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cover The cover photograph, which shows copper being drawn in a brass mill, introduces a special report on this metal. For some months, fluctuations in supply and in price have kept copper in the news. In this issue, we review the situation in Canada and in the other major producing countries. (See pages two to thirteen.)

Canada's Role ir

As the world's fourth largest producer of copper, Canada has an active interest in the current copper shortage. Here is a discussion of the underlying factors and of Canada's position as a copper producer, consumer and exporter.

A. M. TEDFORD, *Machinery and Metals Division.*

THE ADVANCE IN COPPER PRICES on the London Metal Exchange in recent months is just another instance of how unpredictable copper and other base metals have been since World War II. Experts and laymen alike have made carefully considered forecasts on several occasions, only to find that their predictions were far from the actual developments which, in some cases, took place almost in a matter of months. As recently as a year ago, industry was faced with large Chilean copper stocks overhanging the market and had some forebodings about the short-term view. These persisted even after the United States authorities purchased roughly 100 thousand tons of copper from Chile for stockpile delivery. The general consumer trend seemed headed downward. By the fourth quarter of the year, however, the copper market experienced a sharp pick-up in demand which, together with other factors, has now brought about the current world shortage.

Factors in Shortage

Early in 1954, faced with what seemed a temporary decline in demand for primary copper because of consumer policy of cutting inventories, induced by the recession, many world producers were obliged to prune output in order to maintain prices and to prevent a build-up in surplus stocks. Interest in price maintenance, of course, is understandable in view of declining reserves of high-grade ore, rising costs, labour unrest, and the fact that copper to several producing countries (such as Chile and the Belgian Congo) represents the most important if not the sole source of revenue. In some instances the price-fixing policy was adopted to protect consumers from widely fluctuating prices which would have developed if marketing were conducted on a basis similar to the London Metal Exchange.

In spite of the soft market, labour unrest resulted in widespread strikes in the last half of the year and early in 1955 in Chile, the United States and Northern Rhodesia. These strikes, coupled with cutbacks in production, probably accounted for as much as 200 thousand tons of copper. This loss soon resulted in the removal of the remainder of the overhanging stocks and plunged consumers into a copper shortage.

One factor generally overlooked or seriously discounted is the importance of Western Europe as a copper consumer. The drive towards rehabilitation, the fight for higher standards of living, and the increased trade with Eastern Europe in non-strategic goods point to a high rate of consumption and a continually growing demand. The key to the true supply situation in Western Europe last year is indicated to some extent by the continued movement of dollar scrap at good prices.

Other important factors were the rapid increase in consumer demand, the negligible inventory position, and the tension in the Far East. A sharp rise in price on the London Metal Exchange beginning in September 1954 brought about a price discrepancy that resulted in a rapid drain-off of U.S. and Canadian scrap. This contributed further to the shortage in these two countries. The threat of strikes and uneasiness over the immediate future then pushed the London Metal Exchange up to unprecedented levels. These high prices, in turn, resulted in two price increases in the United States and Canada since the end of January 1955.

The question now is how long prices will remain high and just how long the shortage will continue. The consensus points to a continued shortage during the current year. Its extent and duration, however, will depend upon the degree of international tension, speculative demand, the loss of production through strikes, diversion from government stocks, and upon how much of the current demand represents inventory build-up.

Canada as a Copper Producer

What role does Canada play in the world copper market and what effect does this industry have on our economy? Currently this country is the fourth largest producer of copper, following the United States, Rhodesia and Chile. (The Belgian Congo ranks fifth.)

he World Copper Market

Of these countries, the United States is no longer a net exporter and depends to a large degree on imports of primary copper in its various forms. With the rising demand the United States in all probability will rely increasingly upon foreign copper in the future.

Total production of metallic minerals in Canada in 1950 approximated $617 million in value; this increased to an all-time high of $763 million in 1954. Copper production in all primary forms accounted for 20 per cent of the total figure in the years 1950 to 1953; in 1954 the percentage rose to 23. In all probability, metallic mineral production in 1955 will reach an all-time record value and roughly 25 per cent will represent the value of copper output. This increase will stem from increased production and from substantial rises in the prices of metal.

TABLE No. I

Past Pattern of Distribution, Refined Copper

(in short tons)

	1950	*1951*	*1952*	*1953*	*1954*
Production	238,204	245,466	196,320	235,784	252,643
Consumption	106,876	134,174	130,347	108,862	102,536
Exports, U.K.	64,326	51,918	41,643	51,384	77,867
Exports, U.S.	50,043	28,843	52,630	74,655	60,814
Exports, others	19,875	21,071	19,402	5,955	17,449
Exports, total	134,244	101,832	113,675	131,994	156,130

Dominion Bureau of Statistics figures.

Table I shows the pattern of distribution for Canadian copper covering production, consumption and exports for the years 1950 to 1954 inclusive. Included in the heading, "Exports, Others", are France, Germany, Sweden and other Western European countries, as well as India and Brazil, all of which have been important customers. Exports in the table will not conform to producers' shipments because the figures include small quantities of secondary ingot and small shipments of primary exported by non-producers.

There are at present only two refineries in Canada—one is non-integrated, while the other controls mines, a smelter, a refinery, a brass mill, a rod plant and a wire and cable factory. In general, priority of sale is granted to domestic consumers and as far as possible all legitimate requirements are considered. Only small quantities of primary copper are sold through distributors. The bulk, if not all, of the surplus copper is then committed to traditional customers in foreign markets. Incidentally, low production figures for 1952 in the table are due to a refinery strike from July 1952 to January 1953. In addition a smelter strike from August 1953 to February 1954 resulted in a loss of copper production.

Unquestionably the electrical industry has been the chief factor in the growth of world demand for copper during this century. Roughly 45 per cent of consumption of copper and its alloys goes into such things as motors, generators, power and light transmission lines, telephone and telegraph systems, refrigeration and air-conditioning equipment, radios and television sets, electrical appliances, and a host of other products. Of the remainder, probably 25 per cent is used in the building, automotive and ammunition industries. Other outlets include chemical equipment, oil and sugar-refining equipment, brewing and distilling equipment, valves and pumps, condensers, land and sea transportation equipment, stampings and pressings, and numerous products for other engineering uses. In almost every instance, the raw material used by these industries is in the form of copper rod and brass mill products.

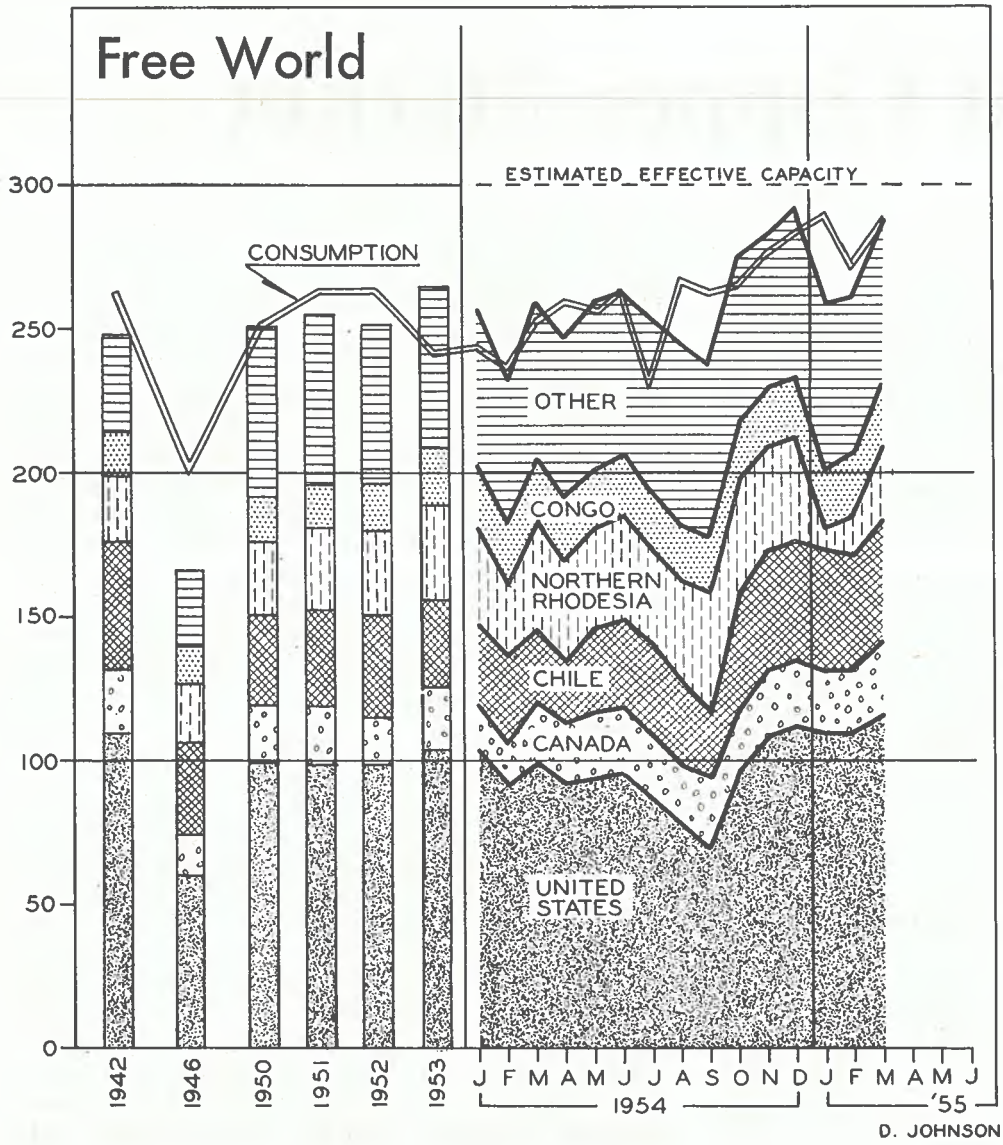
Who Uses Copper?

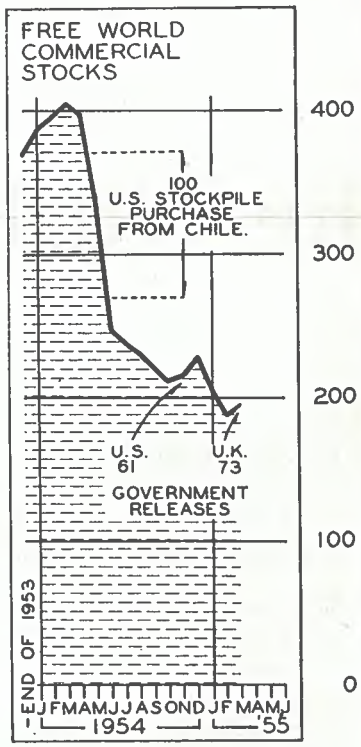
Similarly, practically all of the refined copper consumed in Canada is taken by the two rod rollers and the two brass mills. In turn, rod is sold to the wire drawers and the resultant wire and cable used mainly in the communication, power and building industries. Smaller quantities are used in the electronics industry and for industrial and domestic screen cloth.

