ million pounds by the end of the year. Production in 1953 totalled over 7½ million pounds and estimates are that production in 1954 will reach 30 million pounds. Leading wholesalers in New York have reported that demand for the new product is expanding more rapidly than the spectacular rise of frozen fruit juices several years ago. One large Boston firm says that its production of fish sticks alone in 1954 should equal the company's entire business last year. Other firms report the only limit to their sales is the capacity of their machinery. Gloucester has become a centre for the new process.

So much for the long-term attack on its problems which the industry is mounting. What of the short-term outlook?

In general the market for fish during the second half of 1953 showed improvement over the first half. By the end of the year conditions were good, with prices of most items above those at the beginning. Prices of frozen groundfish fillets increased substantially

toward the end of the year as a result of an earlier reduction in stocks and steady demand. In fact, price levels at the close of the year were considerably above those for the same periods of 1951 and 1952. Imports of fresh and frozen groundfish fillets for the first six months of 1954, at 59,521,000 pounds, showed a 5.8 million pound increase over the figures for the first six months of 1953. Imports from Canada for the same period were 35,463,000 pounds, an increase of 6.2 million pounds over the first six months of 1953. Receipts from Iceland also increased from 11,367,000 pounds in the first six months of 1953 to 16,607,000 in the same period of this year.

Production of frozen fishery products in New England during 1953 amounted to 132,530,652 pounds and cold storage holdings at December 1st were 50,205,395 pounds. Production of packaged fish in 1953 totalled 121,349,477 pounds, valued at \$31 million.

Landings at the Boston Fish Pier sold over the New England Fish Exchange during 1953 amounted to 152,323,622 pounds, almost 21 million pounds below those of 1952 and 18 million pounds below 1951. Average prices to fishermen were also lower last year, at \$7.94 per hundredweight as compared to \$8.28 in 1952 and \$8.37 in 1951. However, for the first six months of this year landings were 98,158,000 pounds, almost four million pounds larger than the same period last year. Average prices to fishermen were slightly lower in the first half-year—at \$7.38 per hundredweight compared with \$7.14 in 1953.

The tremendous increase in demand for groundfish for use in fish sticks should keep the market for these species favourable during 1954. Imports are also expected to continue the increase noted for the early months of the year.

The Maine sardine pack last year was the second shortest in sixteen years—only 2,165,600 cases compared with 3,200,000 cases in 1952 and the record of 3,900,000 cases in 1950, because of the failure of the run during the canning season. The new season is now under way but it is too early yet to predict the outcome. However, if the trend of the past few years holds, the pack should amount to about three million cases. As a result of the small pack last year and the failure of the pilchard fishery in California, demand for sardines is good and prices have stiffened.

With the upward trend of prices, lower cold storage holdings, production steady or increasing, and the new impetus provided by the success of fish stick sales, 1954 promises to be one of the best years in some time for the New England fishing industry. This improved outlook also augurs well for the success of Canadian sales of fisheries products to the region and for a healthy increase in shipments. ●

The Fish-Stick Boom

THE INTRODUCTION OF FISH STICKS in the United States last year may have started a trend towards greater fish consumption that will have significant effects on the fishing industry.* In rejecting the Tariff Commission's recommendation for increased protection on groundfish fillets the President said about fish sticks: "Conceivably (fish) consumption may increase by almost 50 per cent within a few years as a result of this new product."

This forecast was based on encouraging statistics. In 1953 some 13 firms were making fish sticks and produced 7½ million pounds; in the first quarter of 1954 they produced about 9 million pounds. A number of new firms have also started since January to turn out this fast-selling product and there is little doubt that the actual first-quarter production was even higher. In any event, demand increased so quickly that production failed to keep pace.

The Fish and Wild Life Service of the Department of the Interior estimates that 1954 production will reach some 40 million pounds, or over one-third of the 1953 U.S. production of groundfish fillets. Although 1953 was a poor year in comparison with 1952, some 112 million pounds of fillets were produced, compared with 133 million in 1952. Imports in 1953 also declined—to 90 million pounds compared with 107 million in 1952. As a result of these circumstances, cold storage holdings of fillets were run down by over 14 million pounds in 1952. Not unnaturally there is considerable speculation about the effect of this newcomer on the fillet trade. It is too early to assess the relative place each type will take in the U.S. frozen fish markets, but undoubtedly the overall consumption of groundfish will increase.

Production of groundfish fillets for the first six months of this year totalled nearly 32 million pounds, compared with almost 31 million pounds for the same period last year (40½ million for the 1949-53 average for the same period). Imports increased to 51½ million pounds, compared with 43.6 million pounds last year—a gain during the six months of some 17 million pounds of fillets. However, in spite of this, cold storage holdings at the end of June as against the same date last year showed a drop of nearly two million pounds to 35.3 million, compared with a five-year end-of-May average of 30.5 million.

—R. G. C. SMITH,

Commercial Counsellor, Washington.

