CANADA

# foreign trade


Established in 1904

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

**OTTAWA, OCTOBER 16, 1954, Vol. 102, No. 8**

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

Authorized as second class mail by the Post Office Department, Ottawa.




**cover** These aluminum ingots, piled up for shipment, probably will go to the United States, which is becoming more dependent on other nations for its supplies. The many changes in the character of U.S. exports and imports during the last three decades are analyzed in our leading article on page two.

—Photo by Malak for Alcan.

*Foreign trade still accounts for a relatively small fraction of the U.S. national income, but none the less plays an important role in its economy—a role that is changing with the years. Here is a useful analysis of the shifts in type and direction in U.S. imports and exports.*

# the changing pattern of

ALTHOUGH FOREIGN TRADE accounts for only a small fraction of the national income in the United States, it none the less has an importance not indicated by the small statistical percentages. The tremendous growth in manufacturing has increased the demand for raw materials at a rate greater than U.S. resources alone can support. Moreover, there are several basic raw materials not produced in the United States or produced only in limited quantities. Thus, in spite of great development of its own resources, the United States must rely on foreign sources for some of its most important raw materials. With certain domestic sources becoming more and more uneconomic, this dependence will increase. It is estimated that the United States now is consuming about half the industrial raw materials of the free world and its natural resources alone cannot sustain this rate of consumption.

Before the last war, the United States imported a large proportion of its supplies of strategic materials. It was then a net exporter of key products which it now imports, particularly certain non-ferrous metals and oil. Studies prepared for the Randall Commission show that the United States now imports from 90 to 100 per per cent of its consumption of industrial diamonds, natural rubber, asbestos, cobalt, chromite, manganese, nickel, tin, platinum, cocoa, coffee and tea. It also buys abroad from 35 to 50 per cent of its supply of copper, lead, tungsten and zinc, and is becoming more dependent on other nations for its aluminum and iron ore. Imports amounted to only 3·1 per cent of the gross national product in 1951-53 but most imported products are indispensable to U.S. industry. Manufactured products, however, have constituted a relatively stable proportion of imports over the years.

### Importance of Exports

In exports the situation is rather different. Manufactured products now represent a larger proportion of U.S. exports than in former years while industrial raw materials have declined in relative importance. Then too, exports play a significant role in the growth of certain industries and foreign sales are important to United States agriculture. The growth of agricultural surpluses demonstrates how vital these export markets are to the United States farm economy. Official studies reveal that, for the years 1949-1951, some 43 per cent of the rice crop was sold abroad, 39 per cent of the cotton crop, 33 per cent of the output of wheat and inedible tallow, and more than 25 per cent of grain sorghums, soybeans, and tobacco.

A number of key American industries also market a high proportion of their output abroad. In 1951, exports accounted for 35 per cent of the year's production of rolling mill machinery; 22 per cent of tractors, textile machinery and sewing machines; 16 per cent of oil field machinery, office appliances, motor trucks and

**Table I**

**Imports and Exports by Main Groups**

*(expressed as a percentage of the total)*

| | *Crude Materials (excl. foods)* | | *Foodstuffs* | | *Semi-Manufactures* | | *Finished Manufactures* | |
|---|---|---|---|---|---|---|---|---|
| | *Imp.* | *Exp.* | *Imp.* | *Exp.* | *Imp.* | *Exp.* | *Imp.* | *Exp.* |
| 1926-30 av. | 36·8%* | 24·4%* | 22·4% | 16·1% | 18·8% | 14·1% | 21·8% | 45·3% |
| 1931-35 av. | 28·9 | 30·2 | 29·3 | 12·6 | 18·7 | 14·5 | 23·0 | 42·5 |
| 1936-40 av. | 33·0 | 19·0 | 27·2 | 9·3 | 20·9 | 19·3 | 18·7 | 52·3 |
| 1946-50 av. | 30·2 | 13·9 | 29·5 | 18·2 | 22·3 | 11·1 | 17·8 | 56·6 |
| 1951 | 31·1 | 16·6 | 28·6 | 15·1 | 22·7 | 11·2 | 17·5 | 57·1 |
| 1952 | 27·3 | 13·2 | 29·3 | 13·9 | 23·9 | 10·8 | 19·5 | 62·1 |
| 1953 | 24·2 | 10·4 | 30·6 | 10·7 | 24·9 | 9·1 | 20·4 | 69·8 |

* i.e., percentage of total imports and exports respectively.

# United States foreign trade

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

coaches, and printing equipment, and 12 per cent of agricultural machinery other than tractors.

Exports in the years 1951-53 represented only 4·4 per cent of the gross national product. Any large decline in this figure, however, would affect many basic American industries seriously, including transportation and other supporting industries.

Table I gives a rough outline of the changing pattern of U.S. foreign trade.

## Analyzed by Groups

### *Crude Materials*

When one analyzes these figures by groups, at first it seems surprising that imports of crude materials have declined in relative importance. Several factors account for this decline. Non-ferrous metal exports, classed as semi-manufactured, have shot up. Raw silk, which represented 10 per cent of imports by value in 1929, disappeared entirely from import figures in 1953. Undressed furs are less important than they once were. On the other hand, petroleum accounted for 5 per cent of imports in 1953, compared with only 2 per cent in 1929. Non-ferrous ores and iron ore were more important in 1953 than in 1929.

To turn to exports of raw materials, a pronounced shift in cotton sales abroad explains the relative decline in exports of raw materials. This product accounted for 16·1 per cent of the total in 1926-29, and 17 per cent in 1931-35. In 1951, cotton represented 7·6 per cent of exports by value and by 1953, only 3·3 per cent.

### *Foodstuffs*

Foods have represented a relatively stable proportion of imports since 1930, though there have been some changes in this group. Imports of coffee have skyrocketed in both volume and price; in 1953, coffee represented nearly 14 per cent of imports by value, compared with less than 7 per cent in 1929. Today it is the largest single import. Sugar, on the other hand, has declined in importance Before the war, it represented roughly 6 per cent of imports, compared with less than 4 per cent at present.

Figures on foodstuffs exports reflect heavy grain shipments after the war and a decline in these shipments in recent years. Grain accounted for 6·7 per cent of exports in 1953, the same proportion as in 1926-30.

### *Semi-Manufactures*

The increasing percentage of imports in the semi-manufactured group is largely the result of heavy purchases of non-ferrous metals (10 per cent in 1953, compared with less than 6 per cent in 1929). Refined petroleum products have also begun to appear significantly in the last few years—gas and fuel oil constituted 2·3 per cent of imports in 1953.

### *Finished Manufactures*

Although imports of finished manufactures have been a fairly constant percentage of the total, wide fluctuations have occurred within the group. Textiles, which prewar were as much as 20 per cent of the total, are now running at only 3½ per cent. This is offset by no particular commodity but paper and paper products and machinery have increased their share of total imports slightly.

The export figures for manufactured products are more difficult to analyze because "special category" exports are not included in the detailed figures. These are goods considered to be of strategic importance and destination and details are not disclosed. They consist largely of weapons of war, but include supporting goods such as some civilian supplies like electronic equipment, electrical apparatus, binoculars, navigational instruments, truck and bus tires and tubes, some automotive lubricants, and a few other items that could be non-military. Even without this, however, machinery in general has increased its share of exports to 17·4 per cent (10·3 per cent in 1926-30). The main increase here has been in industrial machinery; automobiles now take a slightly smaller share, percentage-wise. Chemicals are gradually increasing but textiles and petroleum products have fallen away drastically. During 1926-30 these were among leading groups of exports, taking 20 per cent and 11 per cent respectively of the total. In 1953 they made up only 4·1 and 2·8 per cent respectively.

### War Changed Import Sources

The postwar figures show a considerable change in the sources of United States' imports. The table following indicates the share of imports by main trading blocs and by Canada, expressed as a percentage of total imports for each period.

### Sources of U.S. Imports

*(in per cent)*

| | *Soviet bloc (incl. China)* | *OEEC countries less U.K., Ireland and Iceland* | *Sterling Area* | *Canada* | *Others* |
|---|---|---|---|---|---|
| 1925-29 av. | 5 | 19 | 23 | 11 | 42 |
| 1930-34 av. | 5 | 20 | 18 | 13 | 44 |
| 1935-39 av. | 6 | 17 | 22 | 14 | 41 |
| 1946-50 av. | 3 | 9 | 19 | 21 | 47 |
| 1951 | 1 | 13 | 20 | 21 | 46 |
| 1952 | 0·6 | 12 | 17 | 22 | 47 |
| 1953 | 0·4 | 15 | 16 | 23 | 47 |

The table illustrates among other things the almost complete drying-up of United States imports from the Soviet bloc, including China. In the postwar years, Canada has supplied a much larger proportion of United States imports than it did before the war. The OEEC countries and the sterling area, on the other hand, supply a smaller proportion than they did prewar.

When one comes to analyze the imports by countries, Canada emerges as the principal postwar supplier by a wide margin. In fact, purchases from Canada now exceed those from all of South America combined. The relative position of the principal supplying countries expressed as a percentage of total imports for the past three years, compared with the 1931-35 average, is set out in the table following:

### Percentage of Total Imports

| | 1931-35 | 1951 | 1952 | 1953 |
|---|---|---|---|---|
| CANADA | 14 | 21 | 22 | 23 |
| Brazil | 5 | 8 | 8 | 7 |
| United Kingdom | 6 | 4 | 5 | 5 |
| Colombia | 3 | 3 | 4 | 4 |
| Venezuela | 1 | 3 | 4 | 4 |
| Cuba | 5 | 4 | 4 | 4 |
| Mexico | 2 | 3 | 4 | 3 |
| West Germany | 5 | 2 | 2 | 3 |
| Philippines | 5 | 3 | 2 | 3 |
| Japan | 9 | 2 | 2 | 2 |

The table illustrates also how much farther Japan has to go before approaching its prewar status as a major supplier of goods to the United States. It will be remembered that, with a one-year extension of the Reciprocal Trade Agreements Act, the United States can negotiate a trade agreement with Japan and has announced its intention of doing so. At the present time, Japan's principal exports to the United States include fish and fish products (fresh or frozen tuna, canned tuna, sardines, canned crab meat) which amounted to some 15 per cent of total imports from Japan; textile manufactures, 31 per cent (silk manufactures still well over double cotton); wood manufactures, 5 per cent; clay products, 5 per cent; steel mill products, 8 per cent (iron and steel tubes, steel plates); toys and machinery, each about 3 per cent.

Before the war, raw silk represented well over half the total imports from Japan. Other important items (although compared to raw silk their value was relatively small) were crab meat and other fish products, tea, silk fabrics, pyrethrum, cotton cloth, straw hat material, and a wide variety of items with a value generally of less than a million dollars a year.

For West Germany the recovery has been more marked, bearing in mind that the prewar figures cover a much larger Germany. As might be expected, imports from Germany are once more in the machinery and metal manufactures groups (about 29 per cent and 16 per cent respectively of Germany's total), and chemicals (about 16 per cent). Other large groups are photographic goods, meat products, glass and earthenware, and scientific instruments.

### Other Suppliers

The OEEC countries generally have contributed steel mill products and manufactured goods, such as machinery and automobiles. The group also is important as a source of supply for wood pulp, iron ore, nickel, tin (indirectly), woollen and other textiles and their manufactures, meat products, alcoholic beverages and wines, watches and scientific machinery.

The sterling area outside of the United Kingdom principally supplies jute (India, Pakistan); nuts, cocoa and spices (India, Ceylon, Gold Coast, Nigeria); rubber and tin (Malaya); wool (Australia, New Zealand and South Africa); lead (Australia); ferro-alloys (South Africa, Southern Rhodesia, India); coffee (Northern Rhodesia); precious stones (South Africa).

The United Kingdom is a major supplier of alcoholic beverages, woollen and linen textiles, gems, steel products, aluminum manufactures, tin, jewellery, machinery in general, and automobiles.

The principal countries in the group "Others", in order of their importance as suppliers in 1953, are Brazil, Colombia, Venezuela, Cuba, Mexico, Philippines, Japan, Chile, Indonesia and Argentina. These countries together supply mainly coffee, cocoa, sugar, tobacco, meat, fish, rubber, wool, petroleum, vegetable oils, non-ferrous metals, and iron ore.

*The second part of this study on the foreign trade of the United States will appear in our next issue—Editor.*

# Cyprus--a Mediterranean Market

***Strategic island of Cyprus has developed both a stable and diversified economy, based on agriculture, minerals, and the tourist trade. Dollar imports not large but Canadian exporters might find opportunities in this small market.***

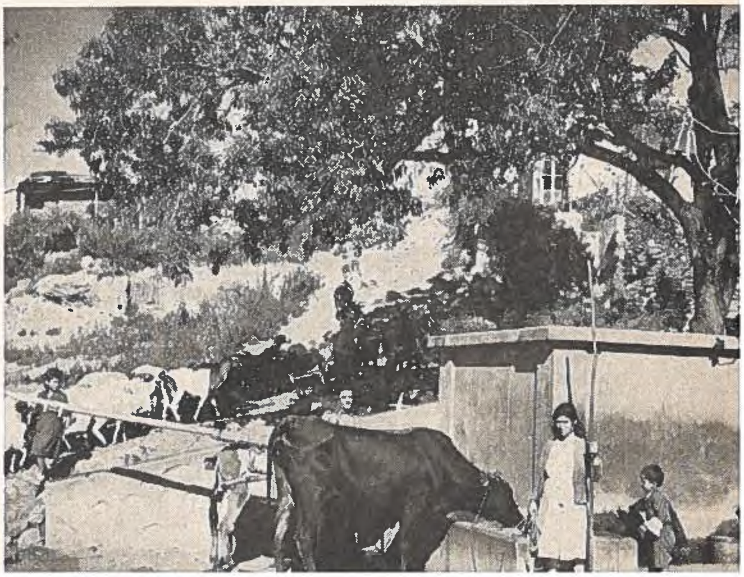
A. G. KNIEWASSER, *Acting Trade Commissioner, Cairo.*

THE ISLAND OF CYPRUS, strategically located in the eastern Mediterranean, has been at the crossroads of the Middle East since the days of the early Pharaohs. Geographically, it is the third largest island in the Mediterranean, ranking after Sicily and Sardinia. It has a population of 500 thousand, over 400 thousand of Greek stock, and since 1878 has been under British control. It became a British colony in 1925.

Cyprus makes its living largely from agriculture, mining, and the tourist trade, and development has proceeded to the point where the island has one of the most stable and diversified economies in the Middle East. Prosperity has led, in turn, to increased demand for imports, some of which might well be obtained from Canada.

Agriculture has remained the colony's most important industry and employs, at the present time, well over half of the total labour force. Production has been expanded and diversified: the principal crops are wheat, barley, potatoes, citrus fruits, carobs, and grapes. Important export markets, especially for citrus fruits, have been established in Great Britain and a number of other European countries. In recent years, mining has become the second most important industry in terms of employment and income and the leading exporter. Minerals now account for some 55 per cent of the island's total exports, with cupreous concentrates, iron and cupreous pyrites, chrome ore and asbestos in the lead. Secondary industries based on the country's agricultural and mineral resources have also been developed. Examples are the important wine and spirits business, a new plant for the production of cupreous concentrates from pyrites ore, and a board factory using local supplies of gypsum.