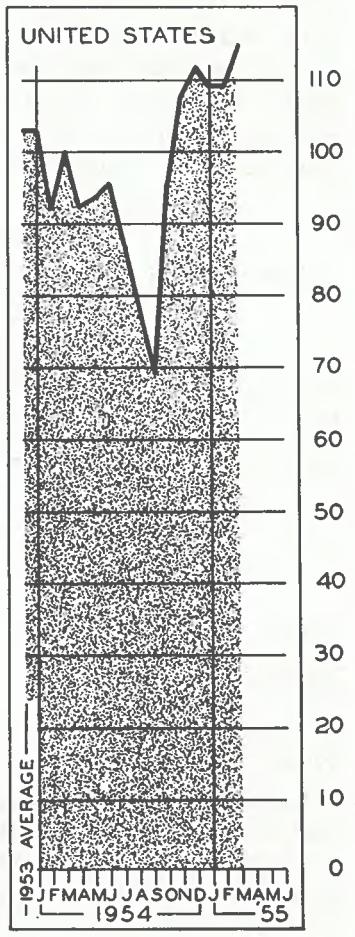
COPPER PRODUCTION 1953-1955

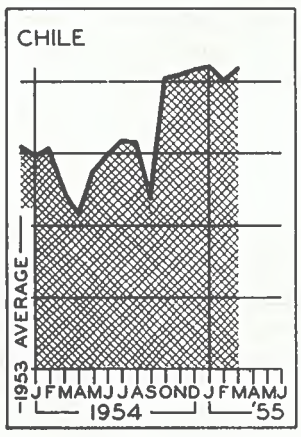
Smelter Basis plus Refined Scrap

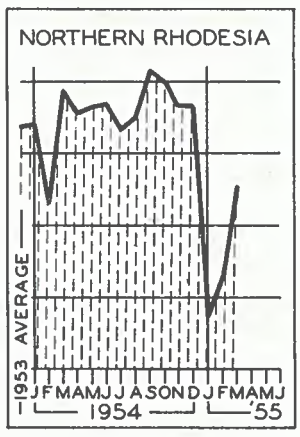
monthly rates in thousand short tons

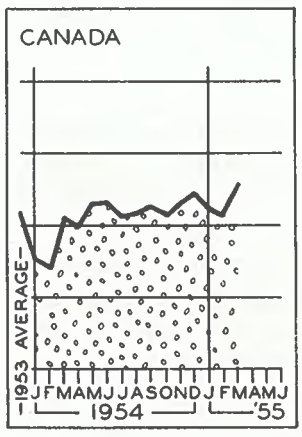












Industrial screen cloth includes substantial quantities of fourdrinier and cylinder wires for pulp and paper plants. Semi-fabrications from the brass mills for Canadian manufacturers cover rods, bars, sheets, strip, plate, tube, pipe and other rolled, drawn or extruded shapes. These semi-fabrications have wide application in the ammunition, automotive, electrical, plumbing, roofing, wire products and hardware industries, and in the manufacture of screw machine products. Fairly substantial quantities are also employed for decorative purposes in the building trade, for plant equipment, and so on.

Traditionally a fairly substantial percentage of the copper rod rolled in Canada has been exported. However, because of currency difficulties, etc., export sales to certain markets have been cut off or reduced. Nevertheless a moderate percentage of production is still moving to traditional customers with the prospect that one or two markets will again take imports from Canada. In view of the growing demand in this country, only a very small percentage of Canadian output of brass mill products, wire and cable, industrial and domestic screen cloth, etc., is moving to export markets. Although Canadian products are considered of excellent quality, keen competition from the sterling area and currency problems abroad have proved serious obstacles in an effort to cultivate more extensive export markets for these products. Of considerable sales value to Canadian exporters, however, is the fact that Canada is a continuous source of supply even during periods of shortage, and traditional customers may expect to obtain at least a portion of their needs. A number of other foreign suppliers of brass mill and wire and cable products cannot necessarily give this assurance.

Another look at Table I shows that consumption in 1951 and 1952 was above normal because of defence requirements, increased exports of semi-fabrications to established outlets and several other friendly countries, and particularly heavy exports of semi-fabrications to the United States in 1952. These U.S. shipments were primarily to cover shortages, to assist in defence projects, and at the same time to maintain fabricating facilities in Canada at a high rate of production.

Main Export Markets

Before World War II, roughly 70 per cent of Canada's exportable copper was shipped to the United Kingdom; Germany, France, Sweden and several other consumers in Europe and other parts of the world also took small percentages. In that period the United States was fairly self-sufficient and not so dependent upon other sources of supply as she is now. A major obstacle in the way of moving Canadian copper to the United States was the internal revenue tax. This tax, now two cents a pound, was temporarily suspended in 1949 and probably will not be renewed as long as U.S. prices are above 24 cents a pound. In the years 1949 and 1950, when extra copper was available from Canada, metal flowed into the United States and a number of excellent customers were obtained. Every effort is being made to retain these customers even with the threat of surpluses from U.S.-owned Chilean producers should they again develop for a prolonged period. With the tremendous increase in demand for copper in the United States there is every prospect that this country will remain an important outlet for Canadian copper. Table I again will indicate the relative importance of both the United Kingdom and the United States as customers for Canadian copper over the period under review.

Britain Is Leading Customer

The U.K. is regarded as Canada's most important copper customer. However, the changing pattern in exports between 1950 and 1954 can readily be explained. In 1951 exports to the United States were low because deliveries to stockpile were postponed and there was a sharp increase in Canadian demand. On the other hand, heavy overall exports in 1952 in relation to decreased production were achieved by imports of refinery shapes from the toll of blister and anode copper for domestic consumption. In 1952, of course, exports to the United States included exports of blister and anode copper which normally would have been refined in Canada. A falling-off in European demand explains the relatively large increase in exports to the United States and the decrease in shipments to "Others" in 1953, and a recession in the U.S. explains the larger sales to the United Kingdom in the following year.

Future Production and Markets

Barring any interruption in output, forecasts point to increased production in Canada in 1955—it might, indeed, achieve a new peak. Similarly total exports should increase substantially, with the bulk moving to the United Kingdom and to the United States as in the past. Naturally, a substantial proportion of the copper moving to the United States this year will be earmarked for the Government's stockpile. On the other hand, if the current shortage continues, there is always the possibility that some of these shipments at least will be diverted to assist needy consumers. A good deal of publicity has already been given to the various stockpile contracts held by Canadian producers, most of which will run for several years and bring millions of dollars to the country.

Canadian exporters of refined metal have been particularly careful in their relationship with customers abroad, bearing in mind that, over the long term, Canada looks to foreign markets as an outlet for a substantial pro-

portion of its copper output. All legitimate domestic demands are taken care of when company allocations are made and there is no attempt to convert huge quantities of copper to take care of thriving export business for fabrications during periods of shortages at the expense of traditional customers for primary copper.

Because of their location the output of certain copper deposits in Canada cannot be refined economically in this country. The bulk of these deposits are in British Columbia and Newfoundland and the concentrates in recent years have been shipped to the United States or Western Europe. In addition some concentrates from Quebec and Ontario are shipped abroad. Such exports, however, are composed mainly of copper-nickel matte from the Sudbury region which goes to a refinery in Norway for treatment and separation into nickel and copper. It is not likely that, in the near future, any appreciable quantity of these concentrates will be refined here.

TABLE No. II

Concentrates and Matte Exports

(in short tons)

	1950	*1951*	*1952*	*1953*	*1954*
Exports, U.K.	686	1,044	1,127	1,122	1,075
Exports, U.S.	25,495	28,941	24,640	35,716	34,073
Exports, Norway	6,118	6,310	8,180	9,063	10,547
Exports, others	.....	558	490	5,257	1,716
Exports, total	32,299	36,853	34,437	51,158	47,411

Table II covers exports of ores and concentrates for the period 1950 to 1954 inclusive and confirms that the bulk of the movement is to the United States. Increased exports in 1953, however, do not indicate increased production of primary copper in all forms but exports of concentrates for treatment abroad when one smelter was on strike. On the other hand, increased exports in 1954 are real, because production of primary copper in Canada in all forms was roughly 15 per cent higher than during the previous year.

The Outlook

From all indications there should be a substantial increase in the production of refined copper in Canada during 1955 and the future of the industry appears particularly bright. Several new ore bodies have been brought into production this year and a number of other properties are being developed. With the present activity in mineral exploration and development, new properties certainly will continue to be brought into production in the years to come. Some of this new production will be smelted and refined in Canada, but substantial quantities of copper will also move to foreign refineries in the form of concentrates. In keeping with this development, domestic consumption of refined copper should continue to increase. ●

United States

Fall in U.S. copper production in 1954 plus diversion of foreign supplies to other markets created domestic shortage and made necessary various measures to relieve it. Situation should improve, most experts say, in second half of year.

THE UNITED STATES consumes as much copper as the rest of the free world combined and does not produce enough to satisfy its requirements. This fact has made the problems raised by the current copper shortage all the more difficult to solve. In order to make certain of consumers' minimum requirements, the Government has been forced to free copper from its own stocks and to prohibit or restrict exports of primary copper and scrap. The shortage, however, is considered to be only temporary. A more comfortable supply situation is expected during the second half of this year—provided, of course, that labour difficulties in the mines, smelting and refining plants do not arise. Despite the increasing use of substitutes for copper, the immediate and long-term prospects for the industry in the United States appear bright.

Causes of Copper Scarcity

A series of unforeseen developments in this country last year contributed to the copper scarcity which reached serious proportions during the third quarter of 1954. In the early months of that year, curtailments in the Goverment's defence program created a great deal of uncertainty in the brass and copper fabricating industries. This situation, plus the fact that there were 180 thousand tons of unsold stocks of Chilean copper overhanging the market, led the brass mills and fabricators to allow their inventories to run down and to reduce their work week. Primary producers followed suit by reducing output—in some cases, by as much as 20 per cent. During the second quarter, the United States Government agreed to purchase 100 thousand tons of the Chilean surplus for the stockpile and an increased demand for copper developed in Europe.

By mid-year supply and demand were more in balance and domestic producers reacted by stepping up production. The improvement in the position was short-lived, however, because of strikes that broke out in domestic mines, smelters and refineries and also in the copper industry in Chile. These strikes, it is estimated, caused a loss in mine production in the United States of about 69,000 tons. As a result of this loss and the pre-strike production cutbacks, mine output of copper in 1954 was about 10 per cent (or 90,000 tons) less than in 1953, despite the fact that four new mines were brought into production during the year.