*See "The Case of the Groundfish Fillets", in *Foreign Trade*, August 7, 1954.

Churchill on the Bay

Canada's most northerly port, Churchill on Hudson Bay, plays an important part in the grain export trade; additions to elevator capacity will permit shipment of 20 million bushels of grain a year.

H. A. HADSKIS, *Transportation and Communications Section.*

THROUGH HUDSON STRAIT to Port Churchill on the Bay last year steamed 31 ocean-going cargo ships, following the route which Henry Hudson sailed some three hundred years ago. Hudson and other navigators of those early days sought a northwest passage across the roof of the world to the rich lands of Asia. Although they did not find it, their explorations made possible the penetration of the interior of the country, the development of the fur trade and the founding of fur trading posts at Hudson Bay, and, ultimately, the important grain port of Churchill.

For many years rivalry was keen between the fur trading companies operating out of the St. Lawrence and the Hudson's Bay Company. But the railway pushing into the west from eastern Canada gradually diverted the trade to the east and the St. Lawrence. The old Hudson Bay route retained only the trade from the northern regions remote from the railway.

The growth of the railway system in Canada which brought about the collapse of trade through Hudson Bay was also the factor which revived that trade some years later—no longer in furs and barter goods, but principally in wheat from the prairies.

Trade through Churchill

As early as the 1880's a movement was on foot to link the rapidly growing western provinces by rail to Hudson Bay. However, not until 1929 was the railroad to Churchill completed. In September of that year the historic route was re-opened when a souvenir shipment of 1,800 pounds of wheat left Churchill on the S.S. *Ungava* for the United Kingdom. By 1931, the port was substantially completed and two ships were cleared with full cargoes of wheat. Churchill thus became Canada's most northerly port equipped for international trade.

In 1934, four million bushels of wheat, about 4,000 tons of flour and mill feed, 600 head of cattle and 82½ million board feet of lumber were shipped overseas through Churchill. Exports continued to increase until World War II began in 1939, when the naval authorities closed the port to commercial traffic. At the end of the war, traffic began to move through Churchill again. During the first year, 1946, the

volume was not large—some three million bushels of wheat and 2,000 tons of flour—but it increased steadily and by 1953 was more than three times as great.

Import traffic through Churchill has not made tonnage gains equal to those in export grain movements, principally because Churchill is predominantly a grain port. Wheat exports go by chartered vessels in ship-load quantities. Consequently, there has been no regular scheduled inbound service except for two or three sailings each year from the United Kingdom. Despite this handicap, import tonnage has increased substantially from a token 40 tons in 1946 to a peak of 13,000 tons in 1952 when some 7,000 tons of cement were brought in. These cement imports did not represent a continuing movement and tonnage dropped considerably to 3,500 tons. Imports arriving at Churchill also include tube casings and tubes, window glass, tractors, steel bars and rolls, machinery, automobile parts, toys, office furniture and other consumer goods.

Port Facilities

Churchill is a National Harbours Board port. The harbour proper is situated at the entrance of the Churchill River on the west side of Hudson Bay. It has a wharf with berthing space to accommodate four ocean vessels and a limiting draught of 30 feet at low tide, plus a modern transit shed with 82,000 square feet of floor space. The grain elevator, although it was built nearly 25 years ago, is in excellent condition and has a storage capacity of 2½ million bushels. Three ships can be loaded with grain simultaneously at an average of 60,000 bushels an hour; in 1953, Churchill established a grain loading record for all National Harbours Board elevator operations. Construction now under way will increase grain storage capacity to five million bushels and make it possible to ship a maximum of 20 million bushels of grain a year through the port.

Navigation Season

The navigation season for the port of Churchill is comparatively short, from July 23rd to October 10th. However, shipping arrivals generally are spread evenly

throughout the season and the port has never been congested. Turn-around time last year averaged 5.6 days per ship.

Marine insurance rates influence the length of the navigation season. Each year the Commonwealth Shipping Committee studies the previous year's operations and issues a report which enables underwriters in London to assess the physical circumstances of the Hudson Bay route. This annual study has appreciably assisted use of the port. Since 1931 insurance premiums have been substantially reduced and the navigation season has been extended at each end. The installation of further navigational aids each year, aerial surveys of ice conditions, and reports from Canadian

Government Arctic vessels are practical steps taken to make the Bay route navigationally safe. Some captains who have made a number of voyages to Churchill consider the route as safe as passage up the St. Lawrence. The Bay route has also been compared to conditions found on voyages to Finland and Norway.

Located beside Canada's wide hinterland which gives promise of being rich in mineral resources, Churchill's future as an ocean port appears bright. In the years to come, it is expected that its harbour will see many more than the 31 ships which called at Churchill last year to discharge some 3,500 tons of cargo and load almost 11 million bushels of wheat for British, European and Mediterranean ports. ●

trade and tariff regulations

Angola

EXPORT TAX—A law has been published in the *Official Bulletin*, fixing the amounts to be paid to the Angola Export Board by exporters desiring to obtain export licences for the following (figures in escudos per ton): ground nuts, 150; sesame, 800; palm kernels, 100; rice, 100; palm oil, 100; castor oil, 400.