Another important source of income is the tourist industry. Preliminary figures for 1953 estimate the number of visitors at over 50,000; in addition, some 19,000 members of H.M. Forces and their families spent their leave on the island. Cyprus has a cool mountainous interior matched in the Middle East only by the Lebanon, and offers a respite from the hot summer in other areas. An increasing number of Americans and Europeans, many of whom are engaged in the oil industry, are making a practice of alternating between home leave and a vacation in either of these two countries every second year. A number of handi-



*—U.K. Information Office*

*Cypriot cattle drink at one of the troughs which form part of an irrigation system in a typical small village.*

craft and artisan industries have been developed in association with this tourist trade.

In addition, Cyprus has now become headquarters for British Middle East land and air forces and a program of airfield construction, harbour improvement and residential building is under way. These developments stimulate the demand for imported goods.

Imports into Cyprus in 1953 reached a total of £21,220,228. This record figure was attained despite a 15 per cent decline in exports caused mainly by lower world prices for the Island's principal minerals. The resulting trade deficit of £5,805,290 was easily offset by earnings on capital account and from the tourist industry. As a British colony, the country is a member of the sterling area and as a result, last year approximately 48 per cent of total import and 32 per cent of total export trade was carried on with the United Kingdom. The table below outlines the principal countries with which Cyprus traded during 1952 and 1953.

### Imports and Exports by Principal Countries

*(£1,000)*

| | Imports | | Exports | |
|---|---|---|---|---|
| | 1952 | 1953 | 1952 | 1953 |
| United Kingdom | 8,834 | 10,101 | 3,862 | 4,839 |
| Italy | 1,261 | 1,430 | 1,211 | 775 |
| Australia | 1,826 | 1,240 | ........ | ........ |
| United States | 1,033 | 1,147 | 1,441 | 900 |
| Germany | 789 | 812 | 5,494 | 3,732 |
| Holland | 803 | 747 | 572 | 658 |
| France | 501 | 539 | 675 | 829 |
| Egypt | 79 | 104 | 1,165 | 792 |
| Total all countries | 20,375 | 21,220 | 18,100 | 15,414 |

An analysis of these figures by commodities reveals that the leading exports and imports were:

### Exports by Principal Commodities

| *Commodity* | 1953 *Value* |
|---|---|
| Pyrites | £4,050,158 |
| Cupreous concentrates | 2,807,971 |
| Carobs | 1,197,233 |
| Citrus fruits | 972,405 |
| Potatoes | 891,558 |
| Asbestos | 471,760 |
| Barley | 438,917 |
| Copper cement | 392,693 |
| Chrome ore | 119,320 |

### Imports by Principal Commodities

| *Commodity* | 1953 *Value* |
|---|---|
| Wheat | £1,012,890 |
| Gasoline | 804,963 |
| Cotton goods | 760,940 |
| Woollen goods | 648,218 |
| Cement | 596,228 |
| Motor cars | 579,717 |
| Lubricating oils | 575,017 |
| Lumber | 547,691 |
| Chemical fertilizers | 499,084 |
| Tractors | 218,804 |

Imports from the dollar area are rigidly controlled. Import licences are issued only for replacement parts and for essential goods which are not available from soft currency sources. Purchases from Canada, consequently, amounted to only £17,429 in 1953. The main items were nickel, automobile parts, motor cars, aircraft parts and whisky. Imports from all dollar countries totalled £1,164,226. The following table outlines the principal commodities imported from the dollar area during the year.

*(£1,000)*

| | 1952 | 1953 |
|---|---|---|
| Leaf tobacco | 184 | 167 |
| Gasoline | 111 | 96 |
| Lubricating oils | 105 | 78 |
| Aircraft engines | ...... | 14 |
| Tractor parts | 20 | 20 |
| Hoists and lifting machinery | 32 | 15 |
| Mining machinery | 74 | 64 |
| Machinery n.e.s. | 46 | 39 |
| Electric generators, motors, switchgear | ...... | 140 |
| Electric machinery n.e.s. | 11 | 57 |
| Motor cars | 16 | 32 |
| Motor car parts | 9 | 10 |
| Aircraft parts (except engines) | 69 | 15 |
| Office supplies (not paper) | ...... | 31 |
| Nickel | 4 | 7 |

Exports to Canada in 1953 totalled £14,237, and consisted mainly of brandy and wine. Other commodities for which inquiries are now being made are carob gum, cuminseed and embroideries. Total exports to the dollar area amounted to only £914,120, or less than 6 per cent of total shipments to all countries. Shipments of cupreous concentrates to the United States accounted for £702,296 of this figure. Direct dollar imports, in fact, exceeded dollar exports by some £250 thousand.

Cyprus is a small market but both income and population are increasing steadily and the island's economic future appears bright. For the present, Canadian trade is severely limited by import restrictions, but it is well to remember that among the Island's principal imports are wheat, tractors, mining machinery and equipment, chemical fertilizers, motor vehicles and lumber, all of which could be supplied by Canadian exporters when currency conditions permit. Cyprus' natural markets lie in the United Kingdom, Germany and other European countries, and the progress these countries make towards convertibility will be the main factor in improved prospects for Canadian businessmen.

### Tour of Territory

*P. V. MCLANE, Canadian Trade Commissioner in Port-of-Spain, Trinidad, will visit British Guiana and Surinam during the last week of November and the first week of December. Businessmen interested in these areas should get in touch with Mr. McLane at Port-of-Spain as soon as possible.*

# General notes

## Australia

TRADE MISSION TO SOUTH EAST ASIA—An Australian trade mission, leaving at the end of October, will visit selected South East Asian countries to promote trade in flour, brandy, wine, foodstuffs and machinery. It is felt that the area chosen for the mission offers excellent opportunities for additional export trade. Development projects and public works, in particular, should provide outlets for many items of machinery and equipment manufactured in Australia. The mission will allow Australian exporters to give importers and consumers some idea of the wide variety of products available from Australia—Sydney, Sept. 16.

INVESTMENTS FROM OVERSEAS—Overseas enterprises supplied 60 per cent (£69,905,000) of Australia's industrial investment for 1952-53. Total investment for the year was £117,845,000—£5,155,000 less than in the previous year. The largest field for investment was the oil industry and £49·2 million was spent by oil companies on five projects, mainly refineries. Metal production and metal rolling mills attracted investments totalling £10·9 million. Progress was also made in development plans for the production of petro-chemicals and light gases which will cost £3 million and will initiate the petro-chemical industry in Australia—Sydney, Sept. 16.

## Chile

FOREIGN INVESTMENTS—According to press reports, the Chilean Committee appointed to investigate offers from abroad to invest capital in Chile has recently approved an application lodged by Messrs. Unilever Limited, Port Sunlight, England, for the installation of a plant to manufacture detergents in Chile at an approximate cost of £25,000. Another offer has been received from Starkist Food Inc. of the United States to import into Chile five long-range 100-120 ton refrigerated fishing vessels, with a total cost to the country of around US$500-600 thousand; the port of Iquique will be the base of operations, in conjunction with the Chilean fishing company, Messrs. Pesquera Iquique S.A., who own a fish-canning plant there—Santiago, Sept. 18.

## Egypt

NEW BUDGET ESTIMATES—The Minister of Finance has announced that government expenditure for the new fiscal year (July 1, 1954, to June 30, 1955) is expected to reach £E.227·8 million, compared with £E.197·5 million for the past year. These expenses will be handled through the ordinary budget and there are, in addition, two capital works programs planned. The first, to be under the control of the National Production Council, is aimed at establishing new industries and increasing land under cultivation, and will cost about £E.42·3 million. The second program, totalling £E.14·6 million, consists of welfare projects to be undertaken by the Ministry of Social Affairs. The most important of these is a plan to bring pure drinking water to a number of villages and will cost over £E.5 million. Although proposed expenditures under the ordinary budget are higher in every case than last year, no new taxes are envisaged and deficits will be made up by loans and from funds obtained by the sale of expropriated lands—Cairo, Sept. 10.

## Greece

ELECTRIC POWER—A 5,000 k.w. power station on the Louros River in northwestern Greece has just been completed. It is one of the hydro-electric plants on the national power grid and cost over $4.5 million to build; 6 per cent of the cost was provided for under Italian war reparations in equipment and engineering services. The balance came from American Aid funds. An Italian firm, after bidding 40 per cent lower than its original bid, was given the contract for the construction of the 150 thousand volt, 160-kilometre transmission line to connect the northern and southern sections of the grid—Athens, Sept. 13.

## India

NEW FERTILIZER PLANT—Plans for adding one more plant at Sindri for the manufacture of nitrogenous fertilizers are going ahead. The large coke oven battery being erected will provide an estimated 10 million cu. ft. of gas when it goes into production this year. Of this, four million cu. ft. of gas will be used for firing the coke ovens; the remaining six million cu. ft. will be converted into ammonia, providing an estimated 90 tons a day. Further processing of the product is expected to yield 70 tons of urea fertilizer and 110 tons of ammonium nitrate or, alternatively, 35 tons of urea fertilizer and 150 tons of ammonia a day—New Delhi, Sept. 10.



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### Italy

TRADE DEFICIT REDUCED—Increased exports during the first half of 1954 have reduced the Italian trade balance deficit by 53 billion lire, as compared with the same period in the previous year, and her balance of payments has also improved. The principal increases in exports for the first six months over the same period in 1953 were: agricultural and similar products, 14 billion lire (imports in this field decreased by approximately 17 billion lire); textile products, ten billion lire; chemicals, etc., nine billion lire (imports in this field increased by five billion lire); manufactured goods 11 billion lire. In contrast to the overall reduction in the deficit is the increase of 12 billion lire for raw materials in the minerals and metals field. This constitutes, in part, larger supplies of raw materials required for manufactured products—Rome, Sept. 23.

### Malaya

TRADE PICTURE—Recently released figures for the first six months of 1954 indicate that Malaya's world-wide trade continues to decline for the third straight year. Total imports of Mal.$1,495·7 million have dropped eight per cent from last year's comparable figures and exports worth Mal.$1,387 million are down six per cent from values for the same period in 1953. If the trend continues, another adverse balance of trade, estimated at Mal.$200 million, will result. Despite this deficit on total trade, Malaya and Singapore have enjoyed a favourable balance of trade with the dollar area since 1947 of almost US$1,500 million.

During this seven-year period, exports to dollar countries have totalled US$2,000 million and imports from dollar countries US$510 million. About US$200 million of these dollar imports were purchased via Hong Kong and paid for through the Hong Kong free foreign exchange market. Consequently, this dollar expenditure was not financed from the sterling area's dollar reserves and thus Malaya and Singapore's net dollar earnings through trade approached US$1,700 million. Malayan exports to Canada this year are running about the same as in 1953 but imports for the first six months are about ten per cent higher than last year—Singapore, Sept. 16.

### Northern Ireland

IMPORTS AND EXPORTS—Recent statistics from the Ministry of Commerce show that the total trade of Northern Ireland in 1953 soared to a record £495·7 million compared with £457 million in the previous year. With imports valued at £258·6 million (£241·3 million in 1952) and exports at £237 million (£215·6 million in 1952), the adverse balance of trade dropped to £21·6 million against £25·7 million in 1952. Imports from Canada almost doubled, from £4·9 million to £8·1 million, and large increases were shown in goods from the Irish Republic, Belgium, the United States, Argentina, Australia and Finland. Great Britain continued to be the principal supplier and the value of goods imported from and through this country rose from £188·6 million in 1952 to £196·3 million. Imported commodities showing the largest increases were coal, animal feeds, tobacco and motor vehicles. Important advances in export values occurred in textiles, wearing apparel, machinery and such agricultural products as pork, bacon and ham, eggs, potatoes and livestock—Belfast, Sept. 21.

### Sweden

FIRST ATOMIC REACTOR—Sweden's first atomic reactor, for 100 k.w., went into operation recently. It is reported that a second reactor for 20,000 k.w. is being planned—Stockholm, Sept. 20.

### Tanganyika

HYDRO-ELECTRIC EXPANSION—The 17,500 kilowatt Pangani Falls hydro-electric scheme was opened in June. The project was started 19 years ago to supply power to the sisal estates around Tanga. When completed, it will provide 30,000 kilowatts to 500 thousand natives and 14,000 Europeans living in an area of nearly 10,000 square miles—Johannesburg, Sept. 9.

### Turkey

FARM MACHINERY—A new company to assemble farm tractors, and possibly other agricultural machinery, has been officially incorporated in Turkey with capital equivalent to $7 million. Principal shareholders are the Agricultural Bank of Turkey, the state-controlled Chemical Industries and Agricultural Enterprises and the Minneapolis-Moline Agricultural Machinery Company of the United States. The company has signed an agreement with the Turkish Government which obligates it to gradually increase the Turkish content in these tractors during the next five years. If this agreement is fulfilled to the satisfaction of the Turkish authorities, it is assumed that they in turn will restrict or tax imports more heavily. However, the enterprise is to meet more than the usual number of production problems. Operations are expected to begin later this year, using the installations of an Ankara aircraft engine plant which failed several years ago after assembly of less than a hundred engines—Athens, Sept. 10.

# Trends in United Kingdom Trade

*This year has seen food rationing vanish, import controls on many raw and intermediate materials lifted, reserves of gold and dollars rising, and production mounting.*

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

NOT SINCE THE WAR has there been such a buoyant optimism in the United Kingdom as there is today. There are many reasons for this. First of all, there has been no "economic crisis" for three years. This is a source of great encouragement, especially since these crises arose with such regularity in the recent past that many people looked upon them as a necessary characteristic of postwar existence. Second, all food rationing has been eliminated. Third, controls over the import of a wide range of essential raw and intermediate materials have been removed, yet the gold and dollar reserves are being built up in a more convincing fashion than at any time since the war. The monthly rate of accumulation in the second quarter of 1954 was $111 million, compared with $56 million in the first quarter.

Trade trends have been favourable to the United Kingdom. The prices of the commodities Britain sells have risen more than the prices of the goods that she buys. For the first seven months of 1954, the monthly adverse trade balance was £44 million compared with £61·5 million in the same period of 1953. Production has continued to increase at a steady rate of between 2 per cent and 3 per cent a year. The pound sterling has strengthened in the world's money markets and once again is a currency to be reckoned with. The much dreaded recession in the United States has not had the calamitous consequences to the United Kingdom that the pessimists predicted. All these factors have contributed to a sense of security in business circles which has in turn been reflected in buoyant stock market prices and production indices.

### Effect on Import Policy

In the past, recurring economic crises were met by a tightening of restrictions against imports. In such operations imports from dollar countries were always more severely checked than those from non-dollar countries. Similarly, relaxations in controls invariably applied first to non-dollar suppliers. At the present time roughly 80 per cent of imports from Europe and the rest of the non-dollar world have been liberalized.