Although the strikes were cleared up in October, stocks of copper were far too low to cope with demand generated by the upsurge of industrial activity that developed in this country at that time. To complicate matters further, quantities of foreign-produced copper that normally would have been shipped to the United States were diverted to United Kingdom and European markets, where prices were considerably higher than the United States one of 30 cents per pound. Because of the pressure, United States producers were obliged to raise the price to 33 cents early this year and towards the end of March to 36 cents a pound, which is more or less in line with the prevailing London market price. During these months of scarcity United States consumers would have been in a serious plight if the Government had not taken steps to ease the situation.

Government Takes Action

The Government first took remedial action in October by authorizing the diversion to distressed consumers of the copper scheduled for delivery to the stockpile. It also permitted these consumers access to stocks of copper held in the Defense Production Act inventory, as well as to the quantities scheduled for delivery to the inventory up until the end of the year. (Normally materials held in this inventory end up in the stockpile.) The quantity of metal involved totalled approximately 40,000 tons.

This provided only temporary relief, however, and during the first quarter of this year the Government found it necessary to release a further 8,000 tons of copper from the Defense Production Act inventory, to prohibit the export of refined copper of domestic origin, and to limit the export of copper scrap and copper base alloy scrap to 6,000 tons of each category for the quarter. In the second quarter, consumers are to have access to copper delivered to the Defense Production Act inventory, estimated at 10,400 tons. The delivery of 7,100 tons scheduled for the stockpile before June 30th has been postponed until March 1956. Export quotas for the quarter have been fixed at 5,000 tons of copper scrap, 7,000 tons of copper base alloy scrap and 1,000 tons of copper base alloy ingots. Early in May, the Commerce Department banned all exports of refined copper produced in the U.S. from scrap of Canadian origin.

Shortage Should Be Eased

The copper shortage is expected to ease in the United States during the second half of this year. Domestic mine production for the first three months of '55 has been at the annual rate of one million tons, a marked increase over the preceding year and about 8 per cent higher than the 1953 rate. The current high rate of activity in the automobile and construction industries, large consumers of copper, is expected to slow down later on this year. A threatened strike in Chile has not taken place and the Rhodesian mines are again entering into full production. The smaller discrepancy now existing between European and United States prices should restore the normal movement of copper to the United States market.

Production and Consumption

The United States looms large in the world copper picture as a producer and a consumer. Since 1950, the United States has been producing roughly 40 per cent of the total free world output of new copper and consuming about one-half of the total free world supply. Mine production in the United States in the years 1945-49 averaged 763 thousand tons. Production increased to 909 thousand tons in 1950 and in the years 1951-53 the annual production was maintained at about 925 thousand tons. In 1954 production fell off to 836 thousand. It is likely, however, that production in 1955 will surpass the 1951-53 level. In addition, considerable amounts of copper are recovered from imported ores, matte, etc. Copper obtained from this source averaged about 260 thousand tons per year during the period 1945-52, but in 1953 and in 1954 recovery increased to about 369 thousand tons. The amount of copper recovered from old scrap is slowly decreasing year by year, from the 1945-49 yearly average of 459 thousand tons to 422 thousand in 1954.

Imports Move Up

Imports of copper into the United States show a trend upward although in 1954 they were estimated to be down about 15 per cent from the preceding year. In the period 1945-49 yearly imports averaged 544 thousand tons. In 1952 and 1953 imports totalled 619 thousand and 677 thousand tons respectively; in 1954 some 599,758 tons. Normally, 40 to 50 per cent of copper imports into this country are in the refined form. In 1953 and 1954 Chile was the main supplier of refined and unrefined copper. Canada took second place as a supplier of refined copper and was the chief supplier of copper concentrates. Northern Rhodesia ranked next to Chile in the supply of unrefined copper, followed by Mexico.

Main Export Markets

Exports of copper from the United States rose sharply in 1954 in comparison with previous years. Scrap copper exports, in particular, were much heavier than usual. During the first eleven months of 1954, exports of all types of copper amounted to 289,744 tons compared with 171,323 tons in 1953. In 1952 they totalled 212,390 tons and in 1951, 166,274 tons—or just about equal to the 1945-49 yearly average. Usually over 50 per cent of United States copper exports are in the form of refined copper in ingots, bars, etc. Scrap copper exports jumped from 27,239 tons in 1953 to

70,379 tons in 1954. The traditional export markets for U.S. copper are the United Kingdom and the more highly industrialized Western European countries, most of which greatly increased their purchases in 1954. In the western hemisphere Brazil was an important customer; so, to a lesser extent, was Argentina. Over 27,000 tons went to Brazil in 1954 in comparison with 8,900 tons the previous year. Japan increased its purchases from 855 tons in 1953 to 6,754 tons in 1954.

Trends and Forecasts

Consumption of copper in the United States is expected to keep pace, in some degree, with the normal growth of the economy. The Paley Report, in fact, hazards a guess that by 1975 copper consumption in this country will increase 45 per cent over the 1945-49 yearly average consumption. The report envisages an annual consumption of 2·5 million tons of copper, including copper recovered from scrap, in 1975. This compares with the consumption of new copper and copper recovered from scrap of 1·7 million tons in 1952, 1·8 million tons in 1953, and 1·6 million tons in 1954. It is true that cheaper metals, particularly aluminum, are competing with copper to an increasing degree. The copper industry, however, views the future with a certain amount of optimism. New uses are being found for the metal and the electrical, air conditioning, plumbing and radiant heating industries are expected to use increasing amounts as time goes on. The consensus is that the long-term production trend of copper in the United States is up but that the rise will be slow and not sufficient to keep pace with consumption. Therefore, as consumption expands, the country will depend increasingly upon imports. United States and foreign copper producing companies receive aid from the U.S. Government in the form of loans, guaranteed floor prices, and tax amortization benefits. In addition, when the price of copper falls below 24 cents a pound, an excise tax of two cents a pound is imposed on copper imports and this serves to protect U.S. domestic producers. (The foreign companies, of course, are usually afforded tax privileges by their own governments.)

The United States Government, it is reported, has committed itself to 1·5 million tons of domestic and foreign copper at floor prices ranging from 22 cents to 32 cents per pound. Four new domestic mines were brought into production last year with annual production capacities totalling 114,500 tons. These mines and the old properties that have been improved are expected to add 135 thousand tons to United States 1955 copper production. An additional mine is scheduled to come into production late in 1956 with an annual capacity of 70,000 tons. The Export-Import Bank has granted a loan of $100 million to a group of American companies for the purpose of developing the Toguepala copper project in northern Peru. These mines are scheduled to begin producing in 1959 at an annual rate of 140 thousand tons.

About 27,800 workers are employed in United States copper mines as compared with 29,400 in iron mines and 14,800 in lead and zinc mines. The prevailing wage rates in the copper mines average upward from $15.00 per day.

—E. H. MAGUIRE,
Commercial Secretary, Washington.

Chile

Marketing difficulties and strikes faced copper industry in 1954 but situation has since improved. More of copper production is moving to European markets this year because of price advantage.

COPPER PRODUCTION in Chile, which goes back to the Spanish conquerors in the 17th century, today comes largely from three great mines controlled by two United States companies—the Kennecott Copper Company and the Anaconda Copper Mining Company. A Kennecott affiliate, the Braden Copper Company, carries on mining at Sewell, the Andes Copper Mining Company (an Anaconda affiliate) at Potrerillos, and the Chile Exploration Company (another Anaconda affiliate) at Chuquicamata. These mines are reported to be turning out, on the average, about 1,214 tons a day. Steps are being taken to raise this figure with the hope of achieving an output of 420 thousand tons for the year 1955.

The Production Trend

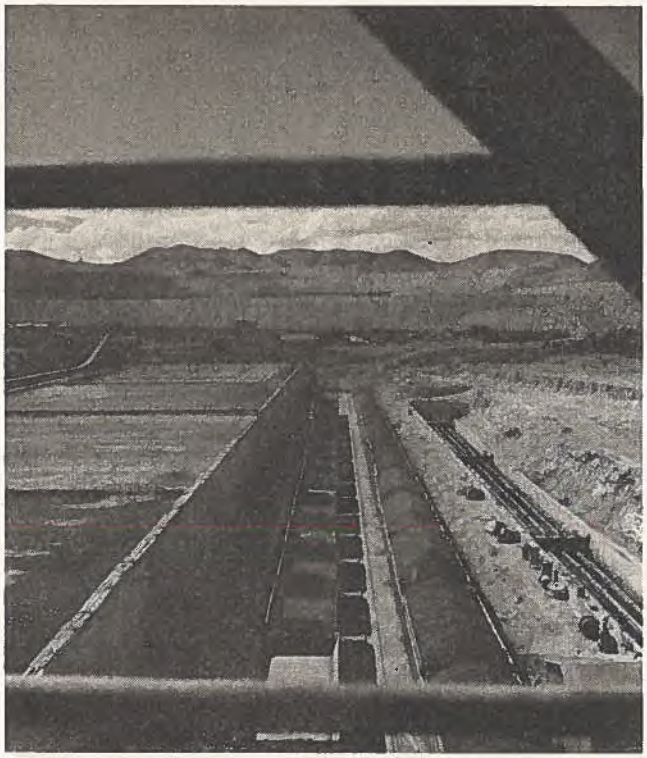
Production in recent years has moved up gradually, though strikes and cutbacks have occasionally reversed this trend. Several years ago, Chile ranked next to the United States as a world producer; today Northern Rhodesia has taken second place and Chile has fallen to third.

Chilean Copper Production, 1950-1954

(in metric tons)

1950	345,656
1951	360,241
1952	383,284
1953	337,242
1954	338,214

In addition to these large producers, Chile has a few medium and small-sized mines. Their production costs sometimes run higher than official market quotations



—Universidad de Chile

At the left are the great leaching tanks for copper at the Chuquicamata mine in Antofagasta Province. This mine, and two others at Sewell and at Portrerillos, together produce about 1,214 tons of copper a day; hope to increase this figure.

for copper and to keep them functioning and avoid unemployment, the Government assists some of them through subsidies. The output of these mines goes largely to European countries with which Chile has made bilateral trade agreements, and particularly to Germany and Italy.

Some copper expansion programs are under discussion in Chile, but their execution depends largely on the state of world demand and on whether production costs mount. However, the Santiago Mining Company, an Anaconda subsidiary, hopes shortly to begin operating a small mine, "La Africana", south of the Chilean capital. The new mine is expected to produce 24 thousand tons of concentrates and seven thousand tons of fine copper a year. It is now waiting for the go-ahead signal from the local government.