For exports to Portugal, the exporter is permitted to give a declaration regarding the payment of this tax, which is suspended for one year and can be renewed for a further six months. Exporters who are in a position to prove to the Export Board, by a certificate issued by the Customs Authorities at destination, that the produce has been imported for consumption in Portugal will be exempted from payment of the taxes—Leopoldville, Aug. 4.

Australia

SCRAP STEEL EXPORTS—The Australian Minister for National Development announced on July 23rd that during the six months ending December 31, 1954, no restrictions would be placed on the export of scrap steel recovered from ships and hulks, or scrap steel arising from the detinning of tin plate. He said there was little market for this class of scrap in Australia because of the high recovery cost. In addition, permits would be granted for the export of a further 20,000 tons of scrap during the same six months. This was at a lower level than previously. The quota would continue to be divided

among exporters pro rata to their exports during the base year which ended June 30, 1953. The arrangement would result in less scrap being exported, but it was estimated that it would earn about £500 thousand a year. For the purpose of export permits, scrap steel would be taken to include scrap cast-iron—Melbourne, July 30.

Brazil

EXCHANGE BUDGET FOR LAST HALF 1954—The estimates of Brazil's foreign exchange receipts and payments during the last half of 1954 have recently been made public. Total receipts are estimated at \$1,043 million. Of this amount total converting currency earnings (United States dollars, Canadian dollars, Swiss francs) are expected to reach \$460 million.

Expenditures in convertible currencies are anticipated as follows: services (includes interest payments on debts, dividend payments) \$62 million; amortization of debts \$30 million; payments on commercial arrears \$8 million, and imports \$360 million.

Dollar exchange for imports through the auction system will be made available at a rate of \$6 million per week for 120-day delivery. Accordingly, currency certificates sold during July and August only call for the supplying of exchange during the remainder of 1954. Remaining estimated dollar exchange availabilities will go toward imports not

subject to the auction system (imports of public entities, paper and material for the press, books and magazines) \$97 million; petroleum imports \$142.5 million; and outstanding commitments on currency certificates sold in the first half of the year, \$72 million.

RICE EXPORTS SUSPENDED—The President of Brazil has approved the proposal of the Minister of Agriculture that rice exports be suspended for a period of six months in order to guarantee home market supplies. This suspension was decided upon because of the apparent increase in domestic consumption, and to avoid the necessity of importing rice—Rio de Janeiro, Aug. 9.

NEW EXCHANGE REGULATIONS FOR EXPORTS—Instruction No. 99 of the Brazilian Superintendency of Currency and Credit, established, effective August 16th, new exchange regulations for exports. According to this instruction, Brazilian exporters will receive cruzeiros for their foreign exchange earnings, 20 per cent at the free rate of exchange and 80 per cent at the official rate.

Formerly all exchange from exports was converted at the official rate of 18.36 cruzeiros per U.S. dollar or its equivalent in other currencies. In addition, a bonus of 5 cruzeiros per dollar was paid to coffee exporters, and 10 cruzeiros per dollar to exporters of other products, resulting in effective rates of 23.36 and 28.36 cruzeiros per dollar. These rates remain in effect for 80 per cent of export earnings.

The free rate, applicable to 20 per cent of the exchange earned from exports reached a record low of 68 cruzeiros per dollar on August 10th but appreciated to 63 cruzeiros per dollar by the end of the week. The latter rate on the free market, gives new effective exchange rates of 30.69 and 34.69 cruzeiros per U.S. dollar for coffee and other exports, respectively. The effective rates will fluctuate with changes in the free market rate in Brazil.

Ceylon

BUDGET PROPOSALS FOR FISCAL YEAR 1954-55 ANNOUNCED—The Ceylon Government *Gazette Extraordinary* of July 8 contains the text of the budget proposals for the fiscal year, July 1, 1954 to June 30, 1955. The proposals provide for some 20 amendments to the current customs tariff of Ceylon.

On motor cars and station wagons (not including motor lorries), including engines and chassis for such vehicles, the budget proposes new duties as follows: where the cost, insurance, freight and other charges up to the point of arrival in the port of importation

of a vehicle does not exceed Rs.5,500, 35 per cent preferential tariff, and 42½ per cent general tariff; where the value exceeds Rs.5,500 but does not exceed Rs.8,000, 42½ per cent and 50 per cent; where the value exceeds Rs.8,000 but does not exceed Rs.20,000, 60 per cent and 67½ per cent; where the value exceeds Rs.20,000, 80 per cent and 87½ per cent. The former rates were 30 per cent and 37½ per cent or, if over 18 h.p., 50 per cent and 57½ per cent.