As far as imports from the dollar world are concerned, roughly 50 per cent now enter the United Kingdom free of import restrictions. This is a much higher percentage than was admitted in 1953, and yet the amount of dollars spent on the commodities involved is considerably lower today than it was then. This is partly the result of lower prices, and also of the re-introduction of the competitive element in trade. The value of grain and flour imports in the first half of 1954, for example, was £41,712,000 compared with £76,123,000 a year earlier. Similarly, sugar purchases fell to £13,104,000 from £17,829,000, refined petroleum to £14,107,000 from £16,260,000, and machinery to £14,568,000 from £26,147,000.

In the absence of any serious setback, the very encouraging performance of the economy in the past year or eighteen months is bound to result in adherence to the present course of steady decontrol. The raw material categories will be the first to benefit: chemicals, pulp and paper, leather, and so on. Intermediate materials and consumer goods are likely to be farther down on the list though it is possible that, if conditions continue to improve, some gestures will be made in these fields as well.

### The Export Outlook

In the export field, it seems probable that competition for overseas markets will become more rather than less severe. Of the three main countries exporting machinery and electrical equipment, the United States and Germany increased their trade in 1953, at a time when United Kingdom engineering exports dropped back by 4 per cent. Japan with pottery and textiles and India with textiles are competing vigorously for exports and have even made dents in the British market itself.

There is also a fear that the countries suffering from a hard currency shortage may not have sufficient dollars to allow them to open their doors more completely to dollar goods.

These factors, however, do not cancel out the reasons for optimism but they do influence the United Kingdom authorities to move more slowly towards freeing dollar imports than they might otherwise decide. Nevertheless, progress over the past twelve months has been encouraging and there is no mistaking the mood to continue in the same general direction. ●

# Italy Sets Its Agricultural Course

***Need to step up domestic agricultural production and save money now spent on imported foodstuffs is motivating Italian agricultural policy. What are the measures being taken to put this policy into effect and how will they influence Canadian sales to that country in the next few months?***

C. F. WILSON, *Agricultural Counsellor, Rome.*

ITALY'S SMALLER WHEAT CROP this year has given a temporary setback to plans for greater agricultural productivity. The crop failed to realize its promise at mid-June. Unfavourable weather conditions while the heads were filling resulted in a light-weight crop and yields are down by about 20 per cent from last year's record production. As a result, the 1954 crop is unofficially placed at 260 to 275 million bushels in comparison with the 330 million bushels harvested in 1953. This figure represents, however, about the average production of recent years.

Oats and barley yields are also down from last year's levels. Although the 1954 corn crop got off to a poor start, the growth was excellent during August and the prospects are that the harvest will fall very little short of last year's heavy production of 128 million bushels. The outlook for the rice crop is also good; it is officially estimated at 916 thousand metric tons, about the same as last year. Forage crops have done particularly well during this year's relatively wet, cool season.

## Agricultural Policy

The revision of the 1954 wheat crop to average levels because of the weather represents a disappointment to official hopes that increased domestic production could help bridge the gap in Italy's balance of payments. Italian agricultural policy—as recently restated by the new Italian Minister of Agriculture, Hon. Giuseppe Medici—turns on the theme that because the Italian economy is moving from the postwar phase into a period of normality, it is necessary to eliminate the prevailing excess of imports over exports amounting to about $320 million a year. About half of this excess could be disposed of if imports of cereals, meats, poultry products and fats could be replaced by domestic production. Beyond this immediate objective of removing the need for foreign aid in balancing Italy's external accounts lies the endeavour to provide an improved diet for the population and more employment for the rural workers.

To eliminate Italy's import balance of $160 million worth of foodstuffs annually would require a rise of only 4 per cent in the overall agricultural output. It implies, however, a more disparate increase in particular commodities if the whole of it is to be effected in cereals, meats and fats. Senator Medici believes that this objective can be accomplished in the next five years without extreme difficulty by a rigorous application of agricultural science and technology to the existing resources. Here is how the task is being approached.

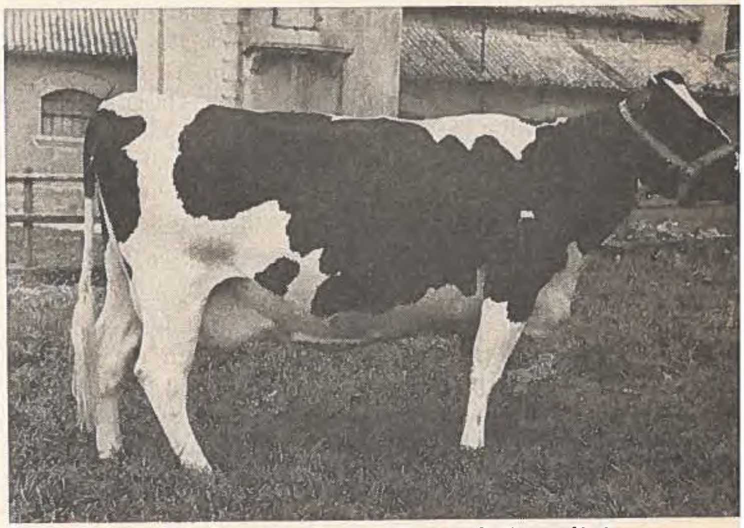
- *Farm Machinery*—Italy employs at present 100 thousand tractors of which 50,000 are old and of doubtful efficiency. A new objective of 200 thousand tractors has been set and intermediate credit provided at very low interest rates to assist in their purchase. This increase in motive power is intended to replace work cattle, which in turn would make room for a larger dairy cattle population.

- *Improvement in Livestock*—Increasing the numbers and the quality of Italy's dairy cattle is one of the pivotal points in the program. In northern Italy, particularly in the Po Valley, the dairy industry has been developed over the past century and the mixed farming practices there have made the valley one of the gardens of Europe. In the districts of central and southern Italy, dairy farming is practised more rarely and it is in such mountain and valley districts that the farming potential of the land has not been fully exploited nor the rural population fully employed. For the country as a whole, livestock products comprise about 40 per cent of the gross saleable output. Although this represents an improvement of 10 per cent in recent years, the objective is to move closer to the ratio of from 50 to 70 per cent in the northwest European countries. Such an advance would mean a better-fed population, but the attainment of this objective requires the import as well as the breeding of high-producing types of dairy cattle which have proved themselves in Italian conditions. Of the imported breeds, Brown Swiss are favoured in the more rugged mountain areas, and Friesians are definitely preferred in the plains where there is better forage. High-quality, imported cattle are as yet, however, finding their way only into the larger established dairy herds.

• *Fertilizers*—Methane gas has been discovered in quantity in Italy in recent years and by a relatively simple process this gas can be used to produce nitrate which would greatly benefit the Italian soils. Because of the high cost of producing them in Italy by the electric process, chemical fertilizers have been sparingly used. The consumption up to now has averaged 9 kilos per hectare, in comparison with 30 kilos in Western Germany, 47 in Belgium and 63 in the Netherlands. Obtaining nitrates from methane should lower their cost and increase their use.

• *Seeds*—A bill introduced in Parliament at the end of July proposes financial assistance for distributing selected cereal, forage and vegetable seeds to small producers farming the less favourable soils, as a means of getting pure and tested varieties adopted in areas to which they are suited. An appropriation of $8 million is recommended, to be spent at the rate of $1·6 million per year in subsidizing up to 50 per cent of the cost of selected seeds.

• *Price Supports*—At the end of May the Government announced that the wheat amassment provisions, under which the Government accepts deliveries of about a third of the crop at fixed prices, would remain in effect for the 1954 crop. The prices are also to remain unchanged from their previous levels—a range of $2.93 to $3.15 per bushel for soft wheat and $3.25 to $3.47 for durum wheat, depending on quality and location. A total amassment is provided for the hemp crop. Price supports for other crops depend upon voluntary pools set up by producers' organizations.



*This Holstein-Friesian cow, imported as a heifer calf from Canada, has become the top producer in one of Italy's prize dairy herds on the Torre in Pietra farm, near Rome.*

#### International Wheat Agreement

Not unrelated to the price support for wheat is Italy's desire to rejoin the International Wheat Agreement. A formal application for accession with a lower guaranteed quantity was submitted early in August and is now before the International Wheat Council. Italy failed to ratify the 1953 Agreement when it had occasion to revise drastically its estimated import requirements in the light of its 1953 harvest. Even with this year's reduced yield, Italy has no immediate need to assure itself of import supplies. The application for accession is rather a recognition of the benefits Italy received earlier from the Agreement and an expression of belief in its long-run contribution to stability in wheat prices. In these prices Italy as a producing, as well as an importing, country has a stake.

#### Other Measures

Many local programs for drainage, irrigation and grading are under way in the interest of better land utilization. Land redistribution under the "land reform" is also part of the program. Perhaps the greatest scope for increasing productivity lies in the

*These potatoes are the first to be harvested in Italy which were produced from Canadian seed, donated by the N.B. and P.E.I. Governments for experimental purposes. On the left stands C. F. Wilson, Canada's Agricultural Counsellor in Rome.*

mountain regions of southern Italy and Sicily, where adaptation of Swiss techniques in the development of mixed farming could result in an increased land use and more effective rural employment. These measures, together with the farm machinery, livestock, fertilizer and seed programs already referred to, afford a constructive approach, which should result in raising the average level of production over the next several years.

### Implications for Canada

Canada's largest export potential for Italy in the agricultural sector is, of course, wheat. In the postwar years in which Italian production has averaged about 275 million bushels, total imports have ranged from 35 to 50 million bushels and Canada has competed for a share in this trade. If the objective of raising this average production from the present 275 million bushels to an average of 330 million is reached within the next five years, the market for Canadian wheat in Italy would virtually disappear. Although the application of scientific and technological measures described above could raise the average productivity, the weather will continue to play a part, making the difference between the average crop harvested this year and the bumper crop of a year ago. Were it not for the carryover from last year's crop, Canada might have expected to make substantial wheat sales to Italy in the present crop year. As it is, the carryover and expected purchases from Argentina should take care of the bulk of Italian requirements. Argentine purchases are covered by commercial agreement and are intended to offset immigrant remittances from Argentina to Italy. Inquiries for limited quantities of durum wheat from Canada might be expected later this year. From here on, the market for wheat in Italy will depend upon weather and the rate of progress in the program of self-sufficiency.

Apart from wheat, the Italian market offers isolated spots of interest to Canadian agricultural producers. Italian industry is capable of meeting the demand for the main types of farm machinery such as tractors and threshing machines. Specialized machinery of a type not manufactured in Italy, such as combines, is finding a limited market here.

### Canadian Cattle, Seed Potatoes

Canadian Holstein-Friesian cattle, already imported in small numbers into Italy, are attracting considerable attention among the larger Italian dairy farms and breeders' associations, because of their production records. Overseas transportation costs reduce the effective competition of our registered cattle in Italy against imports from European sources. To the extent that dairy farmers are prepared to pay the extra costs for greater productivity, and because the Government is encouraging increased dairy production, Canada should find a continuing, if limited, market in Italy for R.O.P. bulls and heifer calves.

Although seed potatoes are regularly imported into Italy from Germany, the Italian authorities have been reluctant to approve licences for import from Canada until our varieties have been tested experimentally under Italian conditions and have proved that such dollar purchases would be warranted. This year, for the first time, several Canadian varieties were grown on Italian experimental stations and the early plantings have just been harvested. The Italian authorities appear to be favourably impressed with the preliminary results of these experiments with Canadian seed and are prepared to recommend imports in modest amounts from Canada in 1955.

Although it is anticipated that the greater proportion of seed potato imports will come from Germany, the Netherlands and Czechoslovakia, no quotas based on the origin of the imports will be established. The total amount authorized for duty-free import in the 1955 season is 35,000 tons. This is the same import arrangement which was adopted for the 1954 season and is in keeping with the Ministry's desire to increase Italian production of seed varieties adapted to reproduction in various parts of Italy.

Private importers, including the co-operative organizations, must submit their import licences in the first instance to the Ministry of Agriculture for approval. When approval has been obtained, the import licences are then submitted to the Ministry of Foreign Trade which is concerned from the standpoint of foreign exchange.

These sales of combines, R.O.P. cattle, and seed potatoes are examples of small beginnings in the hope that greater trade will follow.

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## Data for Exporters

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

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

# CUBA *Looks to the Fishing Industry*

***Reduced income from sugar means Cuba must bolster its economy by developing other industries; the fisheries offer good prospects. Here is an outline of plans being made to step up the catch.***

W. R. VAN, *Assistant Commercial Secretary, Havana.*

FACED WITH A RESTRICTED SUGAR PRODUCTION, the Cuban Government has been studying ways of supplementing the lost sugar income and overcoming the country's great dependence on sugar by creating a more diversified and thus a more stable economy. Success in this effort would create more work and relieve the acute unemployment problem.

The possibilities inherent in the fishing industry, which is still in an early stage of development, are being carefully studied. With the end of an all-out sugar era, the unexploited wealth of the surrounding ocean is taking on a new importance.

### Present Status of Industry

Cuban waters teem with over 450 varieties of edible fish, but only a few types are used at present—particularly snapper, cherna, bonito and albacore, plus lobster and Moro crab. The annual industrial catch is about 40 million pounds of fresh fish, 2·5 million pounds of crabs and lobsters, and two million pounds of clams, oysters, inkfish, etc.

The industry gives regular employment to some 9,000 fishermen and to 6,000 persons engaged in packing, selling, and transporting the catch. Several thousand others find part-time employment in the supporting activities of sail-making, boat-making, etc. The number employed is relatively small compared with the sugar industry which normally employs, on a part-time basis, over half a million workers.

Havana is the main centre for the industry, with Batabano, about 25 miles south of the capital, considered next in importance. Other ports are Caibarien, Manzanillo, and Cienfuegos. Fishing on a minor scale is also carried on from almost all the other little ports.

### Modern Equipment Needed

It is estimated that there are 2,500 fishing boats, most of them one-man sailboats or rowboats. The major fishing fleet, based in Havana, has 57 boats of 100 feet or more and it is interesting to note that a number of these are old Nova Scotian schooners. About 60 per cent of the larger boats based at Havana have facilities for icing but the rest are of the old tank type known as "viveros". Most fishing is done with hand lines; a few small hand-nets and cast-nets are in use. There are no purse seines or other types of high-production gear and rigging.

### Marketing Lacks Organization

The Cuban authorities appreciate the need for better organization in the fishing industry and are making proposals to improve the situation. An organized industry would do much to lessen gradually the heavy fish imports now being made for local consumption. Codfish imports from Canada and Norway alone average 25 million pounds a year and cost over 5 million pesos.*

A larger fish production would also help to relieve the annual meat shortage. At the present time, Cuban per capita consumption of beef is 60 pounds a year, of local fish 8·62 pounds, and of imported fish, 7·73 pounds.

### Refrigeration a Major Problem

Lack of adequate refrigeration facilities is one of the industry's major problems. Although a few Havana firms do provide them, the space available is still inadequate. When, as frequently happens, the entire fishing fleet returns to Havana at the same time, the catch must be kept on board until the market can absorb it. This sometimes takes weeks and the whole catch may be spoiled.

The present system of marketing tends to cut down the number of trips that any one boat can make each year. The larger boats fishing in the Gulf of Mexico and off Florida have found themselves in the awkward position of not knowing what they can sell or at what price when they return.