Chief Customers

Since Chile possesses relatively little industry, only about 10 per cent of the copper produced is used domestically; the other 90 per cent moves, in its raw form, to foreign markets. Copper is, in fact, Chile's main source of foreign exchange. The Central Bank of Chile puts the value of total exports in 1953 at US$375·8 million; the copper industry accounted for US$191·9 million of this, or 51 per cent.

Early in 1952, the Chilean Government was given the power to act as the sole sales agency for copper produced in the country, but it did not exercise this power until some months later. In the near future, copper sales will probably revert to the producers but for the present the Central Bank of Chile acts as the Government's agent; about 60 per cent of the total copper exported is going to the United States and the remainder to the United Kingdom, Italy, Germany, Switzerland, France, Sweden, Denmark, Uruguay and Argentina. Demand from the European countries, and especially from the United Kingdom, has increased notably in recent months. In fact, the Chilean Minister of Mines recently made the statement that 50 per cent of production from the U.S.-owned mines in Chile will be sold to Europe this year, and the other half to the United States.

Changes in Markets

This interest in European customers resulted largely from a marketing situation which began in the second half of 1953. About that time, Chilean Government officials broke off negotiations with U.S. Government officials over the sale of accumulated copper stocks which then totalled slightly below 100 thousand tons. Sales generally fell off but the mines continued producing and stocks piled up, as demand continued slow in the early months of 1954 and the Chilean Government held out for a higher price. The Chilean officials eventually decided to seek other markets in Europe. Late in May 1954 the U.S. Government purchased 100 thousand tons of Chilean copper for the stockpile, at 30 cents a pound.

Chile is still interested in the British market. Earlier this year—influenced no doubt by the loss in production caused by strikes in both Chile and Northern Rhodesia—copper quotations on the London market reached the equivalent of US$0.42 a pound, compared with US$0.30 a pound on the New York market. The Chilean Government then issued instructions to the Central Bank of Chile to divert copper sales from New York to London and to see that part of the blister copper en route to the United States was trans-shipped to London. The Santiago press estimates that Britain imported about 27,000 tons of Chilean copper in 1954.

Current Problems

The mines in Chile are said to have immense reserves and dwindling resources will not be a problem for many years to come. The two problems that beset them are chronic labour difficulties and high production costs. Strikes have occurred frequently within the past few years. One was recently averted at the Chuquicamata mine, when an agreement was signed with Anaconda to run until May 31, 1956. This gave a 20 per cent increase in wages, retroactive to January

1, 1955, and maintained existing benefits. Such increases, plus work stoppages, naturally push up production costs. In addition, the Chilean Government is said to be considering further taxation of the foreign mining companies. All these problems will have to be solved if Chile is to realize the goal of 420 thousand tons of copper in the current year.

—R. E. GRAVEL,
Commercial Secretary, Santiago.

Northern Rhodesia

"Big Four" in the Copperbelt are actively developing new properties and building refinery to produce electrolytic copper. Labour problems and power supply bulk large in assessing future output of the Rhodesian mines.

THE COPPERBELT in Northern Rhodesia, the mainspring of the economy of that territory while it was a British Protectorate, continues to be the dominant factor in the favourable trade balance of the new Central African Federation.

Situated on the border between Northern Rhodesia and the Belgian Congo, the ore structure has proven reserves of more than 700 million tons with an average copper content of better than 3·6 per cent.

Rapid Expansion Going On

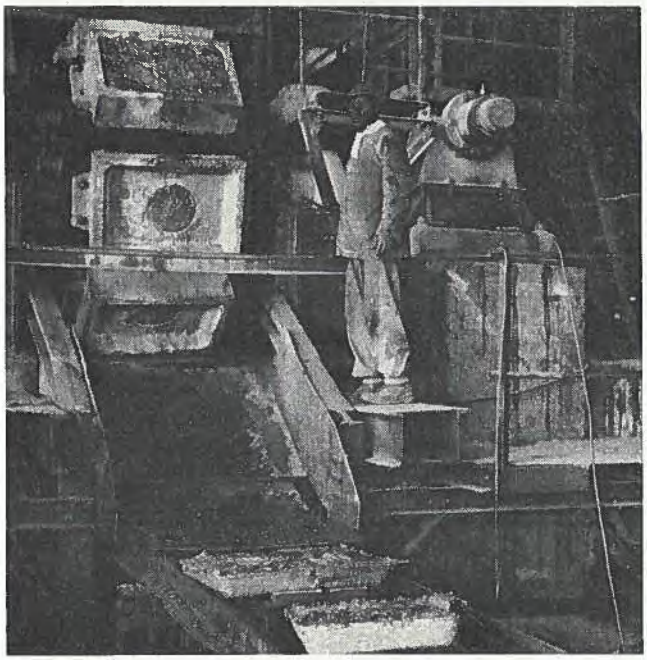
The period since 1946 has been one of rapid expansion. In the recent words of one authority: "The mining economy of Northern Rhodesia is expanding very rapidly, marked not only by major revisions of and extensions to existing process plants, but by active construction, heralding the commissioning of important new producing mines".

Output during the period has increased by 67 per cent but because of rising world prices, the value of exports has increased six times.

The "Big Four"

The "Big Four", as the group of producing properties is known, are controlled by two financial groups. The Mufulira and Roan Antelope mines are holdings of the Rhodesian Selection Trust Limited; the Ngchanga Consolidated Copper Mines Limited and the Nkana Mine are controlled by Rho-Anglo (the Anglo American Corporation in Rhodesia).

Three further properties are being actively developed at present. The Rhodesian Selection Trust group is developing Baluba and Chibuluma, the latter project aided by funds from the United States Government, and Rho-Anglo is interested in the Bancroft mine. Of these mines, Chibuluma will be in production by the end of 1955, with target of 15 thousand tons of copper annually. The Bancroft mine, to begin commercial extraction in 1957, will supply 48 thousand tons of copper annually from an ore deposit of 80 million tons averaging 3·6 per cent copper.



At one of the big Copperbelt properties in Northern Rhodesia the copper ingots, after cooling in the moulds, are emptied onto an endless belt. About 65 per cent of this copper will eventually go to Britain and about 15 per cent to the U.S.

A further Rho-Anglo development is under way at Kansanshi which, though it is not properly part of the Copper Belt because it is separated from it by 120 miles, is likely to become an active producer in 1957 or the early months of 1958.

Apart from these new developments, the producing facilities of the "Big Four" are being extended. The Rhodesian Selection Trust, whose mines have been primarily interested to date in the production of blister copper, are erecting a £10 million refinery at Ndola which will be one of the world's largest refineries and able to handle the electrolytic purification of all "Trust" copper.

A remarkable expansion and rationalization of production is under way in the Ngchanga Consolidated Mine.

After 13 years of work on an ore body averaging 6·8 per cent copper, of which some 37½ million tons remain, an open-face procedure is being developed to exploit a second ore reserve of 78 million tons with a 3·5 per cent copper content. The ores from these two reefs will be processed in combination to give a copper recovery equivalent to the overall average in the aggregate ore reserves of 115·5 million tons.

Production and Exports

Little copper is used in the Federation itself and production and exports are approximately in balance.

In 1954, 379,675 tons of copper (including copper concentrates) with a value of £95 million were exported. In general, Northern Rhodesia supplies about 15 per cent of the world's copper production. A detailed analysis of exports in the period 1949-1953 is given below:

	Copper Blister		*Copper Electrolytic*			
	(in short tons)					
			Wire Bars		*Cathode Form*	
Period	*Quantity '000*	*Value £'000*	*Quantity '000*	*Value £'000*	*Quantity '000*	*Value £'000*
1949	202	20,863	61	6,028	49	866
1950	244	31,588	70	9,589	10	1,453
1951	209	35,005	78	13,725	39	6,528
1952	257	49,242	104	20,998	17	3,401
1953	255	52,037	113	24,308	48	10,187

The recent pattern of exports shows that some 65 per cent moved to the United Kingdom and about 15 per cent to the United States, with France, Belgium, Switzerland and West Germany as other outlets. European buyers are more interested in electrolytic copper; the Americans prefer blister. West Germany is becoming an increasingly important market.

Factors in Copperbelt's Future

There are both favourable and unfavourable factors to be considered in the future of the Copperbelt, including questions of reserves, labour force, power supplies and transportation.

Reserves—The high percentage of copper in the Copperbelt ores and the large reserves make for efficiency in organization, large-scale operations and low production costs.

Labour Force—The African Mine Workers Union has a strong organization which has worked systematically and with success for wage increases and improvements in employment conditions. On January 3, 1955, the Union presented further demands, refused a proposal for arbitration and called a strike which continued for 60 days. Production in the Copperbelt fell almost to zero but with re-allocation of duties, new recruiting and the progressively larger return of dissenting Unionists, production was partially restored and by March 3, the date the Union abandoned the strike, had reached 65 per cent of normal. Wages will increase further but the 1955 strike emphasized that the African Mine Workers' Union has over-estimated its strength.

Power Supplies—A more critical problem of the last few years has been the dearth of coal for smelting and power generation. Adequate coal supplies are available in the Federation at Wankie but the overtaxed Rhodesia Railways have been unable to supply carriage for the increasing needs of the "Big Four".

As a temporary expedient producers converted partially to wood-firing and established cutting operations in the forests. Wood-firing was an inefficient substitute during a period of fuel and power shortage.

	Copper Electrolytic Bar and Ingot		*Total Copper*	
Period	*Quantity '000*	*Value £'000*	*Quantity '000*	*Value £'000*
1949	1	51	313	27,819
1950	2	227	326	42,857
1951	*	32	326	55,289
1952	2	471	380	74,112
1953	1	119	417	86,652

* Less than 500.

Improved coal mining and handling facilities at the Wankie coal mines and additions to the rolling stock of the Rhodesia Railways have improved coal supplies. The 60-day strike permitted an accumulation of mine reserves while full cargo shipments of American coal further eased the position.

The Rhodesian Congo Border Power Corporation, representing the companies of the Copperbelt, has contracted with the Union Minière du Haut Katanga in the Belgian Congo for the purchase of 50 megawatts of power which will be delivered over a high-tension line which is now being constructed. Deliveries will begin in 1957 and continue for five years to the end of 1961.

A permanent solution of the power problem is supplied in the decision of the Government of the Central African Federation to develop the hydro-electric project at Kariba, Southern Rhodesia, at an ultimate cost of £86 million. First power will be available from this domestic source by 1961 and can later be supplemented by a further hydro-electric development proposed for Kafue, Northern Rhodesia, and on the Shire River in Nyasaland.