The following are among the new items to be inserted in the tariff: iron and steel cans for canning fruit, 5 per cent preferential and 15 per cent general; other metal cans for canning fruit, 15 per cent; filters and parts for filtering waste oil, 20 per cent and 30 per cent; machinery and parts for making exercise books, 2½ per cent and 12½ per cent; machinery and parts for making safety matches, 2½ per cent and 12½ per cent; marine diesel engines for fishing craft, 2½ per cent and 12½ per cent; photographic instruments and apparatus (including photographic paper, plates and films except processed films), 33 per cent and 38 per cent; components and spare parts of wireless goods and apparatus, 10 per cent and 12½ per cent; and millet, 50 per cent. (Since these are new items the former rates involve interpretation.)

The budget also provides for decrease in the rates of duty on the following: bicycles and tricycles and parts and accessories, from 10 per cent and 20 per cent to 5 per cent and 15 per cent; certain dyes and dyestuffs, from 7½ per cent and 17½ per cent to 2½ per cent and 12½ per cent; sports materials, games and athletic materials, from 20 per cent and 35 per cent to 10 per cent and 20 per cent; unspecified sports materials, 35 per cent to 20 per cent.

On a few items the rate of duty is increased. These include, calendars, from 100 per cent to 110 per cent, and natural silk lace and net and any admixtures thereof, from 20 per cent and 25 per cent to 40 per cent and 50 per cent.

The preferential rate is accorded in each case to products of Canada and other parts of the Commonwealth; the general tariff rates apply to products of all non-Commonwealth countries. Where only one rate is shown, as in the case of non-ferrous cans for fruit, it applies equally to imports from all countries. The new rates of duty, although in effect from July 9th, are subject to confirmation and possible amendment in the passage of the budget through the Ceylon Parliament.

Greece

DRAWBACK OF CUSTOMS DUTIES—Effective June 10th, a procedure has been established for refunding to exporters of Greek manufactured goods

the customs duties and other taxes levied on imports of the raw materials and fuel used in manufacturing the export products. Instead of receiving duty drawback on imports already made, the exporter may apply for duty-free import of similar quantities of raw materials and fuel. Provisions have also been laid down regarding drawback on imported packing materials used for packaging Greek exports. Moreover, the new law envisages reductions in employer contributions towards social insurance funds on salaries and wages corresponding to the items exported.

It is understood that duty and tax drawbacks under the new measure will be paid automatically on the basis of general provisions. It replaces a law of 1951 under which drawbacks were paid on the merits of each particular case. For the purpose of implementing the new law, a committee has already been set up to determine the percentage of imported raw materials and fuel corresponding to various Greek manufactured export goods—Athens, July 30.

Indonesia

ADVANCE DEPOSITS FOR IMPORTS INCREASED—Effective July 12, the deposits payable by Indonesian importers wishing to obtain licences for imports from any country have been increased from 75 per cent to 100 per cent of the value of general imports, and from 50 per cent to 75 per cent of the value of raw materials and capital goods for industries—Djakarta, July 23.

A notice regarding raw materials and capital goods subject to deposits at the lower rate (now 75 per cent) was published in "Foreign Trade" of October 31, 1953.

Italy

MANY DOLLAR IMPORTS FREED FROM LICENSING—The Italian *Official Gazette* of August 10th published a long list of goods which no longer require import licences when imported from Canada or from other dollar countries. A complete translated list of the liberalized items is not yet available. It is, however, understood that it includes synthetic rubber, ferro-alloys, certain timber products, metal ores and some chemicals and pharmaceuticals. It is expected that full information will be available for publication in the next issue of *Foreign Trade*—Rome, August 20.

TEMPORARY TARIFF REDUCTIONS EXTENDED—All temporarily reduced rates in the Italian customs tariff have been extended until July 14, 1955 by virtue of a Presidential decree published in the Italian *Official Gazette* of June 8. The expiry date of the reductions prior to the present extension

was July 14, 1954, as was reported in *Foreign Trade* of January 23, 1954.

The decree also provided for some minor amendments and additions to the reduced duties. Among these, the 4 per cent duty on meat meals and residues unfit for human consumption was suspended; the duties on certain types of copper rods intended for wire drawing and on crude cast-iron containing from 25 to 36 per cent of nickel were reduced. Reductions were also made in the duties of potato starch, manila type paper and zinc powder entering under quota for specified manufacturing purposes—Rome, July 30.

New Zealand

IMPORT RESTRICTIONS RELAXED—With reference to the notice which appeared in *Foreign Trade* of August 21, 1954, page 23, regarding the exemption of various commodities from import licensing requirements effective January 1, 1955, official information has now been received showing that these items were freed from import licensing effective July 30, 1954.