Because of the refrigeration problem, fresh fish is only available around the coastal regions and, in a few instances, in some of the larger towns in the interior. The average retail price for fresh fish in Havana is 67½ cents a pound which automatically curtails consumption. Beef prices are fixed at 40 cents a pound for grade one and 30 cents a pound for grade two.

*One peso=one U.S. dollar.



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Both Norwegian and Canadian codfish retail for under 50 cents a pound.

### Government Aid

In 1950 the International Bank for Reconstruction and Development, in collaboration with the Cuban Government, studied various phases of the economy, including the fishing industry. The International Bank's report confirmed the belief that the industry could be developed and recommended the following steps:

- Identify the various species in Cuban waters.
- Determine the location and abundance of these species by actual sample counts.
- Study depletion, if suspected, of the present commercial species.
- Study the growth rate, spawning time, spawning grounds, age and size at maturity and other characteristics of all important fish in Cuban waters.

Several government agencies have begun to implement these recommendations. The Agricultural Section of the Cuban entity known as BANFAIC (Banco de Fomento Agricola e Industrial de Cuba) has instituted a department to work with the fishing industry and a Fishery Research Centre has been established.

### National Fishery Institute

Recently the governmental advisory board proposed a bill to create a National Fishery Institute which would regulate the whole fishing industry. Some of the assignments proposed for the industry were:

- To see that the fishermen get a fair remuneration for their work while protecting the consumer from paying exorbitant prices for this primary food product.
- The establishment of adequate refrigeration facilities, especially in Havana, where 80 per cent of domestic production enters.
- The establishment of a distributing centre in Havana.
- The stimulation of fish sales in areas not previously reached.
- The channeling of fresh and frozen fish to butcher shops, groceries, and other similar establishments.

These proposals, if effected, would do much to encourage the growth of the long-neglected fish industry. Canadian exports of codfish to Cuba should not be overly affected, because the original purpose in reorganizing the industry was to give greater employment as well as to increase fish consumption. The hope is to double fish consumption, now only a little over 16 pounds per capita a year, by bringing prices within reach of the average consumer.●

## MALAYA'S Development Plan

The visit to Malaya of a mission from the International Bank for Reconstruction and Development —including two Canadian experts in agriculture and mining—has focused attention on a report, *The Development Plan of the Federation of Malaya,* which was published towards the end of 1953. The Bank Mission came to Malaya to survey the country's economic resources and its report will provide the opportunity for a complete review of the Development Plan and for its revision in line with national policy and with changes in the Federation's economic and financial resources.

The Development Plan of the Federation of Malaya, as envisaged in the Colombo Plan, involved a total capital expenditure of M$383,643,000 over the six-year period 1951-1957. Of this amount, M$60,-247,000 was to be spent on social services (education, labour, medical and health services and social welfare); the remaining M$323,396,000 was to be devoted to the development of resources and public utilities, including agriculture and fisheries, forestry, mines and geological surveys, land settlement, drainage and irrigation, housing, roads, bridges, development of the postal system and telecommunications, civil aviation, and expansion of the information services.

### Paying for the Plan

The capital cost of the Development Plan was to be met from four main sources:

- The United Kingdom Government's Colonial Development and Welfare Fund which has so far allotted M$33,098,319 to the Federation of Malaya. With these funds, twelve development and welfare projects were started, including the mechanical cultivation of rice, the building of a road in the state of Pahang which has both strategic and economic value, and the setting up of a technical college and a tuberculosis sanatorium. In addition, ten research projects were financed from this source covering scrub typhus, DDT and leprosy research schemes on the medical side, and a fresh water fisheries research and training institute, a hydraulic laboratory and a veterinary research laboratory on the economic side.
- The British Colonial Development Corporation which has loaned M$60,648,718 to pay for the construction of the Connaught Bridge Power Station which is due to be completed in 1955 with an ultimate capacity of 80,000 kw.
- Government loans, raised either wholly or in part locally and the remainder in London. Three such loans totalling M$300 million have been raised since

1949. The proceeds are being used to finance such capital projects as drainage and irrigation, electricity development, water supplies, roads and railways, telecommunications and housing and also, to some degree, to help pay part of the cost of the campaign against the terrorists.

• Malayan revenues, which are actually the fourth and largest source of funds to finance the Development Plan. Despite the cost of the campaign against terrorism and the postwar inflation, the Federation was able to accumulate comparatively large surpluses and simultaneously to finance out of current revenue capital development projects to a total of over M$150·5 million up to the end of 1951 and an additional M$100 million in 1952. Final figures for 1953 are not yet available but the slump in rubber and tin has cut revenue drastically.

*Malayan workers scooping up padi rice, to be put in sacks and sent to a government rice mill. Development schemes include one for transforming tracts of jungle into rice-growing land.*

A progress report on the Development Plan for 1950-52 reveals that of 546 schemes listed in the Development Plan, 213 were actually started but only 65 were completed by the end of 1952, because of many factors. The almost continuous rise in the cost of labour and materials up to the middle of 1952 and the shortage of staff upset estimates of expenditures made several years ago. These estimates have now been revised and the order of priority for the schemes re-assessed. The revised total cost of the Plan at the end of 1952 was given as M$855,864,000, compared with the original estimate of M$383,643,000. Of this amount, M$150,442,500 was actually spent up to the end of 1951 and an additional M$100,250,000 by the end of 1952. A further M$166,888,000 was expected to be spent in 1953, and assuming a similar amount in 1954, M$271,395,500 will be required to complete the Plan, as expected, in 1956.

### Canada's Contribution

Canada's interest in Malaya's Development Plan lies in her participation in the Colombo Plan. Malaya's Development Plan is included in the larger scheme, side by side with the development programs of India, Pakistan, Ceylon, Singapore and British North Borneo. The C$25 million Canada has contributed to the Colombo Plan capital projects each year since 1952 has been allocated only among India, Pakistan and Ceylon. But under the technical assistance schemes of the Colombo Plan Canada has sent experts to Malaya to assist in carrying out educational, engineering and agricultural projects, and has provided facilities in Canada for Malayan trainees.

The future progress of the Development Plan in Malaya depends on two main factors: the success of the campaign against Communist terrorism and the prosperity of the country's two major industries, rubber and tin. Success in the anti-Communist campaign is becoming evident and more men and material will therefore be available for development work. The improvement apparent towards the end of 1953 in the delivery of capital goods, mainly from the United Kingdom, is a further reason for expecting faster progress. However, the decline in the prices of rubber and tin at a time when military expenditure is still high poses a serious financial problem and the effect on the Plan cannot yet be assessed. The Government has again received financial assistance from the United Kingdom, Singapore and Brunei to make up for the substantial deficit in its 1954 budget.

### Trade Opportunities

The need to conserve gold and dollars in the sterling area has limited Malaya's purchases of much needed capital goods from dollar sources. However, the improvement in these reserves may, in time, lead to relaxations in the import controls on goods coming from dollar sources. When that time comes, Canadian manufacturers, if their prices are competitive, can find a ready market in Malaya for capital equipment of all kinds. As an example, a new "rice bowl" is being hewn in the large Trans-Perak River irrigation scheme which will transform 180 thousand acres of jungle into paddy fields. The whole project is expected to cost more than M$40 million. Considerable capital equipment and the services of western consulting engineers are needed for development projects such as this.



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The progress report on Malaya's Development Plan enumerates the capital goods which the country needs and refers to the difficulty in getting them during 1952-53. Twenty-three excavators urgently needed for development work in rice-growing areas were expected to arrive during last summer. Dredge machinery parts, wire ropes and other mining supplies, and constructional steel are needed for mining projects. Electrical equipment desired for power projects includes transformers and copper conductors, generators and switchgear. The Public Works Department of Malaya is one of the largest users of capital equipment, obtained mainly from United Kingdom sources. Such equipment includes Albion transporters and tipping wagons and Scammel dump tractors. In 1951, 20 air compressors, 18 stone-crushers and four twenty-ton transporters were ordered from the United States. Figures such as these indicate the potential market.

INCHE ISMAIL,
*Office of the Trade Commissioner, Singapore.*

# trade commissioners on tour

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

R. W. BLAKE, Commercial Secretary and Agricultural Secretary in Melbourne, Australia, began his Canadian tour in Montreal on October 8th. His itinerary is:

Hamilton—Oct. 18, a.m.
St. Catharines—Oct. 18, p.m.
Brantford—Oct. 20
Windsor—Oct. 21
Ottawa—Oct. 25
Winnipeg—Oct. 29-Nov. 2
Regina—Nov. 3
Saskatoon—Nov. 4-5
Edmonton—Nov. 8-9
Calgary—Nov. 10
Vancouver: Victoria—Nov. 12-18

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

Montreal—Oct. 12-22
Toronto—Nov. 8-23
Hamilton—Nov. 24-25
Brantford—Nov. 26
London—Nov. 29-30
Windsor—Dec. 1
Sarnia—Dec. 2
Winnipeg—Dec. 7
Calgary—Dec. 9
Vancouver—Dec. 13-17
Welland—Jan. 3
Kitchener—Jan. 4
Guelph—Jan. 5

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

Quebec—Oct. 27, p.m.—28
Montreal—Nov. 1-8

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

Hamilton—Oct. 18
St. Catharines—Oct. 19, a.m.
Welland—Oct. 19, p.m.
Woodstock—Oct. 20, a.m.
Brantford—Oct. 20, p.m.—21, a.m.
Guelph—Oct. 21, p.m.
Kitchener—Oct. 22
London—Oct. 25
Windsor—Oct. 26
Sarnia—Oct. 27
Edmonton—Nov. 4-5
Calgary—Nov. 8
Victoria—Nov. 24
Vancouver—Nov. 25-30

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

*Board of Trade*—Brantford, Guelph, Montreal, Saskatoon, Woodstock.

*Chamber of Commerce*—Brockville, Calgary, Hamilton, Kitchener, London, Regina, St. Catharines, Sarnia, Welland, Windsor.

*Canadian Manufacturers Association*—Edmonton, Toronto, Winnipeg.

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

*Department of Trade and Industry*—Victoria.

# South Africa improves trading position

A. WORDEN EVANS,
*Trade Commissioner, Cape Town.*

*First half of 1954 has seen foreign exchange reserves rise, despite larger imports; this augurs well for a progressive removal of import restrictions beginning early next year.*

THE LATEST INFORMATION indicates that the South African economy is operating at about the same level as last year but continues to feel the strain of over-full employment. Mining and agricultural production are increasing but manufacturing has levelled off. Longer credit terms and consumer resistance to high-priced goods and luxury products characterize the retail market.

The outstanding feature of the South African economy during the first half of 1954 has been the improvement in foreign exchange reserves. During the first half of the year there was a rise of £14 million in the Reserve Bank's gold and exchange holdings, in contrast to a drop of over £26 million in the corresponding period of last year. The principal reasons for this rise in the face of higher import figures were a higher output of gold, a coming into production of new uranium projects, an increase in domestic exports, and a marked increase in the inflow of capital.

The significance of the improvement in foreign exchange reserves is that it serves to make feasible the Government's promise to ease import restrictions progressively from the beginning of 1955, with a view to their abolition in about three years' time. Some extra foreign exchange has already been provided this year but it will probably be some time before restrictions on consumer goods are relaxed to any extent.

### Foreign Trade Buoyant

External trade figures to the end of May reflect the buoyancy of the South African economy. Both imports and exports have risen in comparison with the same period last year, after deducting the figures for sales of processed gold on the free market which have now been diverted to normal official channels. Imports for the period total £187 million, compared with £178·7 million in the previous year. Though no detailed figures are yet available, larger imports of motor vehicles and parts no doubt account for a substantial portion of the increase. The import program provided for purchases of capital equipment by the Government on about the same scale as last year, and its share of the import total should therefore be about the same.

On the export side, domestic exports other than gold show a £12 million increase to give a five-month total of approximately £128 million. Some of this increase stems from increased income from wool, maize, sugar and minerals.

Canada did not share in the increase in the Union's imports. According to figures published by the Dominion Bureau of Statistics, Canadian exports for the six months to the end of June totalled $23·2 million, compared with $23·8 million for June 1953. There was practically no change in the character of the exports; the principal items were wheat, motor vehicles and parts, lumber, newsprint and leather.

### Agricultural Production Expands

During the postwar years South Africa has experienced a vigorous economic growth and agricultural production has been expanded to meet the greater needs of a growing population.

Modernization of agricultural methods has meant that a smaller number of people can produce a much greater volume of agricultural products than they did prewar, to serve this enlarged market. The annual gross value of agricultural production rose from £127·6 million in 1946 to £328 million in 1953-54. Even allowing for price rises, in terms of a constant pound sterling the increase in value was 120 per cent during the relatively short period of eight years.

The greatest single factor in this gain is wool. In 1946 wool production accounted for only £9·4 million of the gross agricultural product, compared with the peak of £80 million in 1951 and £64 million for the 1953-54 season. All agricultural products have shared in the increase.

The outlook for agricultural production this year is excellent. Rainfall has been generally satisfactory and in some cases has reached record levels. Only one district in Zululand is still listed as drought-stricken by the Department of Agriculture, compared with 43 a year ago.

WOOL—The final sales of the wool season were held late in May, with total offerings of 923,641 bales compared with 885,092 a year ago. Prices this past season have remained relatively firm and the total income of some £64 million has only been exceeded once by any considerable margin and that was in 1951.

SUGAR—The estimated production of sugar in South Africa for the 1954-55 crop year is 792 thousand short tons. This is sufficient to meet domestic consumption and leave a surplus of 186 thousand tons for export.

The sucrose ratio had dropped this year from 13·10 per cent to 12·19 per cent, because of the excellent rains which fell at the beginning of the year. The ratio of cane to sugar stands at 9·83 per cent, against the ratio of 9·20 per cent at this time last year. It is expected that exports of sugar will total 100 thousand tons by the end of this year, although the export quota to date is set at 60 thousand tons.

MAIZE—The latest official estimate shows a further expansion of this crop to 39·7 million bags compared with 34·9 million bags (crop year 1953-54 as against 1952-53). Harvesting of the crop was slightly delayed in the Orange Free State as the result of late autumn rains, but went forward normally in other areas. Exports up to the end of April were over two million bags and a further one million bags were due to be shipped during May.

DECIDUOUS FRUIT—Output and exports of deciduous fruit have again risen. A total volume of over six million units was produced as compared with 5·8 million units last season.

CITRUS FRUIT—This year's citrus crop is estimated at a record six million cases. Exports have been going forward steadily since March and price levels have been generally satisfactory. New plantings of both deciduous and citrus fruits should come into bearing next season and further expand production.

KAFFIR CORN—Recent information indicates that the season's yield will now exceed two million bags of 200 pounds each. This is a substantial drop from the last crop when over 2·8 million bags were reaped.

WHEAT—Early reports from the winter districts are favourable. Light rains in the Orange Free State have enhanced the prospects for that crop.

TOBACCO—In spite of irregular rainfall and some white rust, the current season's crop from the Rustenburg area is expected to be materially larger than last year's 21·3 million pounds. The first estimate of 24 million pounds is now thought over-optimistic.