Transportation—Northern Rhodesia is separated from its point of export at Beira, Portuguese East Africa,

and a secondary consequence to the proposed building of the Kariba Gorge hydro-electric plant will be the construction of 90 miles of a railway line to the Zambesi River. This will leave only 90 miles yet to be completed before the Copperbelt will have railway transport to Beira reduced by 500 miles.

In terms of the above considerations, it appears that difficulties that have been and which continue to confront the Northern Rhodesia copper producers will be smoothed out while the advantages enjoyed by the Copperbelt are more permanent and are being used to increasingly good advantage.

Southern Rhodesia

Although Southern Rhodesia has not been a productive area since 1920, several developments are under way. The Messina (Transvaal) Development Company Limited, which operates a smelter across the border in South Africa, proposes to process 600 thousand tons of ore at Umkondo with the concentrates sent by railway to Messina for refining.

The same company is re-opening the Molly Copper Mine which has not been in operation since the First World War. Proven reserves are declared at 16 million tons with an available copper content of 256 thousand long tons. Production is to begin in 1959. Moreover, Rhodesian Copper Ventures Limited is test-drilling an enormous low-grade ore body near Sinoia, while a third company with North American backing is exploring the Hartley area which went out of production about 1929.

—K. F. NOBLE,
Trade Commissioner, Johannesburg.

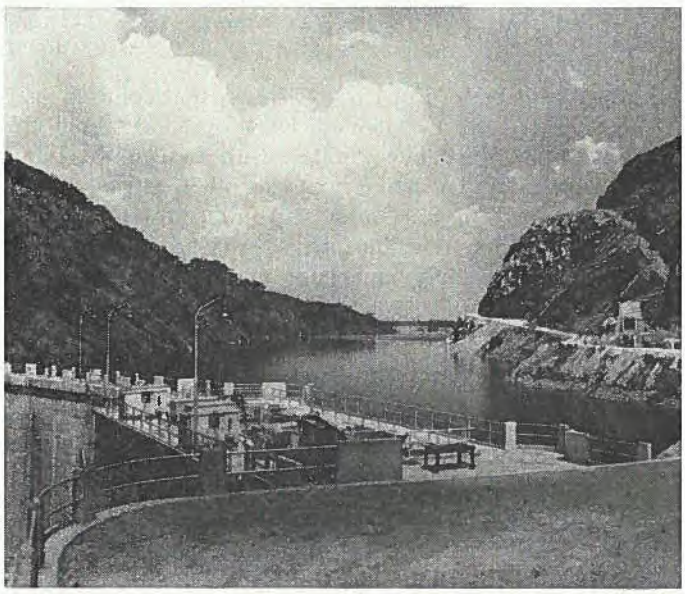
Belgian Congo

About 8 per cent of world's copper production comes from mines in Katanga Province, where production costs are low and reserves enormous. Output in 1954 reached record high; nearly all was exported, mainly to European countries.

OF ALL THE MINERALS in the Belgian Congo, copper takes first rank. The chief deposit is in the Katanga Province of the colony where Union Minière du Haut-Katanga has over 20,000 sq. km. (approximately 7,700 sq. miles) of mining rights. The ores which are found there are composed mainly of oxidized or sulphurated copper products of which malachite (a green copper carbonate) is the most common. Among other varieties mined are chrysocolla (a blue copper silicate) and an oxide known as cuprite. The copper in the Katanga is extracted from the hilly terrain where the geological and topographical conditions are such that inexpensive open-face mining is possible at all but one of Union Minière du Haut-Katanga's copper mines.

The 1954 output of Union Minière du Haut-Katanga's copper, at 223,750 tons, was the highest ever recorded. Production in previous years was:

1950	175,920	tons
1951	191,959	"
1952	205,749	"
1953	214,116	"



Power projects like this one on the Lualaba River are adding to the hydro-electric resources of the Congo. Much of the power developed here will be used by the copper-producing Union Minière du Haut-Katanga at its Kolwezi plant.

The electrolysis plant at Jadotville (about 85 miles from Elisabethville) supplies 110 thousand metric tons of 99·96 per cent pure copper annually. The thermal plant at Lubumbashi (in Elisabethville), equipped with blast furnaces and transformers, produces some 100 thousand tons of crude copper which is shipped

to Olen, Belgium, for electrolytic refining. On the basis of a world production of about 2·7 million tons, the Belgian Congo enjoys over 8 per cent of world copper production.

The expansion of the Congo's copper production by the Union Minière du Haut-Katanga is making good progress. Large sums of money are being spent annually by the Union in adding to its present plant and in developing increased hydro-electric power. With the opening of the new hydro-electric generating station at Kolwezi (some 250 miles from Elisabethville), the available power which Union Minière has for its mineral expansion is now about one billion kwh. per year.

Fabulous Reserves

The copper reserves in the Belgian Congo are little short of fabulous. No official estimate has been published but a figure of nine million tons of copper content is widely quoted and seems conservative. Actually the eight leading companies in Northern Rhodesia, the Union of South Africa, and South West Africa probably have reserves totalling over 27 million metric tons of copper metal.

Apart from the Union Minière du Haut-Katanga's copper mining concessions in the Katanga Province, studies are going forward in the lower Congo River region (some 65 miles from Leopoldville).

Sold to Foreign Markets

The Congo's total production of copper—with the exception of small requirements for chemical and explosive plants in the Katanga Province—is earmarked for export markets and represents, by value, about one-fourth of the total Congo exports and 10 per cent of the Congo's revenue. During 1954 over 6,683 million francs (about $133 million) worth of copper was exported (1953=$137 million) to various markets, including Sweden, the United Kingdom, France and Italy. Most of the copper is sent to Belgium in transit and for further treating. It is interesting to note that the official Congo statistics show United States imports of copper wire bars (99 per cent pure) to be worth over $4 million during 1954.

The Belgian Congo's major copper deposits have been favoured by nature; the open-face mining has allowed the various Katanga mines to be highly mechanized and to produce at low cost. The industry should be able to withstand fluctuations in world prices better than most other producing countries.

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

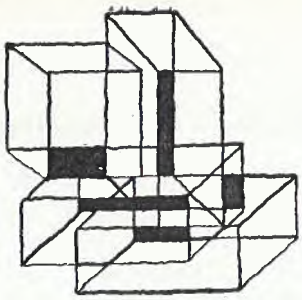
Mexico's Oil Industry

MEXICO has become the world's fifth largest consumer of petroleum products, according to a recent statement by the Director-General of Petroleos Mexicanos (PEMEX). Once a raw material for export, oil now creates industrial and consumer goods and supplies essential energy to agriculture, industry and transportation.

In discussing the progress of the oil industry, the Director-General listed the following developments:

- Ten new producing fields proven during the year 1954, and four others in the first two months of this year. On December 31, 1954, reserves of oil and gas totalled 2,609 million barrels, an increase of 369 million barrels during the year.
- An average daily production last year of 233 thousand barrels, or 15·2 per cent more than in 1953. So far in 1955 the figure has risen to 265 thousand barrels and it should reach 315 thousand by the end of this year.
- The opening of the Salamanca refinery in January. This obviated the need for imports of lubricants, which had been costing $15 million a year. The capacity of the Azcapotzalco refinery in Mexico City will be enlarged in July from 40,000 to 90,000 barrels a day and a new refinery at Minatitlan (the one now in operation is to be dismantled) will handle up to 40,000 barrels a day.
- Distribution by PEMEX in 1954 of 60,625,500 barrels of oil and export of 23,269,700 barrels. Domestic demand last year reached five million barrels, 9·5 per cent greater than in 1953, and sales abroad rose by eight million barrels over the 1953 figure.
- Increase in the number of PEMEX railway tank cars to 2,157 and of its tank trucks to 334 of 15,000 and 24,000 litres capacity.
- A rise of 12,935 tons in the PEMEX ocean-going fleet, to a total of 165,741 tons. Some 36·6 million barrels of oil and derivatives, 29 per cent more than in 1953, were transported during the year.
- Total PEMEX income in 1954 of 2,516·3 million pesos, 636·4 million of which constituted tax payments to federal and state governments.

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



commodity notes

Antigua

FLOUR—From April 1, 1955, the Government will discontinue bulk import and distribution of flour. Import licences will be issued to traders for the flour requirements of the Presidency. The local selling prices of bread and flour will continue to be controlled—Port-of-Spain, April 22.

Australia

CHARCOAL IRON—The charcoal iron industry at Wundowie, Western Australia, is reported to have its order book filled for the next nine months. This company has had its product accepted as suitable for a specialized cast iron process. The industry is producing about 12,000 tons a year; local foundries take about 4,000 tons.

European clients who have received shipments of Wundowie pig iron in the past few months have declared the iron to be first class. One client in Western Germany has made a firm bid for 5,000 tons, and orders for 2,500 tons have also been received from Italy. The patentees of the ferroidal graphite iron process have approved of Wundowie iron as being completely responsive to the special treatment involved in the process. It is expected that Wundowie will find it hard to meet the volume of demand both in Australia and overseas for iron for this process—Melbourne, April 27.

Brazil

COTTON—National production of ginned cotton reached approximately 450 thousand tons in 1954, 20 per cent more than in the previous year. However, it was lower than in 1952 (the highest year in the last ten) when production reached 515 thousand tons, according to the Serviço de Estatistica da Produçao.

The principal cotton-growing areas are scattered through the States of São Paulo, Ceara, Paraiba and Rio Grande do Norte, and these areas account for approximately 80 per cent of the national production. The fifteen municipalities which in 1952 produced more than one million arrobas (one arroba=32 lb.) were all located in São Paulo. In the last ten years the average yield of cotton per hectare (one hectare =2·47 acres) has frequently run at approximately 150 kilos, but last year it reached 180 kilos—São Paulo, April 25.

Cuba

SUGAR—To increase sugar sales and meet requirements of certain buyers (notably the United Kingdom) who insist on loading sugar in bulk, the Cuban Government has authorized exporters to load sugar in bulk this year on a trial basis. To satisfy labour that wages will not be altered, mills are required to continue to pack in bags of either 320 pounds or 250 pounds and transport them to shipside, where they will be emptied into the ships' holds—Havana, April 28.

Greece

RAW COTTON—Greek cotton production has increased by 40 per cent in the last two years, exceeding 40,000 metric tons in 1954 and leaving a surplus over local requirements of 12,000 metric tons for export. A government-sponsored campaign, inaugurated after an appeal by the Prime Minister to farmers, aims at increasing the area planted to cotton by 75,000 acres and irrigating more dry land to boost production over 50 thousand tons in future years, with 20 thousand tons for export—Athens, April 20.