The exempt articles are:

Cocoa butter; vegetable lecithin
Canned fish of all types
Dried prunes (imported after 1 February 1955)
Boric acid
Pine tar
Pine oil
Gases, liquefied or compressed, viz.-n.e.i.
Sodium baborate (borax)
Surgeons', physicians', dentists', and opticians' appliances, instruments and materials, viz.: appliances (including splints) for wear, even if medicated, peculiarly adapted to correct a deformity of the human body, to afford support to an abnormal condition of the human body, or to reduce or alleviate such condition, or to substitute any part of such body; stump socks, crutches; ear trumpets; surgical and dental hand instruments; surgeons', physicians', and dentists' materials, viz.: antiseptic dressings, gauzes, lint, tow, poro-plastic felt, adhesive plaster not including medicated remedial plaster or plasters, spongio-piline, bandages, catgut, and sterilized and other sewings, artificial teeth, tooth crowns, celluloid blanks, base plates, denture-strengtheners, gutta-percha stick, points, and pellets, amadou absorbent, porcelain powder, enamel, inlays, modelling composition, investment compound, cement, and absorbent paper; also such other materials peculiar to surgeons', physicians', or dentists' use as may be enumerated in any order of the Minister; cotton wool
Printers' blanketing on declaration that it will be used only in printing
Staymakers' corset-fasteners, corset-shields, corset steels, and busk protectors
Belts, and belting, n.e.i. for driving machinery; conveyor belts, and belting, of rubber, textile, fibre, or combinations of these materials; cordage or rope on declaration that it will be used only for driving machinery
Nails, pegs, rivets, and tacks, peculiar to use in bootmaking
Shoemakers' binding and beading
Tires and tubes therefor of sizes not made in New Zealand
Tire valve and caps
Watch glasses and similar articles
Strings of metal wire, catgut, or similar material, specially suited for musical instruments
Maps, charts, plans, and similar articles
Ball bearings, and roller bearings, not being ball or roller bearing plunger or hanger blocks; steel balls, and rollers, suitable for ball or roller bearings

Adding and computing machines and instruments; accounting and book-keeping machines; combined adding and typing machines; but excluding ribbons for the foregoing machines

Cash registering machines (excluding recording paper and ribbons)

Engines, viz.: specially suited for use on cycles; engines, viz.: specially suited for use on motor-vehicles (*excluding* mufflers, pistons and cylinder sleeves for motor-vehicle engines); engines, viz.: specially suited for use on tractors or traction engines, on declaration that they will be used only on such tractors or traction engines

Engines (including necessary controlling-gear therefor) specially suited for flying machines, on declaration that they will be used solely in the manufacture or completion of the same

Carbons or electrodes for arc lamps and for electric furnaces; carbons for electric welding

Electric appliances n.e.i. peculiar to electro-plating, electro-chemistry, electro-metallurgy, surgery

Mica

Carbon electrodes for dry-cell batteries

Sparking plugs for oil engines

Crawler tractors

Spare parts for traction engines and tractors (*excluding* tractor tires classed under this item of the following sizes, viz.: 10-28, 11-25-28, 12-28, 13-28, 11-36, 11-38, 14-30)

Sewing machines

Knitting and kilting machines

Hat blocks

Artificers' tools, n.e.i. (not including brushes or brushware, vices, and joiners' clamps); and the following tools, viz.: axes, hatches, forks, picks, mattocks, hammers, scythes, sheep-shears, reaping hooks, scissors (not less than 10 inches in length), butchers' and other cleavers and choppers, hand-saws, saw-blades, machine or hand, bill-hooks, bush-hooks, and hedge-knives

Metal, viz.: shafting, plain rolled, or plain turned, but otherwise unwrought

Metal, viz.: sheet, perforated or cellular

Nails or tacks, of copper, brass, and composition, n.e.i.; nails or tacks, n.e.i.; cooper's and similar hooks and tacks; staples; dog-spikes and deck-spikes (*Excluding* staples $\frac{3}{4}$ inch and longer made from wire of 15 S.W.G. or heavier; clouts 1 inch and under)

Wire-netting; metal-gauze; expanded metal lathing and fencing

Metal wove wire made from wire of 18 S.W.G. or lighter

Flying-machines

Straddle trucks

Spare parts of motor-vehicles n.e.i. (*excluding* loose seat covers)

Soya bean oil

Turpentine; turpentine substitutes composed of volatile mineral oils; or of volatile mineral oils in combination with turpentine or other volatile vegetable oils

Mineral oil specially suited for medicinal purposes as may be approved by the Minister

Carbon black (*excluding* acetylene black); titanium dioxide

Plastic moulding powders

IMPORT CONTROL FOR 1955—The New Zealand Minister of Industries and Commerce announced on July 30th the Import Licensing Schedule for 1955. This Schedule provides for the continuation of the items exempted from import licensing during 1954.

Goods not exempted from import control continue to be subject to import licences and applications will be considered individually. However, the Minister has stated that it has been decided to adopt a more liberal attitude towards applications for licences to import essential plant and equipment and industrial raw materials from Canada. Further, it is understood that more favourable consideration will be given to imports from Canada of other types of goods, especially those freely imported from the sterling area, provided a reasonably substantial saving in price can be shown or an advantage in quality or design.