DAIRY PRODUCE—The usual seasonal decline in the production of creamery butter and cheese has not so far made any great difference in the size of stocks. At least two months' supply of butter remains on hand, double the normal reserve. Stocks of cheese as at June 5th were also 75 per cent higher.

LIVESTOCK—The meat position has been generally satisfactory for the first part of the year and the excellent moisture conditions should ensure that this situation continues.

### Fisheries Catch Good

Catches of pilchards and maasbankers have been large and will probably reach the quotas of 250 thousand tons each for South West Africa and the Union. Inventories of canned fish are heavy but the market for fishmeal and oil is steady and prices satisfactory.

### Mining Output Rises

The output of gold during the first six months of this year rose by 460 thousand ounces, or some 8 per cent, with the major share of this increase in the mines in the Orange Free State. Although average cost of production has gone up slightly, this should tend to drop as the new mines overcome heavy initial expenditure. The labour situation has improved materially, with employment in June standing at 313 thousand compared with 285 thousand a year earlier.

The market for diamonds remains steady, as indicated by total world sales for the first half of this year at £31·7 million, approximately the same as last year. Exports from South Africa during the period January to May were valued at £6·4 million, nearly half a million more than in 1953.

Coal production showed a small gain to 10·4 million tons for the first four months of this year compared with 10·2 million for the same period last year. Production of the other four major minerals in the same four months expanded as follows, with the 1953 figures in brackets: copper 41,824 tons (13,303); chrome ore 273,234 tons (249,051); asbestos 35,844 tons (32,945) and manganese ore 276,382 tons (269,902).

### Building and Construction

The building industry, generally speaking, has been more active for the first part of this year than in 1953. Residential construction has been running well ahead, manufacturing has fallen behind, and public construction is proceeding at about the same rate. Although figures later than May are not available, it is probable that residential building has now declined and that there will be a tapering-off in total construction towards the end of the year.

The present prosperous conditions in South Africa should continue for at least the remainder of this year. The levelling-off of business activity, together with the removal of discrimination against hard currency imports, has led to an extremely price-conscious market. Canadian exporters should bear this in mind if they wish to improve their sales when restrictions are eased still further. ●

# how OEEC members have liberalized imports

*Member countries in the Organization for European Economic Co-operation have in the past few years liberalized imports from dollar and OEEC countries to varying degrees. Here is a check list of these liberalizations which the reader may find useful as a reference.*

F. P. WEISER
*International Trade Relations Branch*

| Country | Dollar Imports | OEEC Imports |
|---|---|---|
| **Austria** | Dollar import liberalization has not been implemented, but certain listed goods from all sources have not required import licences since December 1948. They remain, however, subject to the prior granting of foreign exchange by the Austrian National Bank. The list was expanded in August 1953, and includes fish oils, certain non-ferrous metals (excluding aluminum), zinc spelter, linseed oil, fresh lobsters, caustic soda, etc. | *Austria took its first step towards OEEC liberalization in July 1953, freeing 36 per cent of private OEEC imports based on the year 1952. Three further steps in rapid succession, the latest one on May 20, 1954, have brought the total to 75 per cent. The list does not include wheat or aluminum, but it includes wood pulp, lumber, various metals, etc.* |
| **Belgium-Luxembourg** | A significant liberalization of dollar imports on May 26, 1954, has expanded the free list of dollar imports almost to the full extent of the OEEC free list. There remains a relatively short list of goods subject to import licensing requirements regardless of their origin. It is understood that licences will be granted freely, and with a minimum of discrimination against imports from the dollar area, for most goods under licensing. Many, but not all, unrestricted dollar goods are also on common Benelux list permitting free circulation to the Netherlands. | *OEEC liberalization has been in force since October 1949. It amounts at present to 87·2 per cent of private OEEC imports based on the year 1948. It is possible that some imports remaining under import licensing requirements (see "dollar imports" column) may receive more favourable treatment if originating in OEEC countries than do similar dollar goods.* |
| **Denmark** | Dollar import liberalization has not been implemented, but certain listed goods from all sources have not required import licences since 1948. However, their import from the dollar area is subject to availability of dollars. The list, as amended, includes garden and forest seeds, asbestos yarn and board, rubber waste and certain kinds of needles. Further, the Danish authorities decided early in 1954 to approve imports of dollar raw materials and semi-manufactures if the prices of competing non-dollar articles are from 8 to 10 per cent higher. | *OEEC liberalization has been in force since November 1949. Various additions to the list between then and the middle of 1953 have raised the liberalization to 76 per cent of private OEEC imports based on the year 1948. The list includes wood pulp, lumber, base metals, salted cod, etc., but it does not include cereals.* |

| Country | Dollar Imports | OEEC Imports |
|---|---|---|
| **France** | All imports from dollar countries require import licences. Imports are largely confined to essential goods not available from non-dollar sources. | *During 1950-51, France liberalized 50 per cent and later 75 per cent of imports. In February 1952 liberalization was totally suspended. Trade agreements with OEEC countries were renegotiated with reduction in quotas in most cases. In September 1953, 8 per cent of OEEC imports were freed from import licence requirements. In May 1954 the percentage of liberalization was raised to 53 with the undertaking to increase this percentage to 65 before November 1, 1954. A special temporary compensation tax is levied on many of these recently liberalized products. This amounts to either 15 or 10 per cent ad valorem and applies to imports from all countries.* |
| **Germany (Federal Republic)** | Effective February 17, 1954, Western Germany liberalized an extensive list of dollar imports. The liberalization amounts to about 10 per cent of Canadian exports to Germany in recent years. The list of liberalized imports includes whisky, tobacco, pyrites for sulphur production, crude asbestos, base metal ores and scrap, cattle hides, lumber, farm machines and various types of industrial machinery. Wheat and other grains remain under control. | *Germany implemented OEEC liberalization in October 1949, but suspended it temporarily in February 1951, because of large EPU deficit. Liberalization was resumed on January 1, 1952, (54 per cent of private OEEC imports into U.S. and U.K. zones based on year 1949). The list has since been expanded at various times, reaching 92 per cent on February 1, 1954. It does not include wheat or other cereals (except buckwheat and millet).* |
| **Greece** | Under a procedure in force since April 1953, and somewhat amended since, most dollar goods are admitted freely into Greece, subject only to the availability of foreign exchange and regardless of their essentiality. Restrictions apply only to wheat, flour and machinery items produced in Greece in sufficient quantities. A few luxury goods enter under quotas. | *No special OEEC list is in force in Greece and the procedure for dollar imports (see appropriate column) also applies to OEEC countries. An earlier list of liberalized OEEC imports, implemented in December 1949, was temporarily suspended in January 1951.* |
| **Iceland** | Dollar import liberalization has not been implemented, but certain listed goods from all sources have not required import licences since August 1950. However, before importing these goods, Icelandic importers must either pay the seller in advance or obtain a guarantee from an Icelandic bank that the necessary foreign exchange is available. The list, as amended, includes wheat, coarse grains, flour, flax seed, certain hides and skins, seamen's rubber boots, crude copper, nickel, lead and zinc, ploughs, tractors and needles. Further, a procedure is in force whereby 60 per cent of export | *No special OEEC list is in force in Iceland and the procedure for dollar imports (see appropriate column) also applies to OEEC countries. This liberalization represents 29 per cent of private OEEC imports based on the year 1948, not including the fishing boat industry's export scheme.* |

| Country | Dollar Imports | OEEC Imports |
|---|---|---|
| | proceeds by Iceland's small fishing boat industry may be used for certain listed and less essential imports such as macaroni, tomato sauce, office machines, domestic washing machines, refrigerators, radios and motor car engines. | |
| **Ireland** | All dollar imports are subject to import licensing requirements. | *Ireland has liberalized 76·7 per cent of private OEEC imports based on the year 1948. The list does not include wheat, coarse grains, fish (fresh, frozen and preserved), automobiles, etc.* |
| **Italy** | Effective August 10, 1954, Italy liberalized a number of dollar imports amounting to 17 per cent of Canadian exports to Italy in 1953. This is in addition to another 6½ per cent of Canadian exports liberalized by a series of steps taken by Italy since 1946. Imports of these dollar goods may only be made with 50 per cent of dollar export earnings (without a premium to exporters). The liberalized goods are largely industrial raw materials which form the bulk of Canadian exports to Italy, apart from wheat and coarse grains which remain subject to licensing requirements. The free list includes synthetic rubber, lumber, base metals and ores, crude asbestos, rags, etc. | *Italy's liberalization of OEEC imports amounts to 99·7 per cent of private imports from OEEC countries since November 1, 1951 (based on the year 1948). The few items remaining under control include wheat, flour, penicillin and motor vehicles. Italy originally introduced OEEC liberalization in September 1949, freeing 45 per cent of its 1948 OEEC imports.* |
| **The Netherlands** | Effective June 1, 1954, the Netherlands implemented a common dollar import policy with Belgium and Luxembourg, under which many listed dollar goods may enter any Benelux country freely and circulate within the Benelux territory. The list includes a large number of Canadian export products, including coarse grains, canned salmon, whisky, linseed oil, metal ores, synthetic rubber, lumber, pulp, newsprint, needles, base metals, asbestos, and many manufactured goods. The Benelux list is a considerable advance over the Netherlands dollar liberalization implemented in October 1953. | *OEEC liberalization has been in force since October 1949. From the original level of 24 per cent of private imports based on the year 1948, various additions have been made to this list and it now amounts to 92·6 per cent of OEEC imports since October 1, 1953. It is somewhat more extensive than the Benelux dollar list.* |
| **Norway** | Dollar import liberalization has not been implemented and all imports from the dollar area are subject to import licensing requirements. | *OEEC liberalization has been in force since November 1949. From the original level of about 50 per cent of private OEEC imports based on the year 1948, various additions have been made to this list and it now amounts to 75·5 per cent of OEEC imports since October 1953. The list includes wheat, coarse grains, flour, tobacco, synthetic rubber, lumber, wood pulp, newsprint, base metals, agricultural and industrial machinery,* |

| Country | Dollar Imports | OEEC Imports |
|---|---|---|
| | | *radio receivers, and various other goods of interest to Canada.* |
| **Portugal** | All imports from dollar countries are subject to licence. | *In January 1950, Portugal liberalized imports from OEEC countries to the extent of approximately 50 per cent of Portuguese imports from foreign countries. In 1951 this percentage of trade covered was first raised to 60 per cent and then to 75. (Spain was included in countries to which these relaxations applied.) In January 1952, Portugal suspended all quantitative restrictions on imports cleared before April 11, 1952, with a few exceptions. Since then such imports have remained liberalized to the extent of approximately 92·8 per cent of private OEEC imports in 1948.* |
| **Sweden** | Effective October 1, 1954, Sweden liberalized a number of dollar imports amounting to 28 per cent of Canadian exports to Sweden in 1953. These include synthetic rubber, iron and steel bars, fire brick, gasoline engines, machinery and many consumer goods. Goods remaining under licences will be admitted more freely from the dollar area if they are also on the OEEC free list. Unworked base metals other than nickel, crude asbestos and undressed furskins fall into this category. | *OEEC liberalization has been in force since January 1, 1950. Additions have been made to this list at various times. Since October 1952, the liberalization has amounted to 91·2 per cent of private OEEC imports based on the year 1948. The list does not include wheat or coarse grains, flour, automobiles. It includes lumber, synthetic rubber, base metals except nickel, etc.* |
| **Switzerland** | Since January 1932, various listed imports have been subject to import licensing requirements. Licensing control applies to imports from all sources on a non-discriminatory basis. The list of imports under licence has been revised at various times and comprises now about one-quarter of the items in the Swiss Customs tariff. Licences for most commodities are granted relatively freely to established importers. Goods not on this list enter free from control. Many goods of interest to Canada enter freely, including base metals, hides and skins, wood pulp, newsprint, canned salmon, whisky, asbestos. Among goods under licensing requirements are: wheat, coarse grains, flour, apples, lumber, automobiles. | *No special OEEC list is in force in Switzerland. The procedure quoted in the "dollar imports" column also applies to OEEC countries. This procedure represents a liberalization of 91·6 per cent of OEEC imports based on the year 1948.* |
| **Turkey** | All imports from dollar countries are subject to import licensing requirements. | *The list of OEEC liberalized imports amounted to 60 per cent of private imports from other OEEC countries before September 1953. At that time a new list applicable to OEEC countries was drawn up, representing about 35 per cent of imports from these countries. However,* |

| Country | Dollar Imports | OEEC Imports |
|---|---|---|
| | | *since April 1953, Turkey has not been obliged to import goods appearing on the free list from OEEC countries beyond its possibilities of payment, and the liberalization is thus not fully in force.* |
| **United Kingdom** | Significant steps towards liberalization of dollar imports have taken place since May 1953. As a result, most of the essential raw materials and basic foodstuffs are now free from quantitative restrictions, notably wheat and flour, grains, lead, zinc, copper, asbestos, iron ore, nickel and softwood. Aluminum, newsprint and wood pulp are subject to import controls, though practically on a non-discriminatory basis. All consumer and capital goods (except those under the U.K. Token Import Scheme) are still restricted. About 70 per cent of Canadian exports now are free from import controls. | *During 1950-51, the U.K. attained a liberalization percentage of 90 on private imports (base year 1948). This percentage was reduced to 44 after May 1951 and in March 1953 the process of liberalization was resumed and further extended in November 1953 to cover 75 per cent. This has since risen to about 80 per cent. This does not reflect the removal of restrictions on goods that in 1948 were imported on government account. Various kinds of machinery, metal manufactures, wood products, and canned fish, tomatoes, fruits and meat are liberalized.* |

## Postings in the Service

H. L. BROWN, at present Director of the Information Branch in Ottawa, will take charge of the office in Caracas in November, with the rank of Commercial Counsellor.

M. B. BURSEY, formerly Consul and Trade Commissioner (Fisheries) in New York, has taken charge of the office in Ciudad Trujillo, with the rank of Commercial Counsellor.

L. A. CAMPEAU, formerly Assistant Commercial Secretary in Paris, has been transferred to Stockholm with the rank of Commercial Secretary.

A. A. CARON, formerly Assistant Commercial Secretary in Rome, has been transferred to New Orleans as Vice Consul and Assistant Trade Commissioner.

H. A. GILBERT, formerly Executive Assistant to the Deputy Minister, has transferred to the Foreign Trade Service and has been posted to Washington as Commercial Secretary (Fisheries).

E. M. GOSSE, formerly Trade Commissioner (Fisheries) in Ciudad Trujillo, has been transferred to St. John's as Newfoundland Representative and Member of the Fisheries Board.

J. R. MIDWINTER has been posted to Guatemala City as Assistant Trade Commissioner.

G. F. J. OSBALDESTON has been posted to São Paulo as Vice Consul and Assistant Trade Commissioner.

B. I. RANKIN, Commercial Secretary, has taken charge of the office in Madrid.

C. O. R. ROUSSEAU, formerly Vice Consul and Assistant Trade Commissioner in New Orleans, has been transferred to Mexico City as Assistant Commercial Secretary.

J. A. STILES, formerly Commercial Secretary in Caracas, has been transferred to Ottawa as Assistant Director (Foreign Service Operations), Trade Commissioner Service.