India

"PASHMINA" WOOL—Exports of "Pashmina" wool —world-famous for its warmth, durability and lightness—have been banned by the Government of India because of the extremely short supply. This rare wool, used to make fine shawls, is extracted from the soft fleece of the ibex which is found in the alpine tracts of the Kashmir Valley and at higher altitudes of Northeast Kashmir and Tibet where the climate borders on Arctic conditions. After careful examination and sorting, quantities of only one-half ounce to one ounce of this wool are obtained per animal—Bombay, April 19.

Italy

WOOD PULP—Italy imported some 212,346 tons of wood pulp during the first nine months of 1954, of which 153,459 tons (72·3 per cent) was required for papermaking and 58,887 tons (27·7 per cent) for artificial textile fibres. These figures constitute an increase of 23·8 per cent in imports of wood pulp for papermaking and 48 per cent for textiles over

the comparative period for 1953. Total value of these wood pulp imports was Lire 19,525,000, an increase of 41·4 per cent over 1953—Rome, May 3.

Japan

CAMERAS—Camera production in Japan during the 1954 calendar year totalled 982,560, a sharp rise of 42 per cent over the previous year. One-sixth of the total output—153 thousand units—was exported; the remainder was placed on the domestic market. One out of every 35 persons in Japan owns a camera and enough film to take 1,000 million shots, on the average, has been used annually in recent years—Tokyo, April 17.

South Africa

PINEAPPLES—Indicative of South Africa's growing pineapple production is the construction of a factory in Zululand at a cost of £100 thousand to make jam from pineapples. Output of pineapples has grown from 10,000 tons valued at £80,000 in 1938-39 to 75,000 tons in 1953-54 valued at £1·2 million—Cape Town, April 27.

Sweden

WOOD—Swedish exports of sawn and planed wood products (exclusive of box boards, rafters and sleepers) in 1954 amounted to 881 thousand standards with a value of 923 million kronor. Corresponding figures for 1953 were 904,700 standards and 907 million kronor—Stockholm, April 29.

PAPER PULP—Sweden recently contracted for the sale of 40,000 tons of paper pulp to Argentina at a price of 30 million kronor, half of which is to be paid in dollars. Practically the whole of the year's production available for export has now been sold; the United Kingdom is still Sweden's leading customer in this field. Exports to the United States are expected to drop from the 200 thousand tons delivered in 1954—Stockholm, April 29.

WOOD PULP—Total Swedish production of chemical pulp in 1954 (for the market as well as for further processing) is estimated in round figures at 2,825,000 tons as against 2·5 million in 1953, an increase of 13 per cent. Production in 1954 was a record, exceeding by 40,000 tons the previous record in 1937 of 2,785,000. Of the total figure, sulphite pulp made up about 1,550,000 and sulphate pulp 1,280,000 tons, compared with 1,380,000 and 1,110,000 tons respectively in 1953. Production of mechanical pulp for the market amounted to about 375 thousand tons, compared with 325 thousand tons in 1953.

Exports of chemical pulp totalled 1,871,300 tons (sulphite 1,119,100 and sulphate 752,200 tons) compared with 1,855,800 tons in 1953 (sulphite 1,092,400 tons and sulphate 763,400 tons). Exports of mechanical pulp amounted to 358,900 tons compared with 310,100 tons in 1953—Stockholm, April 29.

Turkey

JUTE—Turkey's first jute factory will be financed by Turkish and Pakistani capital. The agreement concluded provides for $2.86 million to be contributed by Turkish principals and $1·43 million by the Pakistani Industrial Improvement Company to set up a plant to produce about ten million bags a year and up to 22 million yards of other processed jute. Specialized machinery to equip the new factory will be imported. It is estimated that the new industry will save Turkey close to $2 million now being spent each year for imports of jute products—Athens, April 21.

United Kingdom

PETROLEUM—Total consumption of petroleum products in the United Kingdom in 1954, excluding bunkers for ships in foreign trade, amounted to 21,038,000 tons, more than two million tons higher than in 1953. Production of refined petroleum products in 1954 exceeded 28 million tons, compared with 25·4 million tons in 1953. The excess of production over consumption permitted exports worth £84 million last year—London, May 13.

Venezuela

PHARMACEUTICAL SPECIALTIES—Abbott Laboratories have just completed a new plant in Caracas at a cost of about $1 million. They will start production of about 30 of their lines, and will expand to 100 in the near future. This is the first pharmaceutical factory in Venezuela—Caracas, April 28.

West Germany

RUBBER—Total rubber consumption in the German Federal Republic and the western sectors of Berlin in 1954 amounted to 144 thousand tons, of which 127,500 tons were natural rubber. Synthetic rubber, of which 6,000 tons are produced a year at subsidized cost, is finding many new uses. A new synthetic rubber plant, to be erected at Huels in Westphalia, will raise Germany's production to about 30,000 tons a year. More than 20 German factories produced 4,744 tons of latex in 1954, more than double 1953 production—Bonn, May 5.

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Peru's Prospects Brighten

Sharp rise in exports and drop in imports helped Peru to reduce its unfavourable trade balance from $70 million U.S. in 1953 to only $2 million in 1954. Record cotton and greater mineral output, plus stabilization of the Sol, helped in this achievement.

H. J. HORNE, *Commercial Secretary, Lima.*

IN GENERAL, the year 1954 was one of stability for Peru, with the economy recovering smoothly from the unfavourable balance of payments position of 1953 and early 1954. Domestic business was stable, although it was somewhat below the level of 1953, probably because of the consumer and commercial credit restrictions. Agriculture and mining had a good year and helped to push exports up. Imports were down, thus bringing trade into near balance. The increase in money in circulation, bank credit and deposits were the most moderate in some years. There were no major and few minor political changes.

Given continued political stability, which seems assured, and firm demand for export commodities at present prices, the 1955 prospects are for a continuation of the strong economic position of the last six months of 1954 and the early months of this year.

Irrigation Stabilizes Cotton Crop

Peruvian agriculture has been enjoying good times. Cotton production reached an all-time high, estimated at 2·4 million quintals (1 quintal=46 kilograms) valued at approximately US$95 million. This is the third successive year that Peru has produced more than two million quintals, chiefly because of the new irrigation works at Quiroz and the favourable climatic conditions.

By year-end, cotton exports totalled an estimated 1·7 million quintals, of which Great Britain, the largest customer, took 29 per cent, more than double the amount taken by Belgium, the second largest buyer. Sales to neighbouring South American countries were down. Internal consumption increased 24 per cent to a new high of 391 thousand quintals, reflecting increased activity in the domestic cotton industry. The 1955 crop may be down somewhat, the result of unfavourable weather conditions and insect infestation.

Provisional figures indicate a production of 610,696 metric tons of sugar in 1954, which is up slightly over 1953. Domestic consumption, at 167 thousand tons, also increased. Chile and Japan were the chief buyers of Peruvian sugar, together taking more than half of the 421 thousand tons exported. Average crops of rice, potatoes, corn and other domestically consumed foodstuffs were harvested.

The second phase of the Quiroz irrigation project has been approved at a total cost estimated at $25 million, $18 million of which will be loaned by the World Bank. A substantial amount for local currency expenditures will be made available by a long-term credit agreement with the United States Government under a series of contracts. Under these, surplus U.S. agricultural products will be sent to Peru and the local currency used for financing the project. These loans will be repayable over 20 years. The first contract, already signed, calls for the delivery of 50,000 tons of wheat and 250 thousand tons of butter, valued at US$3·6 million, which will be delivered before June 30, 1955. The extension of the Quiroz project will bring under cultivation a further 50,000 hectares, most of it suitable for cotton.

The fishing industry had a good year and fish products are now becoming an important export.

Mineral and Petroleum Production Up

Production of practically all metals and especially lead and zinc increased in 1954, as prices rose considerably. The largest mineral producer in Peru recently announced that its preliminary production figures show that for more than half of the minerals and chemicals they produce, output in 1954 exceeded that of 1953. The figures are: refined copper, 56·4 million pounds; refined lead, 127·3 million pounds; electrolytic zinc, 26·4 million pounds; electrothermic zinc, 7·6 million pounds; sulphuric acid, 30·1 million pounds; calcium arsenate, 2·2 million pounds; copper sulphate, 2·4 million pounds; bismuth, 691·7 thousand pounds; zinc sulphate, 748·6 thousand pounds; antimony, 503·8 thousand pounds; cadmium, 27·7 thousand pounds; silver, 10·1 million ounces; gold, 43·4 thousand ounces.

Iron ore exports were substantial but by the end of the year shipments were declining somewhat because

of a smaller U.S. demand. A $200 million program to develop copper properties in southern Peru has been announced, to be financed jointly by private American capital and the Export-Import Bank. The development program, to be spread out over five years, will undoubtedly transform the economy of southern Peru and provide a new source of mineral income.

Petroleum production in 1954 totalled some 18·3 million 42-gallon barrels, up 7·3 per cent over 1953. Domestic consumption increased 8·2 per cent to 11·3 million barrels. So far, only one of the 13 prospecting wells drilled in the Sechura desert area has struck oil and, as a result, there has been a considerable shift of interest to the concessions on the Amazon side of the country.