On April 26th the New Zealand Government relaxed import restrictions on a number of goods from the dollar area, and these items were listed in "Foreign Trade" of May 15th. A further list of exemptions were announced on July 30th and are given in the note above.

DOLLAR IMPORT LICENCES—The New Zealand Department of Customs announced July 28, 1954, that the following goods from Canada and the United States will be granted licences in 1955 on the basis indicated:

Printed books, papers, and music—100 per cent of 1954 licences

Wooden handles for tools—100 per cent of 1954 licences

Sausage casings of animal origin—100 per cent of 1953 licences

Consideration will be given to applications from regular importers of paper hangings and linoleum to import these commodities from Canada and the United States. Applications should be lodged by October 31, 1954.

EXCHANGE ALLOCATION—The Minister of Finance in his recent budget speech stated that as from January 1, 1955, the system of exchange allocation which has been in operation in New Zealand since April 1952 would be done away with. Regarding goods which have been removed from import licences from any source, the importer will need only to make application to his bank for the necessary funds. However, in the case of dollar imports, the granting of exchange will be subject to approval by the Reserve Bank which will base its decision on the then current New Zealand dollar position.

DUTY ON CERTAIN ELECTRIC MOTORS INCREASED—The New Zealand Government has announced that, as from July 16, 1954, the rate of duty on electric motors of not less than one brake horse power but less than six brake horse power is increased as follows: under the British Preferential tariff (applicable to Canada), from free of duty to 15 per cent ad valorem; under the Most-Favoured-Nation rate, from 20 per cent ad valorem to 35 per cent ad valorem; under the General tariff, from 25 per cent ad valorem plus a surtax of 22½ per cent of duty to 45 per cent ad valorem.

It is stated that this increase in duty has been made to provide a protective rate on certain electric motors of types manufactured in New Zealand.

South Africa

REPRESENTATIONS FOR CHANGES IN THE TARIFF—It was announced on July 23 in South Africa that a number of representations, as listed below, for increases in the tariff have been made to the Board of Trade and Industries:

Representations for Increases in Duty

1. Paraffin-burning pressure stoves and spares from 10 per cent to 30 per cent ad valorem.
2. Cast iron vitreous enamelled baths—
 - (a) tub and rectangular, plain white, enamelled on the inside only (but excluding one-piece apron baths, and baths with soap, brush or similar sinkings in the rim) from various rates of duty to £3 10s each; and
 - (b) Other, from 10 per cent to 33½ per cent ad valorem.
3. Steel bladed knives, with handles of metal, xylonite, plastic or wood, and steel knife blades, from 10 per cent to 25 per cent ad valorem.
4. Spoons and forks—
 - (a) of nickel or steel, or chromium plated, from 10 per cent to 30 per cent ad valorem; and
 - (b) of electro-plated nickel silver, from 10 per cent to 40 per cent ad valorem.
5. Processed and semi-processed spoon and fork blanks, from 10 per cent to 25 per cent ad valorem.
6. The following creams and condiments, from 2½d. to 4d. per lb.—
Florence cream
French cream
Salad dressings
Sandwich spread
Mayonnaise
7. Fish pastes, potted or tinned, from 6d. to 10d. per lb.
8. Meat pastes, potted or tinned, from 3d. per lb. or 20 per cent ad valorem, whichever duty is the greater, to 6d. per lb.
9. Enamelware, by 15 per cent ad valorem (in respect of the suspended duty).
10. Aluminum hollowware, from 20 per cent ad valorem to 20 per cent plus a suspended duty of 25 per cent ad valorem.
11. The following articles of enamelware to the extent that the existing ad valorem rate is less than the specific rate shown hereunder against each article—
Mugs (6 to 16 cms.): 6d. each.
Cash bowls, rice plates and dinner plates: 6d. each.
Basins up to 36 cms.: 1s. each.
Basins over 36 cms.: 1s. 6d. each.
Saucepans and stewpans: 1s. each.
Buckets (with or without covers): 2s. 6d. each.

Representations for Bringing into Operation of the Suspended Duty

1. Pulpboard for building purposes, to the extent of the whole duty.

Interested Canadian firms may wish to have their view on tariff enquiries placed before the Board of Trade and Industries. The most effective method of making representations would be for Canadian firms to request their representatives in South Africa to act on their behalf before the Board.

Sweden

DUTY-FREE ENTRY OF ADVERTISING MATTER AND FILMS—Effective July 1st, duty-free entry into Sweden is granted for catalogues, price lists and other commercial printed matter showing the name of the foreign firm, provided only one copy of each specimen is contained in a shipment or its weight does not exceed one kilogram (about 2.2 pounds) gross. This concession was implemented by adding a new clause to the Swedish Customs Ordinance. In the past, printed advertising matter had been admitted duty-free, if it was in a language other than Swedish, but this provision was not incorporated in the Customs Ordinance.

Another new measure allows duty-free imports of positive photographic films showing the nature of foreign goods offered for sale in Sweden or demonstrating how they work. In order to enter duty-free, films must be not more than 16 millimetres wide, must be sent in single copies, and they must be re-exported within six months—Stockholm, July 26.