S. G. TREGASKES, formerly Assistant Commercial Secretary in Mexico, has been transferred to Ottawa as an Area Trade Officer in the Trade Commissioner Service.

W. R. VAN, formerly Assistant Commercial Secretary in Havana, has been transferred to Rome with the same rank.

W. VAN VLIET, formerly Agricultural Secretary in Bonn, has taken charge of the office in Berne with the rank of Commercial Secretary.

M. J. VECHSLER, formerly Trade Commissioner in Liverpool, has taken charge of the office in Detroit with the rank of Consul and Trade Commissioner.

# Credit Conditions in Latin America

*First half of 1954 saw most countries in this area building up their exchange reserves and increasing their imports, though one group did not share in this prosperity. Collection experience reflected the generally satisfactory conditions.*

THERE CAN BE NO DOUBT that Latin American countries, without exception, are eager importers of North American goods. Country after country in the area has demonstrated that the main limit to its dollar purchases is the ability to pay and frequently this limit is overrun before calling a halt. The Canadian exporter with competitive products to offer—by standards of price, terms of payment, quality and service—can continue to look hopefully to these markets so long as the ability to pay, best represented by the particular country's resources of dollar exchange, is there. But since willingness to order dollar goods may and often does exceed dollar resources, the credit-worthiness of the importing country must be watched and judged on the management of its import program and its exchange reserves. On both scores, credit conditions in Latin America have improved this year; exchange reserves have increased and there are more realistic controls on imports where resources are shy.

### Dollars More Plentiful

At mid-1954 the combined gold and foreign exchange holdings of Latin American countries reached an all-time high level of roughly $4 billion. The coffee economies, other than Brazil, filled their treasure chests while coffee prices were phenomenally high. This prospering group stepped up their imports but on a more modest scale than the increase in export earnings. Argentina and Uruguay developed a favourable balance of trade and higher exchange reserves and Venezuela and Cuba continued to add to their reserves, as did Colombia. Those of the group who did not already allow import trade almost free of controls, such as Argentina and Uruguay, showed a very slight shift towards easing restrictions on imports.

The mineral economies did not enjoy such good fortune. Bolivia, Chile, Mexico and Peru all experienced burdensome import excesses and became anxious about the draining-off of their exchange resources. Each in its own way took steps to curtail imports and halt the depletion of reserves. In all four the reduced ability to pay has been matched by a contraction in the scale of imports. Peru and Mexico have taken offsetting measures to check the trade deficits and Bolivia and Chile still remain uncertain about how to live within their means.

Brazil has tended to steal the spotlight in Latin America. Shifts and developments in finance, economic experience and political events all had considerable bearing on the credit-worthiness of this large country. High coffee and cocoa prices and success in disposing of cotton exports vastly improved the trade balance. The real exchange position of Brazil has become decidedly better but it shows up in the considerable reduction of outstanding liabilities rather than in increased reserves. The restoration of orderly financing by putting commercial dealings on a current basis, with the volume of import licences rationed according to the country's ability to pay, was the real achievement.

Naturally Canadian attention focused on Brazil most intently because this is by far Canada's largest Latin American export market. Even though new trading problems began to develop around mid-year that will cause exporters who are concerned with credit conditions and not just orders some worries about the future trends in Brazil, the first half of the year was reassuring. Canada's exports to Brazil rose in value; the exchange auction certificate system worked satisfactorily to produce prompt payment for authorized

### Summary of Conditions

| | *Exchange Position* | *Business and Credit Conditions* |
|---|---|---|
| Argentina | improved | fairly good |
| Bolivia | difficult | uncertain |
| Brazil | some improvement | more orderly |
| Chile | difficult | fair to uncertain |
| Colombia | strong | good |
| Costa Rica | good | good |
| Cuba | strong | satisfactory |
| Dominican Republic | good | good |
| Ecuador | satisfactory | good |
| El Salvador | good | good |
| Guatemala | good | fair |
| Haiti | satisfactory | improved |
| Honduras | good | good |
| Mexico | satisfactory | improved |
| Nicaragua | good | good |
| Panama | good | good |
| Paraguay | fair | uncertain |
| Peru | satisfactory | good |
| Uruguay | good | good |
| Venezuela | strong | good |

imports, and a good start was made on liquidating the long overdue collections in the backlog accumulated under the old system.

#### Collection Experience Satisfactory

The U.S. Federal Reserve System banks in their detailed records of collection experience for Latin American countries give further statistical evidence of the generally satisfactory conditions in this area. For most countries the percentage of commercial draft payments made promptly has increased this year and the percentage of slow payments has correspondingly declined. Taking the area collectively, the value of drafts paid has been at a high level so that, though the value of new drafts drawn has been high, outstanding collections have been less than in most other years.

The Canadian Export Credits Insurance Corporation reports parallel experience. At mid-year the Corporation's percentage of overdue collections, as against a year earlier, was sharply lower for Bolivia, Brazil, Colombia, Uruguay and Venezuela, noticeably improved for Chile, Ecuador and Haiti, and only significantly greater for El Salvador, Nicaragua, and Paraguay.

# The Belgian Congo's Timber Trade

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

NEARLY HALF A MILLION SQUARE MILES of the Belgian Congo—about 50 per cent of the total area—is covered with forests and about 250 thousand square miles of this actually produces timber to be sold. In certain regions, particularly the isolated forests of the northeast, cutting operations still are not practicable, but this situation should change as development proceeds and inexpensive transport becomes available. Up to the present the most accessible timber has been found near Matadi and in the rich wooded areas near Boma (the Mayumbe).

During the past few years the Congo authorities, to satisfy expanding export markets, have concentrated on a suitable selection of timber from the various species which grow there. For the present, it is only profitable to export timber for cabinet-making, construction and special uses.

#### Limba Veneers

Of the many species of lumber, the Limba wood from the Mayumbe is by far the best known. Limba veneers—sometimes referred to as Korina in North America—account for about 75 per cent of the total Congo timber exports, which in 1953, reached a record 142,463 tons, valued at approximately $5·9 million—a 55 per cent rise over 1952 exports. Exports of veneering sheets alone reached 214 thousand cubic feet in 1953 (62,600 cubic feet in 1952) and foreign sales of Congo plywood—a relatively new industry in this part of Africa—totalled 104 thousand cubic feet (78,000 cubic feet in 1952).

#### Timber Exports

Total timber exports by quantity for 1953 showed that 54 per cent represented veneers, 42 per cent plywood and the remaining 26 per cent round timber and sawn lumber. The chief markets for the round timber are Germany and Switzerland where it is used by the plywood industry. The United States imports appreciable quantities of Limba veneers, plywood and sawn timber (approximately $900 thousand worth in 1953). Canada's imports of Kambala or Mulundu (which can be used for teak) and plywood from the Belgian Congo during 1953 amounted to only about $15,000 but indirect shipments not included in the official statistics reached Canada through the United States.

*Note: The Canadian Trade Commissioner in Leopoldville has summarized the characteristics and uses of the more important exportable Congo timbers. This information is available to businessmen who write to the Forest Products & Chemicals Division, Department of Trade and Commerce, Ottawa.*

# commodity notes

## Argentina

POTATOES—It is reliably reported that Uruguay has purchased or plans to purchase 10,000 metric tons of table stock potatoes from Argentina for delivery during September and October of this year. Landed price of these potatoes is reported to be 7·18 Uruguayan pesos per 100 kilograms. In recent years Uruguay has obtained its table stock requirements from European countries, particularly Denmark and the Netherlands. The purchases from Argentina this year reflect the large potato surplus in that country and the low export prices made possible, in part, by the export subsidy of three pesos (Argentine) a 60-kilo sack—Buenos Aires, Sept. 17.

TRACTORS—Press reports state that the IAME (Industrias Aeronautics Mecanicas del Estado) tractor factory in the province of Córdoba has begun manufacture of 2,500 "Pampa" tractors. These tractors will have semi-diesel, two-stroke motors with horizontally placed cylinders and will operate with six forward and two reverse speeds. The "Pampa" is equipped with rubber tires and has a dual-purpose hook designed for use with agricultural implements or with trailers—Buenos Aires, Sept. 13.

SEED POTATOES—Concrete evidence that Argentina has a surplus of seed potatoes this year is a recent communication from IAPI authorizing the export of seed potatoes of the first and fourth multiplication. This action comes at a time when export sales of table stock potatoes have already reached substantial proportions—33,705 tons by September 20th—Buenos Aires, Sept. 30.

## Australia

PAPER SACKS—A North Fremantle firm, it is reported, will soon undertake the manufacture of paper sacks for such products as cement and plaster. Capital outlay involved is about £50,000. Plans are now being completed for the new works and, depending on building progress, production should begin before the end of the year. This industry will be the first of its kind for Western Australia and will make the area independent of imports from the eastern states—Melbourne, Sept. 15.

AUTOMOBILES—The British Motor Corporation (Australia) Pty. Ltd. is reported to have purchased a five-acre factory near Melbourne to extend domestic production of Austin cars. The new plant, which will begin operations in May 1955, will employ about 1,000. Engines and gear boxes will be produced at the Corporation's new, four-acre Sydney factory which will manufacture about 50,000 engines a year for Austin and Morris vehicles. This plant is to be supplied with the most modern equipment, costing about £2½ million—Sydney, Sept. 13.

## Ceylon

FLOUR—During the first six months of 1954, Ceylon imported flour valued at Rs.52,705,459 (Can.$10,-920,571). Principal suppliers of this flour were Australia (1,544 thousand cwt.), the Netherlands (367 thousand cwt.), Belgium (179 thousand cwt), Canada (98,000 cwt.), and France (19,000 cwt.)—Colombo, Sept. 11.

TEA—Ceylon's production of tea for the 12 months ended March 31, 1954, totalled almost 354 million lb.—an increase of 37 million lb. over the previous 12-month period. Total area under tea also grew, with a new production record established of 613 lb. per acre. Exports for the period reached 350 million lb. During 1953, Canada imported 17·8 million lb. of Ceylon tea worth $4 million. Exports for the first five months of 1954 were said to be running about 10 per cent higher than the corresponding figure for 1953—Colombo, Sept. 15.

## Chile

COPPER PRODUCTION—The Central Bank of Chile, which controls copper sales, reports that production of blister and refined copper for the first half of 1954 was 149,212 tons. This includes the production of the national refinery at Paipote—Santiago, Sept. 16.

TRACTORS—According to reports in the local press, the Chilean Trade Development Corporation has announced that 2,500 American and European agricultural tractors worth, with spares, about US$23 million will arrive in Chile during October. By the end of October, the reports continue, Chile will have about 13,000 agricultural tractors in use—Santiago, Sept. 16.

## Denmark

METAL LIFEBOAT—A Danish company has designed a new type of aluminum boat which is expected to find a ready market among ship-owners.

The boat, built with a view to replacing the present types of lifeboats, is 8·8 metres long (about 22·3 feet) and is of rivetted construction. Its advantages are said to be its lightness, small upkeep expenses and its ability to remain watertight under all weather conditions and temperatures. It is at present undergoing further trials—Oslo, Sept. 29.

### Finland

PAPER—Total Finnish paper exports for the first quarter of 1954 amounted to 166 thousand tons compared with 147 thousand tons for the same period in 1953. Of the total, 94,000 tons were newsprint (97,000 in 1953) and 35,000 tons paperboard (30,000 in 1953)—Stockholm, Sept. 13.

### Israel

ASBESTOS—The Israel asbestos products industry—two large plants and a number of smaller enterprises—manufactures both asbestos-cement soil and pressure pipes and asbestos-cement sheets. Low-pressure soil pipe, for sanitary installations, etc., is manufactured in dimensions of four, six and eight inches, in lengths of up to three metres; pressure pipe for water supply, used extensively in the country's irrigation projects, is produced in dimensions ranging from four to 16 inches, in test pressure classes of 12, 18 and 24 atmospheres, with a standard length of four metres. During June, pressure pipe was exported for the first time: a shipment of 30,000 metres of four-inch pipe went to Cyprus. Israel has no natural deposits of crude asbestos and all requirements must be imported. Fairly important quantities of asbestos milled fibres and refuse shorts are bought from Canada—Athens, Sept. 17.

### Jamaica

COFFEE—Prices on the London market for Jamaica Blue Mountain coffee have fallen from 650s. to 530s. a cwt. in the past few weeks. Coffee shipments have been temporarily suspended while the growers' co-operative considers this new development—Kingston, Sept. 18.

CITRUS—In the season just ended, only 115,462 boxes of fresh fruit were exported, compared with 170,916 boxes in the previous season, the result of a short crop and lower prices on the United Kingdom market. Exports to New Zealand dropped to 63,000 boxes because of shipping difficulties. Sales to the United Kingdom of concentrated citrus juice dropped to 40 tons, because it was found more profitable to sell on the open market—Kingston, Sept. 18.

### Netherlands

CANNED FRUIT AND VEGETABLES—The rapid postwar expansion of the Dutch canned fruit and vegetable industry appears to have come to an end. The boom was due mainly to a large increase in exports to Britain after 1945. Exports of canned vegetables are now dropping, however, while shipments of canned fruit are not rising as rapidly as in earlier years. Exporters generally find it is dangerous to concentrate too much on the British market which still maintains import control on almost all such products. Efforts in the past few years to find new outlets in the dollar area have been successful—The Hague, Sept. 20.

### New Zealand

TOBACCO—The New Zealand price tribunal has recently ruled that until further notice minimum prices to be paid to tobacco growers have been increased to 3/10½d. a pound for flue-cured leaf, 3/7½d. for air-dried leaf, and 1/6d. a pound for raw tobacco. Latest production figures show that in 1952, 4·8 million pounds of tobacco were grown in New Zealand—four times the 1936 production. In 1952, 6·8 million pounds were imported from the United States—Wellington, Sept. 10.

### Philippines

SUGAR—The Philippine Sugar Quota Administration has announced that the quota for domestic consumption for the 1954-55 crop year has been set at 310,433 short tons, an increase of 30,000 short tons over the previous crop year—Manila, Sept. 15.

### South Africa

PEANUTS—The South African Division of Economics and Markets estimates the peanut crop for 1953-54 at 118 thousand short tons of shelled nuts compared with 100,700 tons last season, an increase of 18 per cent. About two-thirds of the crop will be consumed locally and the remaining 40,000 tons will be exported. Canadian firms wishing to obtain prices on the new crop should contact the Overseas Farmers Co-operative Federation, Limited, Plantation House, Fenchurch Street, London, E.C. 3, the sole export agents for the Oilseed Control Board of South Africa—Johannesburg, Sept. 17.

TOBACCO—According to latest forecasts, South African tobacco production will reach 18 million lb. of Orinoco flue-cured leaf this year compared with 14 million lb. in 1953. Farmers hope to export at least a quarter of their crop despite competition from better known American, Canadian and Rhodesian tobaccos. Exports in 1953 hit a record total of 4 million lb. of leaf, indicating that this year's target may be within reach—Johannesburg, Sept. 17.

### Sweden

IMPREGNATION MATERIAL—A new type of impregnation preparation, known as "Everdry", for use in the building industry, has recently been demonstrated in Sweden. The preparation is a colourless liquid with a silicon base. "Everdry" can be sprayed on most types of surface and is almost completely waterproof—Stockholm, Sept. 24.