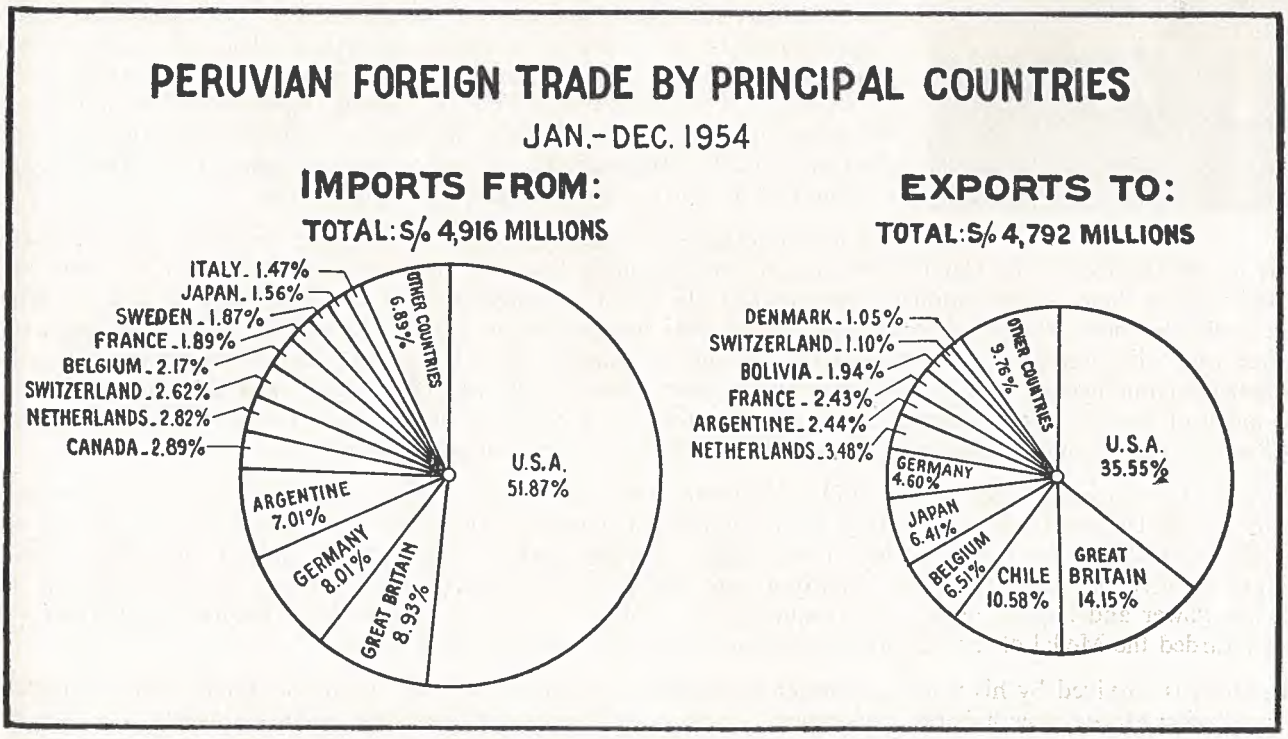
Industry Expanding

Investment of domestic and foreign capital, both private and institutional, continued at a high rate, undoubtedly reflecting the confidence in Peru's government and its free exchange policy. In 1954 some 230 new industries, with a registered capital of 76·5 million of Soles, were reported, mostly in basic industries primary products but also in assembly and manufacturing. Assistance was granted certain domestic industries by the passing of protective tariffs, a policy likely to continue. Present indications are that the inflow of foreign capital will be maintained, to the benefit of the country's future development.

An agreement for technical and financial assistance from private French sources, estimated to total eventually US$30 million, was recently reached. This, coupled with state contributions of approximately US$20 million, makes the establishment of a steel industry in Peru at Chimbote likely to become a reality by 1957. Financing arrangements are complex and include a two-year concession favouring the import of French steel products. It is expected that within ten years the foreign investment will be amortized and, after 15 years, the Peruvian State Santa Corporation will become sole proprietor of the plant and all installations.

Sol Stabilized

In February 1954 Peru arranged a $30 million standby credit to stabilize the Sol, which has been renewed for a further year. Following this and other measures intended to counter the inflationary tendencies evident at the end of 1953 and early in 1954, the Sol has been quite stable and to date it has not been necessary to draw against the credit. Effective January 1955, banking regulations were eased to allow banks to open exchange contracts with only 50 per cent of the deposit formerly required. The scale of deposit varies with essentiality, with wheat, meats, fats and milk requiring no coverage. The total means of payment increased during the year by 237 million Soles—from 3,536 million in January to 3,773 million at year-end. The reserves of the Central Bank increased by $8 million compared with a decrease of $7 million in 1953. The Lima cost-of-living index increased less than 5 per cent during the year.



Preliminary statistics for 1954 indicate a deficit of only US$2 million in Peru's foreign trade, compared with an alarming unfavourable balance of US$70 million in 1953. Imports for the year totalled Soles 4,916 million (US$249·6 million), down considerably from US$292 million in 1953. This drop is attributed partly to the restrictions on the expansion of credit adopted by the Government, and partly to higher exchange rates than in 1953. Chief supplying countries were the United States (52 per cent); Great Britain (9 per cent); Germany (8 per cent); Argentina (7 per cent); Canada (3 per cent); all other countries (21 per cent). Principal imports by groups were: machinery and equipment (24 per cent); foodstuffs, fats, beverages and tobacco (17 per cent); minerals, metals and their manufactures (15 per cent); vehicles and transportation materials (10 per cent); chemicals and similar items (9 per cent); textiles, hides, skins and their manufactures (9 per cent); rubber, wood and paper (5 per cent); fuel (3 per cent); all others (8 per cent).

Exports for the year amounted to 4,792 million Soles (US$247 million), up considerably from US$221 million in 1953. The United States was the principal buyer, taking 36 per cent of the total goods exported; Great Britain, 14 per cent; Chile, 11 per cent; Belgium, 7 per cent; Japan, 6 per cent; all other countries, 26 per cent. The principal exports were minerals and metals, 36 per cent; cotton, 26 per cent; sugar, 13 per cent; petroleum, 7 per cent; fish products, 4 per cent; wool, 3 per cent; coffee, tea and cocoa, 3 per cent; all others, 8 per cent. Canadian exports to Peru in 1954 fell off sharply to $5 million, compared with US$15 million in 1953, largely because wheat exports were cut from $8·2 million to less than $1 million and shipments of automobiles, valued at $537,482 in 1953, disappeared entirely in 1954. On the other hand, certain products showed an encouraging increase, among them sulphate pulp, aluminum, asbestos fibres, tallow, and various types of chemicals. Canada imported from Peru goods valued at only $2·2 million consisting principally of ores of metals. ●

Carmen Millward Croft

It was with great regret that the Department learned of the death of Carmen Millward Croft, a Canadian Trade Commissioner for 33 years. Mr. Croft died on May 6th in Sydney, Australia, where he was Commercial Counsellor for Canada. He had been ill for some time.

During his years with the Canadian Trade Commissioner Service, Mr. Croft's warm and gay personality won for him literally hundreds of friends throughout Canada and in the countries in which he served. The fact that everyone called him "Crofty", and few knew or could remember his Christian name, is indicative of his popularity. He was equally respected for his ability and his devotion to the Service. When the Minister and Deputy Minister visited Australia recently, Ministers and officials of the Australian Government spoke to them of Mr. Croft and his work in the highest terms.

Mr. Croft joined the Trade Commissioner Service in 1922. The following year he was posted to Auckland, New Zealand, as Assistant Trade Commissioner and in 1925 was promoted to full ranking Trade Commissioner there. In 1937 he was transferred to head the trade office in Tokyo. When war broke out he was recalled to Ottawa and in 1941 was appointed Director of the Shipping Priorities Committee which he organized. In 1943 he was appointed Director of the Trade Commissioner Service (then the Commercial Intelligence Service). During the two years that he held this office, Mr. Croft laid the groundwork for much of the postwar re-organization and expansion of the Service. In 1945 Mr. Croft returned to the field as Senior Trade Commissioner at Sydney and Commercial Counsellor at Canberra.

Born at Guysborough, N.S., on November 19, 1898, Mr. Croft was educated in that province and graduated from McGill University in 1921 with a B.Sc. (Honours) degree. During the First World War he served with the 85th Canadian Infantry Battalion in France and was discharged in 1918 with the rank of Lieutenant. Before coming to this Department he was employed with the P. Lyall Construction Company in Wallace, N.S., the Abitibi Power and Paper Company at Iroquois Falls, Ontario, and the Department of Customs in Ottawa. He was awarded the Medal of the British Association for the Advancement of Science.

Mr. Croft is survived by his wife, the former Sybil Marion Martin, two sons, John and James, and a daughter, Mrs. Marion Moore, now living in Vancouver, to whom the Department sends its sincere sympathy.

Brazil's Coffee Problem

Last half of 1954 and early months of 1955 saw coffee shipments reach lowest ebb and U.S. purchases fall sharply. Government cut in export price in February did not bring great improvement in sales, but prospects appeared better at end of March.

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

THE YEAR 1954 was a difficult one for Brazil's foreign trade mainly because of the fall-off in coffee exports. Foreign exchange earnings from coffee sales abroad were down considerably from those of 1952 and 1953. This downward trend is continuing during the early months of 1955 and the general outlook for this year is a discouraging one. The figures of coffee exports provided by the Brazilian Coffee Institute are as follows:

Coffee Exports

(US$1,000)

Year	*Convertible currencies*	*Non-convertible currencies*	*Total*
1952	642,864	402,360	1,045,224
1953	655,545	434,678	1,090,223
1954	498,064	442,455	940,519

During the first half of 1954, the frost damage of 1953 was still affecting prices sharply. From May 1954 onward coffee crop forecasts became more optimistic and the United States market, as these estimates were confirmed, reacted sharply. From May to August 1954 coffee exports were at their lowest recorded level. This was a violent reaction to the heavy increase in price for Santos type 4 coffee which had started the year at US65 cents per pound and had increased in New York to US95 cents by early April.

As crop estimates from all major producing countries began to firm up, the feared shortage of coffee turned into an over-supply. Coffee importers who had held large stocks in anticipation of short supply stopped increasing their holdings and sold their stocks. As a result, surpluses built up in Brazil.

Minimum Prices Established

On June 3, 1954, the Federal Government decreed a minimum price of US87 cents per pound for Santos type 4 coffee. The Bank of Brazil was ready to finance and buy coffee on the basis of Cr.$2,000.00 per bag for Santos type 4. Colombian coffee was priced below Brazilian coffee and Brazilian exports again fell off.

In August 1954 the currency regulations were amended and the minimum price of coffee was thereby reduced to US64 cents per pound. As a result, coffee began to move in larger quantities in November.

In accordance with Instruction 114, issued February 5, 1955, the Government, in the settlement of exchange contracts for the export of coffee, provided a fixed bonus per U.S. dollar or its equivalent in other currencies. For convertible currencies and sterling, the export bonus is Cr.$18.70 per U.S. dollar; for other currencies the bonus is Cr.$17.19 per equivalent of one U.S. dollar. In effect, the Government put a minimum price in dollars of US54 cents per pound f.o.b. Santos on Santos type 4 coffee.

Exports Falling in 1955

A look at the export indices for coffee indicates the severe set-back in exports during 1954 and the serious drop in January and February 1955:

EXPORTS INDICES FOR COFFEE

1948=100

Period	*Quantity*	*Value*
1948	100	100
1954 January	77	201
February	65	192
March	94	307
April	68	239
May	32	102
June	27	98
July	43	157
August	36	125
September	57	177
October	59	171
November	106	306
December	84	238
1955 January	54	152
February	38	96

Observations:
Quantity base: 1,457,700 sacks of 60 kilos.
Value base: Cr.$751,500,000 or US$40,900,000.
Source: Getulio Vargas Foundation.

Colombian coffee continued to be quoted below Brazilian prices and the purchasing of Brazilian coffee in New York practically ceased. Of a total export of 547 thousand bags of 60 kilos in February, only 210 thousand were destined for the U.S. market. This accounted for only 40 per cent of the total exports compared with a 1953 average of 50 per cent. The

receipts in convertible currencies fell to US$14·6 million. This dollar-earning figure is the more striking when compared with average monthly dollar earnings in 1953 and 1954 of $53 and $40 million respectively. Price quotations on the New York market during 1954 averaged 78·85 cents per pound for Santos type 4, with the maximum opening during the year at 95 cents and the low at 65 cents. In February 1955 the monthly average quotation had fallen to 58·25 cents with a maximum and minimum of 65 and 54 cents respectively.