United Kingdom

IMPORTS OF COTTON WASTE AND SCRAP METALS—The United Kingdom Board of Trade announced to-day that from September 1st, 1954, cotton waste (unmanufactured), and scrap metal other than precious metals, aluminum and magnesium, can be imported from any country under Open General Licence (i.e. without the need to obtain a separate import licence). Iron and steel scrap are already admitted under Open General Licence—London, Aug. 18.

Index to "Foreign Trade"

The index to "Foreign Trade" from February 6, 1954, to the end of June 1954, issues No. 1-11, is now available. If you would like a copy, write to "Foreign Trade," Information Branch, Department of Trade and Commerce.

head office directory

Department of Trade and Commerce

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

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Executive Assistant:	2380
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Technical Adviser: G. D. Mallory	3819
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421
Comptroller-Secretary: Finlay Sim	2262

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Assistant Director (Export Promotion): J. P. C. Gauthier	6519

Import Division

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

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

Standards Branch

West Block, Wellington St.	
Director: R. W. MacLean	2132
Assistant Directors	
Electricity and Gas: E. F. Power	2956
Weights and Measures: C. S. Phillips	2000
Commodity Standards: O'Neill O'Higgins	6721
Precious Metals Marking, and Enforcement: W. L. Berry	7075
National Research Building, Sussex Drive	
Supervisor, Standards Laboratory	2575

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

No. 4 Building, Lyon St.	
Administrator: Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Capital Projects	
Chief: F. E. Pratt	0981
Technical Co-operation Service	
Chief: D. W. Bartlett	5542
Assistant Chief: J. T. Hobart	8662

Canadian Government Exhibition Commission

479 Bank St.	
Director: Glen Bannerman	3558

Export Credits Insurance Corporation

Birks Bldg., 107 Sparks St.	
President and General Manager: H. T. Aitken	2-4828
Assistant General Manager: A. W. Thomas	2,4828
Secretary: T. Chase-Casgrain	2-4828
Montreal Branch 607 St. James St. West	UN6-1268
Toronto Branch Rm. 1511, 55 York St.	EM4-5778

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 1.03026.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. August 20	Notes (See below)
Argentina	Peso	Preferential buying	.1294	(1)
		Basic buying	.1941	
		Preferential selling	.1941	
		Basic selling	.1294	
		Free	.06987	
Austria	Schilling	.....	.03733	
Australia	Pound	.....	2.1845	
Belgium Luxembourg & Belgian Dependencies	Franc	.....	.01942	
		Boliviano00511
Bolivia	Dollar	.....	.5689	(3)
British West Indies	Pound	.....	2.7306	(4)
		Dollar6826
Brazil	Cruzeiro	Brit. Honduras	.05157	tax 8%
		Official selling	.04155	
		Official buying, coffee	.03422	
		Official buying, other	.01517	
Burma	Kyat	.....	.2038	
Ceylon	Rupee	.....	.2048	
Chile	Peso	Official	.00882	(1)
Colombia	Peso	Basic	.3883	
Costa Rica	Colon	Official	.1729	(6)
		Controlled free	.1462	
Cuba	Peso	.....	.9706	tax 2%
Czechoslovakia	Koruna	.....	.1348	
Denmark	Krone	.....	.1405	
Dominican Republic	Peso	.....	.9706	
		Sucre06471
Ecuador	Sucre	Official	.05607	
Egypt	Pound	Free	2.7872	
Fiji	Pound	.....	2.4600	
Finland	Markka	.....	.00422	
France	Franc	.....	.00277	(7)
French Africa	Franc	.....	.00555	(8)
French Pacific	Franc	.....	.01526	(9)
Germany	D Mark	.....	.2311	
Greece	Drachma	.....	.03235	
Guatemala	Quetzal	.....	.9706	
Haiti	Gourde	.....	.1941	
Honduras	Lempira	.....	.4853	
Hong Kong	Dollar	Free	.1673	*August 6
Iceland	Krona	Official	.05960	
India	Rupee	Special buying	.04589	
		Special selling	.03698	
		.....	.2048	
Indonesia	Rupiah	Basic	.08514	(10)
Iran	Rial	Certificate	.01166	
Iraq	Dinar	.....	2.7178	