ALUMINUM—The aluminum plant in Sundsvall, Sweden, will be enlarged to increase current production of 10,000 tons a year to 13,000 tons. This will raise Sweden's total annual production of aluminum to 15,000 tons and result in a foreign exchange saving of about 20 million kronor—Stockholm, Sept. 21.

WOOD PRODUCTS—Swedish export sales of wood products for the first seven months of 1954 totalled about 670 thousand standards. Sales of chemical pulp have been slow, largely because of the small available supply. Swedish exporters have agreed to fix prices for third-quarter delivery at unchanged price levels—Stockholm, Sept. 20.

### United Kingdom

IRON ORE—The first cargo of iron ore from the new mines in Labrador has recently reached the Clydeside. It is reported that the importing organization has placed firm contracts for up to 500 thousand tons a year. Because the ore is of a good semi-hematite quality, it is considered suitable for use in Scottish blast furnaces—London, Sept. 28.

### United States

MOTOR VEHICLES—United States export sales of motor vehicles have increased this year despite lower domestic sales. Exports until the end of July this year amounted to 243,386 units or 6·0 per cent of total sales of 4,067,905. Statistics show that 208,364 vehicles found a market abroad during the same period of 1953, 4·6 per cent of total sales of 4,574,946. Much of the increase in foreign sales has come from larger exports of trucks and buses which have grown from 80,000 vehicles in the first seven months of 1953 to 112 thousand in the same period this year—Detroit, Sept. 30.

BOATS AND ENGINES—The National Association of Engine and Boat Manufacturers estimates that sales during 1954 will run 25 per cent ahead of last year's record $800 million. This will put the industry into the billion dollar bracket for the first time. In addition, it is estimated that there will be a 20 per cent increase in the sale of outboard motors this year as compared with 1953. Some of the reasons for this increased business for the boat industry can be attributed to the larger incomes of the lower and middle income groups, more leisure time, and a general trend from spectator to participation type of sports—Detroit, Sept. 29.

### West Germany

CEMENT—German reconstruction has strongly favoured development of the German cement industry; during the first half of 1954, production reached 7·05 million tons, compared with 6·76 million last year. While the 1953 total was 15·32 million tons, total production in 1954 is expected to exceed 16 million tons, an increase of 27 per cent above the 1938 production of 11·2 million tons.

Exports have developed less favourably, amounting to 600 thousand tons (500 thousand tons Portland cement), compared with 951 thousand during the first half of last year. In 1953, more than 50 per cent of German cement exports went to Brazil (500 thousand tons) and the Netherlands (445 thousand tons). Main buyers during January-June 1954 were the Netherlands, Turkey and Indonesia.

Germany ranks third among world cement producers, following the United States (44·4 million tons) and the U.S.S.R. (16·0 million tons). German per capita consumption increased from 176 kilograms during 1935-36 to 272 kilograms in 1953, placing third after Belgium (322 kilograms) and the United States (277 kilograms), but ahead of the United Kingdom (195 kilograms) and France (188 kilograms)—Bonn, Sept. 27.

CHEMICAL PRODUCTS—In March 1954, the monthly production of chemical products in the Federal Republic was valued at DM1,083 million, exceeding the billion mark for the second time. The turnover figure for October 1953 was DM1,001 million. The increase against January and February 1954 was DM165 and 168 million respectively. The chemical industry participated in the production of all industries in the Federal Republic by DM2,915 million or 9·3 per cent.

The index prices ex factory for chemical products decreased in April to 183 (1938=100) compared with 184 during the period July 1953 to March 1954. During the first quarter of 1954, exports of chemical products reached a record DM691 million, exceeding those of the first quarter of 1953 by DM180 million. These record sales, achieved despite stiff competition in the world market, are mainly the result of a continued heavy demand. On the other hand, the share of chemical exports in total West German exports fell from 14·2 per cent in February to 13.4 per cent in March—Bonn, Sept. 27.

# trade and tariff regulations

## Australia

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

*Paper*—Grease-proof wrapping paper, imitation grease-proof wrapping paper, glazed imitation parchment paper and glassine paper:
Tariff item: 334 (G) (1) (b)

| | | |
|---|---|---|
| Rates of duty: | British Preferential ... | £4 per ton |
| | Intermediate .......... | £6 per ton |
| | General .............. | £6 per ton |

*Woollen Products*—Wool tops:
Tariff item: 433

| | | |
|---|---|---|
| Rates of duty: | British Preferential: .... | 4d per lb. |
| | Intermediate ............ | 9d per lb. |
| | General ................ | 9d per lb. |

Woollen yarns:
Tariff item: 392 (C)

| | | |
|---|---|---|
| Rates of duty: | British Preferential .. | 4d per lb. +10 % |
| | Intermediate ........ | 10d per lb. +17½% |
| | General ........... | 1s per lb. +30 % |

Woollen piece goods:
Tariff Items: 105(F)(1), 105(F)(2) and 105(F)(3)
Various rates of duty.

*Other Textiles*—Furnishing and upholstery piece goods, other than moquettes:
Tariff item: 105 A (3)
Various rates of duty.
Socks and stockings:
Tariff item: 115
Various rates of duty.

*Chemicals*—Ester plasticisers:
Tariff item: 281 (L)
Various rates of duty.

*Hand Tools*—Carpenters' chisels:
Tariff Item: 219 (C) (2) (b)

| | | |
|---|---|---|
| Rates of duty: | British Preferential ........ | 10 % |
| | Intermediate ............... | 17½% |
| | General .................. | 22½% |

Canada, the United Kingdom and other British countries are subject to the British Preferential tariff. The United States and most other countries are subject to the Intermediate tariff.

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

CLOTHING INDUSTRY TARIFF MOVE—Representatives of at least two sections of the clothing and textile industries intend to apply for an increase in tariffs to counter the greater flow of imported goods expected in the next few months. Manufacturers claim that without additional protection from imports, their industries will be seriously affected. Until such time as tariffs are raised, the Federal Clothing Industries Council of Australia plans to press for continued import restrictions as protection for the domestic industry. Although Australian manufacturers feel that their woollen and worsted products, made from the best wool in the world, are superior to imported goods, Australian wages make it impossible to compete with overseas costs without protection—Sydney, Sept. 17.

## Austria

TEMPORARY TARIFF REDUCTIONS RENEWED—An Austrian decree of June 20th extends indefinitely various suspensions and reductions in Austrian customs duties which would otherwise have expired at that time. Some minor additions have also been made to the list of temporary reductions, including the establishment of a reduced rate of duty on certain pharmaceuticals containing a single chemically homogeneous substance prepared for retail sale, a doubling of the quota for duty-free entry of acetic acid used for specified manufacturing purposes, and a new clause allowing the duty on special kinds of pig iron not produced in Austria to be reduced or suspended by administrative action.

Among the provisions which have been renewed, Canadian exporters may be interested in the continued suspension of the duty on wheat, oats, wheat flour, raw artificial silk and antibiotics (excluding penicillin). Reduced duties still apply to fresh apples, certain synthetic resins, and various parts of automobiles—Berne, Sept. 14.

## Belgium

SALES TAX ON IMPORTS—A Belgian decree effective September 23 makes various revisions in the transmission (or sales) tax applicable to certain imports into Belgium. This import tax is additional to the basic sales tax which amounts in most cases to 4½ per cent of the value and applies both to imports and to goods produced in Belgium. A report on the Belgian sales tax on imports was published in *Foreign Trade* of April 4, 1953.

Among the changes, the import tax was abolished on some goods including certain refrigerating equipment, leather gloves, and spoons and forks made of various base metals. It was reduced from 5 to 4 per cent on transmission and conveyor belts of rubber and on wooden furniture. The import tax on newsprint has been suspended until the end of 1954.

Import taxes are newly implemented on a number of products, including the following, the rates of the tax (in per cent of the c.i.f. value) being shown in parentheses: aluminum tanks, non-insulated cables and cordage, capsules for bottles, tubes for paints and for similar products; iron or steel spades, shovels, forks and rakes; various artificial plastic materials; electrothermic apparatus other than industrial (2 per cent); plates, trays, covers, tumblers and similar stamped manufactures of paperboard or paper (4 per cent)—Brussels, Sept. 23.

*Exporters may obtain information on the sales tax on individual imports into Belgium from the International Trade Relations Branch of the Department.*

## Cuba

DUTY-FREE PERIOD FOR SHELL EGGS—Further information from the Canadian Commercial Secretary in Havana has been received to the effect that the exemption from duties reported in *Foreign Trade* of July 24 will apply also to eggs weighing not less than 18 ounces net per dozen. The duty-free period extends to January 15, 1955.

## France

SPECIAL TAX ON IMPORTS AND EXPORTS SUSPENDED—Effective September 14th, the special statistical and customs control tax on imports and exports has been suspended until December 31, 1954. This tax was instituted in July 1952 and amounted originally to 0·4 per cent ad valorem until it was increased in March 1954 to 0·75 per cent ad valorem The revenue from this tax has been allocated to the national fund to provide old age pensions for agricultural workers.

## Greece

IMPORT DUTIES AND TAXES REVISED—A Greek law effective August 14 provides for a number of changes in customs duties and other import charges, all of minor significance. For example, samples having a commercial value are now admitted free from import duty and other charges if their value does not exceed 30 drachmas (about $1). Printed advertising matter has been freed from turnover tax. Seeds for sowing and chemical fertilizers imported by the State or the Agricultural Bank of Greece for disposal to farmers enter duty-free and tax-free until the end of 1954. Duty-free entry is also accorded to gramophone records and recordings for transmission by broadcasting stations in Greece, and to automobiles and trucks imported by the International Red Cross Committee for its own use. Reduced rates of customs duties have been provided for used clothing and footwear (except furs) entering Greece as gifts—Athens, Sept. 14.

## India

IMPORT CONTROL POLICY FOR CERTAIN ITEMS LIBERALIZED—The Government of India announced on September 11, 1954, a number of relaxations in import restrictions, some of which may be of benefit to Canada. These relaxations are effective in the July-December 1954 licensing period.

On the following commodities, liberalization has been effected by increasing the dollar import quota for the current licensing period, July-December 1954: iron or steel, coated or uncoated electrodes; files and rasps, emery wheel dressers, glass cutting or writing diamond tools; precision and measuring tools; unspecified manual or animal-driven agricultural machinery and parts thereof.

Goods formerly prohibited from the dollar area and now permitted importation up to a prescribed percentage of the face value of any soft currency licences issued are: adjustable hand reamers or expanding reamers; twist drills and reamers less than 3/64″ in diameter; carbide-tipped drills and reamers; leather belting; generators of the types not covered by Open General Licence; generating sets of types not covered by Open General Licence; fluorescent tubes; educational toys; power-driven duplicators; industrial sewing machines, excluding sewing machines and parts thereof which are worked by power and require for their operation not less than one-quarter brake horsepower; water meters.

## Italy

SALES TAX ON IMPORTS INCREASED—Effective August 12, Italy is refunding to exporters of various manufactured goods the Italian sales tax paid on these goods and their components at earlier stages of production. At the same time, the sales tax payable on similar imported goods has been increased by amounts ranging from 1 to 4 per cent of the duty-paid value of these imports.

The basic Italian sales tax amounts in most cases to 3 per cent ad valorem, although the rates vary on a number of items. It applies alike to imports and to goods produced in Italy. The increases, however, apply only to imports. It is stated that the purpose of these increases is to compensate for the tax refunds paid to Italian exporters.

The list of imports subject to increased rates of sales tax is extensive. We are listing below those articles which appear to be of interest to Canadian exporters and the rates of increase applicable to them. Some of Canada's main exports to Italy are exempt from the increases—including wheat, coarse grains, wheat flour, salted cod and nickel.

| Commodity | Rate of Tax Increase (in per cent) |
|---|---|
| Synthetic rubber | 1 |
| Rubber hose | 2 |
| Linseed oil and other vegetable oils, not edible | 1 |
| Tallow | 1 |
| Whisky | 2 |
| Starches and flours prepared for food | 1 |
| Undressed fur skins | 1 |
| Hides and skins, calf and cattle | 1 |
| Woollen outer garments | 2 |
| Synthetic fibre threads and yarns | 3 |
| Synthetic fibre fabrics, woven | 3 |
| Planks and boards, coniferous | 1 |
| Railway sleepers of wood | 1 |
| Wood pulp | 1 |
| Newsprint paper | 2 |
| Iron and steel billets, ingots, blooms | 3 |
| Iron or steel bars (including stainless steel) | 3 |
| Steel plates, sheets and strips | 3 |
| Gasoline engines and parts | 3 |
| Tractors | 4 |
| Needles | 2 |
| Mining machinery and parts | 4 |
| Metal-working machinery | 4 |
| Power pumps and parts | 4 |
| Various types of industrial machinery | 3 |
| Passenger automobiles and parts | 4 |
| Aluminum, primary and semi-fabricated | 1 |
| Zinc, primary | 1 |
| Radio wireless receivers and transmitters | 3 |
| Telegraphic and telephonic apparatus | 3 |
| Radio guiding and sounding apparatus | 4 |
| Dynamos, generators and parts | 3 |
| Various kinds of electrical apparatus | 3 |
| Petroleum coke | 1 |
| Caustic soda | 1 |
| Penicillin and streptomycin | 2 |
| Various medicinal preparations | 1 |
| Acetylene, carbon and lamp black | 2 |
| Polystyrene | 2 |
| Dental, surgical and hospital equipment | 3 |

Information about tax increases on individual items may be obtained from the International Trade Relations Branch of the Department.

## Jamaica

IMPORTS OF TABLE POTATOES—It was announced in Jamaica on September 29, 1954, that applications to import table potatoes from all sources would be considered provided the imports take place between October 28, 1954, and January 31, 1955.

## New Zealand

DOLLAR IMPORT LICENCES—The New Zealand Department of Customs has announced that applications will be received up to October 22, 1954, from regular importers for licences to import plywood from dollar and soft currency countries during 1955.

REPRESENTATION FOR CHANGE IN RATES OF DUTY—The New Zealand Government has received representations for an increase in the rate of duty on felted textiles in the piece when imported for the manufacture of slippers from 3 per cent ad valorem (item 156) to 20 per cent ad valorem (item 183(2)(a)) under the British Preferential rate (applicable to Canada), and from 10 per cent ad valorem plus a surtax of 22½ per cent of duty to 40 per cent ad valorem under the most-favoured-nation rate (applicable to most-favoured-nation countries including the United States).

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

## South Africa

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

*Increases in duty on:*

1. All woven cotton piece goods (other than printed materials with a fast dye) the free-on-board price of which does not exceed 6s. 6d. per lb. by weight of material, from various rates of duty to 50 per cent ad valorem.
2. Kaffir sheeting, the free-on-board price of which does not exceed 6s. 6d. per lb. by weight of material, from various rates of duty to 50 per cent ad valorem.
3. Canvas piece goods of rayon with cotton and/or flax or other materials, whether or not painted or surface-coated, and classified for customs purposes under item 75 (1) and (2), from various rates of duty to 30 per cent (intermediate rate) and 40 per cent ad valorem (maximum rate) plus a special suspended duty of 10 per cent ad valorem in terms of section sixty-five bis of the Customs Act.

4. Canvas piece goods of cotton, flax and mixtures thereof and canvas piece goods of rayon mixed with other materials, whether or not painted or surface-coated, the free-on-board price of which does not exceed 6s. 6d. per lb. by weight of material, and classified for customs purposes under item 75 (1) and (2), from various rates of duty to 50 per cent ad valorem.

Interested Canadian firms may wish to have their views 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.

### United States

TARIFF COMMISSION INVESTIGATION INTO PLYWOOD IMPORTS—The U.S. Tariff Commission has announced that an investigation was instituted on September 16, 1954, as follows:—

Upon application of the Hardwood Plywood Institute, Chicago, Illinois, received September 3, 1954, the United States Tariff Commission on the 16th day of September, 1954, under the authority of section 7 of the Trade Agreements Extension Act of 1951, as amended, and section 332 of the Tariff Act of 1930, instituted an investigation to determine whether hardwood plywood, except Spanish cedar plywood, provided for in paragraph 405 of the Tariff Act of 1930, is, as a result in whole or in part of the duty or other customs treatment reflecting concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The application filed in this case is available for public inspection at the office of the Secretary, United States Tariff Commission, 8th and E Streets N.W., Washington, D.C., and in the New York office of the Tariff Commission, located in Room 437 of the Customs House, where it may be read and copied by persons interested.

IMPORT QUOTA ON TABLE POTATOES INCREASED—The quantity of white or Irish potatoes, other than certified seed potatoes, that may be admitted into the United States at the reduced import duty of 37½ cents per 100 pounds during the year which began September 15 has been set at 5,485,000 bushels of 60 pounds each, according to an announcement of the Commissioner of Customs on September 17th. The corresponding tariff rate quota for the 1953-54 season was 1,000,000 bushels.

Imports in excess of the quota are subject to a duty of 75 cents per 100 pounds.

Under the GATT, the United States undertook to admit annually a minimum of one million bushels of white potatoes at the reduced rate of import duty. It was provided, however, that if domestic production should be estimated by the U.S. Department of Agriculture, as of September 1st of a particular year, at less than 350 million bushels, the tariff quota for the next 12-month period would be increased accordingly. Since the U.S. Department of Agriculture has estimated domestic production of white potatoes for the calendar year 1954 at 345,515,000 bushels, the quota admissible at the reduced rate is being set at 5,485,000 bushels.

ANTIDUMPING ACT AMENDED—Public Law 768 (83rd Congress) approved September 1, 1954, amends the Antidumping Act in certain respects, effective October 1, 1954.

Formerly, whenever the customs appraiser believed that the purchase price was less than the foreign market value, he was required to withhold appraisement of the goods and to notify the Secretary of the Treasury. Whenever the Secretary, after such investigation as he deemed necessary, found that an industry in the United States was being injured by reason of the importation of that class or kind of foreign merchandise, and that such merchandise was being sold in the United States or elsewhere at less than its fair value, he was required to make such finding public and the appraiser was required to collect a special dumping duty in an amount equal to the difference between the purchase price and the foreign market value. The appraiser was required, however, to make due allowance for the fact that the wholesale quantities in which such merchandise were sold to the United States might be greater than when sold in the home market.

The new law continues to require the Customs to withhold appraisement wherever it is believed that the purchase price is less than the foreign market value, but such withholding shall apply only to goods entered not more than 120 days before the question of dumping was raised.

Furthermore, under the new law the determination of injury is no longer the responsibility of the Secretary of the Treasury. Instead, he is required to turn the matter over to the U.S. Tariff Commission which must determine within three months thereafter whether an industry in the United States is being injured by reason of the importation of such merchandise. The Tariff Commission must then notify the Secretary of its determination. If that determination is in the affirmative, the Secretary shall make public a notice of his and the Commission's determinations. The Customs must then collect a special dumping duty.

# foreign trade service abroad

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

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| **Lebanon**<br>Iraq, Jordan, Syria | G. F. G. Hughes, Canadian Government Trade Commissioner | Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, BEIRUT | *Mail:* Bôite Postale 2300<br>*Cable:* CANADIAN<br>*Tel.:* 30794 |
| **Mexico** | M. T. Stewart, Commercial Counsellor<br><br>C. O. R. Rousseau, Assistant Commercial Secretary | Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F. | *Mail:* Apartado 126-Bis<br>*Cable:* CANADIAN<br>*Tel.:* 36-27-90 |
| **Netherlands** | V. L. Chapin, Commercial Secretary<br><br>T. F. Harris, Assistant Commercial Secretary | Canadian Embassy, Sophialaan 1-A, THE HAGUE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 18-51-06 |
| Netherlands<br>Belgium, Denmark, Luxembourg | C. J. Small, Acting Agricultural Secretary | | |
| **New Zealand**<br>Fiji, Western Samoa | L. S. Glass, Commercial Counsellor | Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON | *Mail:* P.O. Box 1660<br>*Cable:* CANADIAN<br>*Tel.:* 70-644 |
| **Norway**<br>Denmark, Greenland, Iceland | J. L. Mutter, Commercial Counsellor | Canadian Legation, Fridtjof Nansens Plass 5, OSLO | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 33-30-80 |
| **Pakistan**<br>Afghanistan, Iran | R. K. Thomson, Commercial Secretary | Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI | *Mail:* P.O. Box 3703<br>*Cable:* CANADIAN<br>*Tel.:* 5826 |
| **Peru**<br>Bolivia | H. J. Horne, Commercial Secretary | Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA | *Mail:* Casilla 1212<br>*Cable:* CANADIAN<br>*Tel.:* 71150 |
| **Philippines** | F. H. Palmer, Consul General and Trade Commissioner<br><br>H. E. Lemieux, Vice Consul and Assistant Trade Commissioner | Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA | *Mail:* P.O. Box 1825<br>*Cable:* CANADIAN<br>*Tel.:* 3-33-35 |
| **Portugal**<br>Azores, Madeira | L. M. Cosgrave, Commercial Counsellor | Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 53117 |
| **Singapore**<br>Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand | D. S. Armstrong, Canadian Government Trade Commissioner | Room F-3, Union Building, SINGAPORE | *Mail:* P.O. Box 845<br>*Cable:* CANADIAN<br>*Tel.:* 7739 |
| **South Africa**<br>(Natal, Transvaal) Federation of Rhodesia and Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar | K. F. Noble, Canadian Government Trade Commissioner<br><br>H. E. Campbell, Assistant Trade Commissioner | Mutual Building, Harrison Street, JOHANNESBURG | *Mail:* P.O. Box 715<br>*Cable:* CANTRACOM<br>*Tel.:* 33-2628 |

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

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

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

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

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

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

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

For conversion to United States dollar equivalents multiply by 1·03059.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. October 1 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1294 | |
| | | Basic buying | ·1941 | |
| | | Preferential selling | ·1941 | (1) |
| | | Basic selling | ·1294 | |
| | | Free | ·06985 | |
| Austria | Schilling | | ·03732 | |
| Australia | Pound | | 2·1725 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01942 | |
| Bolivia | Boliviano | Official | ·00511 | |
| British West Indies | Dollar | | ·5658 | (3) |
| | Pound | | 2·7156 | (4) |
| | Dollar | Brit. Honduras | ·6789 | |
| Brazil | Cruzeiro | Official selling | ·05156 | tax 8% |
| | | Official buying, coffee | ·04154 | (2) |
| | | Official buying, other | ·03421 | (5) |
| | | Free | ·01548 | |
| Burma | Kyat | | ·2038 | |
| Ceylon | Rupee | | ·2037 | |
| Chile | Peso | Official | ·00882 | (1) |
| Colombia | Peso | Basic | ·3881 | |
| Costa Rica | Colon | Official | ·1728 | (6) |
| | | Controlled free | ·1461 | |
| Cuba | Peso | | ·9703 | tax 2% |
| Czechoslovakia | Koruna | | ·1348 | |
| Denmark | Krone | | ·1405 | |
| Dominican Republic | Peso | | ·9703 | |
| Ecuador | Sucre | Official | ·06469 | |
| | | Free | ·05609 | |
| Egypt | Pound | | 2·7863 | |
| Fiji | Pound | | 2·4465 | |
| Finland | Markka | | ·00422 | |
| France | Franc | | ·00277 | (7) |
| French Africa | Franc | | ·00555 | (8) |
| French Pacific | Franc | | ·01525 | (9) |
| Germany | D Mark | | ·2310 | |
| Greece | Drachma | | ·03234 | |
| Guatemala | Quetzal | | ·9703 | |
| Haiti | Gourde | | ·1941 | |
| Honduras | Lempira | | ·4852 | |
| Hong Kong | Dollar | Free | ·1659 | *Sept. 17 |
| Iceland | Krona | Official | ·05958 | |
| | | Special buying | ·04588 | |
| | | Special selling | ·03696 | |
| India | Rupee | | ·2037 | |
| Indonesia | Rupiah | Basic | ·08511 | (10) |
| Iran | Rial | Certificate | ·01165 | |
| Iraq | Dinar | | 2·7169 | |

* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. October 1 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7156 | |
| Israel | Pound | Official | ·9703 | |
| | | Premium | ·5391 | |
| Italy | Lira | | ·00156 | |
| Japan | Yen | | ·00270 | |
| Lebanon | Pound | Free | ·3002 | |
| Mexico | Peso | | ·07763 | |
| Netherlands | Guilder | | ·2550 | |
| Netherlands Antilles | Guilder | | ·5145 | |
| New Zealand | Pound | | 2·7156 | |
| Nicaragua | Cordoba | Effective buying | ·1470 | (11) |
| | | Official selling | ·1376 | |
| | | With Surcharge I | ·1205 | |
| | | With Surcharge II | ·09655 | |
| Norway | Krone | | ·1358 | |
| Pakistan | Rupee | | ·2933 | |
| Panama | Balboa | | ·9703 | |
| Paraguay | Guarani | Basic | ·04621 | (1) |
| | | With Surcharge I | ·03594 | |
| | | With Surcharge II | ·02695 | (12) |
| Peru | Sol | Certificate | ·05107 | |
| Philippines | Peso | | ·4852 | tax 17% (2) |
| Portugal | Escudo | | ·03386 | (13) |
| El Salvador | Colon | | ·3881 | |
| Singapore & Malaya | Straits dollar | | ·3168 | |
| South Africa (Union of) | Pound | | 2·7156 | |
| Spain & Dependencies | Peseta | Basic buying | ·04431 | |
| | | Basic selling | ·08648 | |
| | | Basic commercial selling | ·05907 | (1) |
| | | Free | ·02491 | |
| Sweden | Krona | | ·1876 | |
| Switzerland | Franc | | ·2263 | |
| Syria | Pound | Free | ·2712 | *Aug. 16 |
| Thailand | Baht | Official | ·07763 | (1) |
| | | Free | ·04576 | *July 30 |
| Turkey | Lira | | ·3465 | |
| United Kingdom | Pound | | 2·7156 | |
| United States | Dollar | | ·9703 | |
| Uruguay | Peso | Official | ·6388 | |
| | | Basic buying | ·5451 | |
| | | Special buying | ·4129 | (1) |
| | | Basic selling | ·5107 | |
| | | Special selling | ·3960 | |
| Venezuela | Bolivar | | ·2896 | (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 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are provisions for special rates for exports of petroleum, cocoa and coffee, not at present in effect for cocoa and coffee.

# transportation notes

## Ceylon

AIR CEYLON LIMITED—The Government of Ceylon and Australian National Airways have recently decided to expand the capital of Air Ceylon Ltd. by Rs.1·2 million (Can.$248,640) to cover current liabilities and place operations on a paying basis. Of present shares in the line, 51 per cent is held by the Ceylon Government and 49 per cent by Australian National Airways. The additional capital will be provided in the same proportion. A profit of Rs.20,000 for the first six months of 1954 was recently announced by Air Ceylon—Colombo, Sept. 5.

## Chile

AIRLINE TO U.S.—The Chilean Aeronautical Board has authorized a private Chilean Aviation Company, CINTA (the Cia. Nacional de Turismo Aereo Ltda.), to establish a regular freight and passenger service between Chile and the United States, calling at various Pacific coast countries en route. CINTA is already operating in a satisfactory way in this territory, and if the new project is successful, it will be the first private Chilean enterprise to establish a regular air service to the United States. It is reported that payment of passages and freights in Chilean pesos would be permitted—Santiago, Sept. 15.

## Federation of Rhodesia and Nyasaland

TRANSPORT DEVELOPMENT PLANS—The Federation Government has announced a three-year development plan involving total expenditure of some £75 million; over £24 million is expected to be spent in the coming year. Among the projects planned are a new aerodrome at Salisbury, the capital, new planes for the Federation's airlines, roads and bridges, railway betterment, hydro-electric development, ships and harbour installations—Cape Town, Sept. 9.

## South Africa

RAILWAY AND HARBOUR RATES RISE—Effective September 1st, railway and harbour rates in South Africa have been raised. The increase was the result of a major overhaul of the basic rate structure. It is estimated that an extra £54 million in revenue will be obtained in the full year—Cape Town, Sept. 10.

## Turkey

NEW FACILITIES AT IZMIR—Additional facilities are being constructed at Izmir, Turkey's principal export outlet on the Aegean Sea. The new installations will include a 2,265-foot pier for the simultaneous berthing of four 10,000-ton ships, a 798-foot quay for two 4,000-ton vessels, and transit warehouse accommodation totalling 14,370 square feet of floorspace. When completed the new installations are expected to provide loading and unloading facilities to handle an annual volume of about 1·5 million tons including 250 thousand tons of cereals. In addition to Turkey's traditional exports of tobacco, raisins and figs, such newer products as cotton, wheat, barley, chrome and manganese are now being loaded at Izmir for export.

Work continues on similar port improvement projects at Samsun on the Black Sea, Istanbul, and Mersin on the Mediterranean. These were largely financed with International Bank loans to the Turkish Government—Athens, Sept. 13.

## West Germany

NEW AIRLINE FORMED—In anticipation of approval for the operation of a German civil airline in the near future, the airline company, German Lufthansa, has recently been formed. Capital of the company is DM50 million, and the principal shareholder is the Federal Government, with 85 per cent of the stock. The remainder is held by travel agencies, insurance companies, banks and other firms.

The airline has placed its initial order for aircraft in the United States. Consolidated Vultee Corporation is to deliver four Convair 340s in the fall and the Lockheed Aircraft Company will supply four Lockheed Constellations at a later date. Present planning is to begin service in the spring of 1955 with the Convair 340s on four European routes, probably to Switzerland, Spain, France and England. The Constellations will be used on a Hamburg-New York service.

Another smaller German airline, the German Air Transport Society (Deutsche Lufttransport Gesellschaft), Hamburg, is beginning service immediately with C47s leased from the British Skyways Company. The aircraft are British flag and are flown by British crews, thus avoiding the present restrictions on German airline operation. The capital of the company is DM500 thousand, of which 49 per cent is held in the United Kingdom—Bonn, Sept. 24.