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. August 20	Notes (See below)
Ireland	Pound		2.7306	
Israel	Pound	Official	.9706	
		Premium	.5392	
Italy	Lira		.00156	
Japan	Yen		.00270	
Lebanon	Pound	Free	.3028	
Mexico	Peso		.07765	
Netherlands	Guilder		.2561	
Netherlands Antilles	Guilder		.5147	
New Zealand	Pound		2.7306	
Nicaragua	Cordoba	Effective buying	.1470	(1)
		Official selling	.1377	
		With Surcharge I	.1206	
		With Surcharge II	.09658	
Norway	Krone		.1359	
Pakistan	Rupee		.2934	
Panama	Balboa		.9706	
Paraguay	Guaraní	Basic	.06471	(1)
		With Surcharge I	.04622	
		With Surcharge II	.03235	(12)
Peru	Sol	Certificate	.05006	
Philippines	Peso		.4853	tax 17% (2)
Portugal	Escudo		.03387	(13)
El Salvador	Colon		.3883	
Singapore & Malaya	Straits dollar		.3186	
South Africa (Union of)	Pound		2.7306	
Spain & Dependencies	Peseta	Basic buying	.04432	
		Basic selling	.08651	
		Basic commercial selling	.05909	(1)
		Free	.02492	
Sweden	Krona		.1876	
Switzerland	Franc		.2264	
Syria	Pound	Free	.2722	
Thailand	Baht	Official	.07765	*July 15 (1)
		Free	.04655	*July 2
Turkey	Lira		.3466	
United Kingdom	Pound		2.7306	
United States	Dollar		.9706	
Uruguay	Peso	Official	.6390	
		Basic buying	.5453	
		Special buying	.4130	(1)
		Basic selling	.5108	
		Special selling	.3962	
Venezuela	Bolivar		.2897	(14)
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 is official plus auction price of certificates. Effective buying is 80 per cent at official, 20 per cent at free.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33½ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

General notes



Australia

TRADE POLICY UNDER REVIEW—The Federal Government is reviewing its attitude to trade policy, including the General Agreement on Tariffs and Trade and the Ottawa Agreements on Empire Preferences. Before the meeting of the contracting parties to GATT in October, Australia will have formal and informal discussions with other British countries; last year Australia asked that there be a complete review of GATT at the meeting this October—Sydney, Aug. 11.

Brazil

COPPER MINES RE-OPENED—The copper mines at Camaqua in the State of Rio Grande do Sul have been re-opened and produced 170 tons of copper concentrates during February, March and April. These mines were closed down at the end of World War II when falling copper prices made their operation impractical. Now that world copper prices are higher, operations have been resumed and output is being sold to a São Paulo firm. Eventual production is estimated at 7,200 tons of concentrate a year, or 2,200 tons of refined copper, approximately a tenth of domestic consumption—São Paulo, Aug. 10.

Federation of Rhodesia and Nyasaland

FOA LOAN—A loan of about £3,500,000 was recently made to the Federation by the Foreign Operations Administration of the United States. It is the Federation's first loan from any source, covers a period of 20 years, and will bear interest at 4½ per cent. The Rhodesia Railways will use the money to buy rolling stock and materials to help them improve service both within the Federation and to and from nearby seaports—Johannesburg, Aug. 1.

Netherlands

FORWARD MARKETS FOR COPRA, COFFEE AND LINSEED OIL—Plans to establish an official forward market for copra and to re-open prewar coffee and linseed oil forward markets in Amsterdam, are in an advanced state but no details are available. It is believed that the copra market in Amsterdam will start operations on October 1st; only members of the Dutch copra trade association can be members. At present two commodity future markets for rubber and cocoa are operating in Amsterdam, and two in Rotterdam for corn and barley. Coffee forward

markets, if re-opened, will be established both in Amsterdam and Rotterdam—The Hague, Aug. 18.

South Africa

IMPORTS AND EXPORTS—Recent figures show that the Union's exports to the end of May 1954 totalled £127.98 million, as compared with £140.73 million during the first five months of 1953; the relative figures for imports were £186.98 million and £178.73 million respectively. Exports during May totalled £23 million, as compared with £27.7 million the previous year. Imports were approximately the same, £1 million higher at £37 million. In comparing these figures, however, it must be noted that shipments of processed gold have dropped to vanishing point and export figures do not include exports of gold bullion. In May 1953, processed gold accounted for £6.7 million of the export figure given above—Cape Town, Aug. 5.

Thailand

ALUMINUM SULPHATE FACTORY PROPOSED—The Thai Government has allocated Baht 2,850,000 (approximately C\$145 thousand), it is reported, for a factory to produce aluminum sulphate for use by the Bangkok Waterworks and for sale generally. Production is scheduled for January 1955, with an output of ten tons a day. The main raw material, kaolin, is obtained near Bangkok and sulphuric acid will be imported. Machinery and equipment will be Japanese—Singapore, Aug. 2.

United States

AVIATION RESEARCH CENTRE—An Air Force Research Centre costing \$5 million and a new missile and radar development laboratory completed by the Raytheon Manufacturing Company of Waltham, Massachusetts, at a cost of \$2 million, were dedicated recently in Bedford, Mass. Another firm, Trans-Sonics Inc., specializing in measurement problems associated with supersonic flight and the manufacture of special instruments for the measurement of pressure, acceleration and temperature under these conditions, has been established in Bedford for some years. The Raytheon plant is said to be one of the most advanced laboratories ever built for the development of electronics equipment used in conjunction with aircraft and for guided missiles control systems—Boston, Aug. 20.