Coffee's Statistical Position

The build-up of coffee stocks and the holdings of the Government under the support plan, coupled with an estimate of 14 million bags as the production figure for this crop year, leaves Brazil in a serious situation. With the economy straining to pull out of present difficulties, the outlook is not encouraging on the coffee front.

Position of Coffee at January 31, 1955

(thousand bags of 60 kilos)

	1952-53	*1953-54*	*1954-55*
I BALANCE AT JUNE 30			
1. Free	496·1	68·7	14·4
2. Stocks at ports	2,456·2	3,235·4	3,204·6
Total	2,952·3	3,304·1	3,219·0
II COFFEE REGISTERED			
July-January			
1. From last crop	58·8	70·5	33·6
2. From current crop	14,707·8	13,405·9	12,331·9
Total	14,766·6	13,476·4	12,365·5
Total I and II	17,718·9	16,780·5	15,584·5
III CONSUMPTION			
July-January			
1. Exports	9,622·3	10,137·5	6,388·7
2. Aboard ships	175·0	267·9	175·4
3. Port consumption	269·6	269·6	344·2
Total	10,066·9	10,675·0	6,908·3
IV AVAILABILITIES			
December 31	7,652·1	6,105·6	8,776·5
V *REGISTERED TO END OF CROP*	1,321·8	1,707·7	1,688·0*
VI AVAILABILITY			
June 30	8,973·9	7,813·3	10,444·5*

* Estimate 1955-56 crop 14 million bags.
Source: Brazilian Coffee Institute.

The statistics reveal that there was a heavy carry-over into 1955 and, if coffee sales continue to be depressed, foreign exchange receipts will remain low and it will be increasingly difficult for Brazil to meet her outstanding and current obligations.

Government Purchasing

The money available to pay both the export bonuses and the minimum price for coffee purchased was derived from the exchange auction system in force in Brazil. More and more foreign exchange must be channelled into repayment and servicing the foreign debt. Therefore, less is available to Brazilian importers at auction and the amounts bid for foreign exchange have increased considerably. The total amount of cruzeiros earned by auction sales of foreign exchange recently became insufficient to meet the payments of the export bonuses and the obligation of the Government to buy coffee.

Much effort is being expended on the question of what to do to protect Brazil's coffee future. Government, associations and other interested bodies are giving considerable thought to the marketing possibilities. Some cries of "Remember 1929" have been uttered and rumours have been rampant that Brazil will have to burn coffee as she did once before when heavy holdings were destroyed. Strong official denials were quickly published. Government purchases through the Production Finance Commission (C.F.P.) in Santos alone up to March 28, 1955, were reported to be about two million bags. Total government holdings are reported to be approximately four million bags.

On April 27, the new Minister of Finance announced the suspension of coffee purchases by the Brazilian Coffee Institute for the account of the Production Finance Commission. The coffee trade received this announcement with considerable alarm. The Minister of Finance made this decision because he felt the holdings of the Brazilian Government were sufficient to guarantee international equilibrium between supply and demand. Of course, his major reasons were to counteract the inflationary tendencies of government purchases and to forestall the emission of more paper currency. The low stocks reputedly held in Brazil's major coffee markets was another major reason for the Government to withdraw from the coffee market.

The Finance Minister has indicated that it is his intention to finance coffee of the new crop year in the same way as last year. However, it will be necessary to await further developments to see what coffee policy will be for the 1955-56 crop.

Although only 881·5 thousand bags were exported in March compared with 1,101·2 thousand bags in March 1954 the market tended to become firmer in the last few days of March. For the first three months of 1955, 2,242·4 thousand bags were exported compared with 3,445·2 in the same period of 1954. It is reported that stocks in countries which are large consumers are low and that, as the situation tends to reach equilibrium with a display of more confidence, the present hand-to-mouth buying will cease and importers will increase stocks to more normal levels. Coffee sales and prices took a turn upward during April but after ministerial changes in the Federal Government the market dropped sharply. May and June sales traditionally are smaller than other months because the new crop is beginning to come on the market during these months. It looks as though Brazil will have a carry-

over into the 1955-56 crop year of the equivalent of almost a full year's crop. April exports were up slightly to 983 thousand bags.

Coffee Agreement Mooted

Some moves have been made towards investigating the possibilities of a coffee agreement. Some form of international agreement is considered essential in certain quarters to establish reasonable minimum prices for producers and consumers. As a result of the Rio Economic Conference in November 1954, a sub-committee was set up to prepare detailed studies on the need for international co-operation. The sub-committee consists of Brazil, Colombia, the United States and Nicaragua, as representatives of the other Latin and Central American producers. The initial report of these studies is expected in about three months' time. Brazil and Colombia agreed in principle on the need for an agreement among the producing countries. The basic principle was agreed to by the other producing countries which are members of FEDECAME, the Coffee Federation of Central America, Mexico and the Caribbean countries. Meetings are now under way to discuss arrangements.

Banking Abroad — BRAZIL

G. F. OSBALDESTON, *Vice Consul and Assistant Trade Commissioner, São Paulo.*

COMMERCIAL BANKING in Brazil uses the branch banking system familiar to Canadians. As of December 1953 the Bank of Brazil had 339 branches and there were also 247 national banks with 2,536 branches, 157 savings banks with 22 branches, and 44 branches of foreign banks.

Branches of several foreign banks carry on extensive business in Brazil but their importance has declined since 1921, when dealings in exchange were restricted by law. During the period of large foreign loans and expanding foreign trade in 1913, foreign banks held 40 per cent of all bank deposits. In December of 1952, foreign banks held 6·4 per cent of all deposits and 5·2 per cent of the loans of all banks in Brazil.

Bills of Exchange

In Brazil banks must secure special permission from the Superintendency of Money and Credit before they may operate in foreign exchange. According to instruction 43 of 1952 the following conditions must be met before a bank receives permission to operate in the *official exchange* market:

- The bank's statutes must contain a clause stating that one of its purposes is to operate in foreign exchange.
- The bank must give proof of having deposited with the National Treasury the guarantee referred to in Law No. 9602 of 1946.
- It must prove that it has integral capital and free reserves in a minimum total of Cr$80,000,000.
- It must present original letters from its future foreign bankers, in which disposable lines of credit are offered that would permit the overdrawing of funds in a total of US$500,000 or its equivalent in other currency.
- It must have its main office, or a branch office or agency at least, in a national port of export or import.
- It must begin and continue exchange transactions within 60 days, starting from the day permission was granted, under penalty of having this authorization revoked.

In order to operate in the *free market* they must receive further authorization from the Superintendency in accordance with Law No. 1807 of January 7, 1953. By Instruction No. 68 of September 1953 national and foreign banks and banking houses in order to deal in the free market rate in bills and manual exchange must:

1. Have assets which represent a satisfactory degree of liquidity verified by the General Inspectorate of Banks;

2. Have maintained their allocations and deposits at the disposal of the Superintendency of Money and Credit up to the legal limits;

3. Have no debt with the Superintendency of Currency and Credit;

4. Not be overdrawn in the Clearing House.

All of the major national banks, foreign banks and banking houses have the required permission to deal in foreign exchange at both the official and free market rate.

Exchange Contracts

It is the usual practice for a Brazilian importer, once he has obtained his exchange certificate, to close an exchange contract with his bank. That is, he deposits with his bank the required funds in cruzeiros to cover the amount of exchange due in 120 days and his bank transfers this to the Bank of Brazil. Thus the importer guarantees the rate of exchange at which he will pay for the foreign currency.

Alternatively, he may request his bank to establish a letter of credit abroad, for which he will pay 2½ per cent. Most Brazilian importers prefer the former method.

It is always best to make presentation of bills in the larger centres with banks whose reputation and facilities are known or who have been vouched for by some reputable agency.

Present Banking Structure

Brazil does not have a central bank and the functions which it normally exercises are currently divided between the "Tesouro" (Treasury), the "Superintendencia da Moeda e do Credito" (Superintendency of Currency and Credit) and the private "Banco do Brasil" (Bank of Brazil) the giant of Brazilian banking which acts ultimately for the Government.

The power of issuing paper currency is now exercised exclusively by the Treasury and according to a Decree-Law of October 1942, paper money may only be issued pursuant to the loan and rediscount operations of the Carteira de Redescontos (Office of Rediscount) and the Caixa de Mobilizacao Bancaria (Banking Mobilization Fund). Such issue must have a cover of 25 per cent of government-owned gold and foreign exchange. In practice, this reserve requirement has been sometimes set aside by legislative acts allowing the Treasury to take over large issues of currency made through the Caixa or Carteira before October 1942.

The Superintendency of Currency and Credit was established by Decree-Law in February 1945 at a time of serious concern about inflation. The purpose was "maintaining control over the money market and preparing for the organization of a central bank". Some of the functions of the Bank of Brazil were removed and transferred to the Superintendency. It was granted the following power:

1. To request the national treasury to issue paper money to the Carteira de Redescontos or the Caixa de Mobilizacao Bancaria up to the legal maximum as set by Decree-Law 4792 of October 1942.

2. To receive deposits of banks.

3. To fix, when it deems necessary, the interest rates to be applied to new accounts by banks, banking houses and savings banks.

4. To fix monthly the rates for rediscounts and interest on bank loans. It is allowed to set different rates of interest for different regions of the country or to facilitate special transactions.

5. To authorize the purchase and sale of gold or exchange.

6. To authorize bank loans for a term of not more than 120 days, guaranteed by Federal Government securities up to a limit of 90 per cent of the value in the market.

7. To direct the inspection of banks.

8. To direct the policy of exchange and banking operations in general.

9. To promote the purchase and sale of securities of the Federal Government in the market.

10. To authorize the rediscount of securities and loans of the banks in accordance with existing legislation.

The Superintendency is directed by a Council presided over by the Minister of Finance and is composed of the President of the Bank of Brazil, the directors of the Carteiras de Cambio, Redesconto, Comercio Exterior, and the Executive Director of the Superintendencia. It is the duty of this council to supervise and co-ordinate political, monetary and banking policies. All appointments to the council are made by the President of the Republic and all appointees can be dismissed at his discretion.

Bank of Brazil

The Bank of Brazil is not only the largest commercial bank in the country but it also acts as the fiscal agent of the Government, which holds about 55 per cent of the shares. It holds government deposits, floats government securities, makes loans to federal, state and municipal governments and agencies and assists in collecting government revenues.

Under the roof of the Bank of Brazil are gathered half a dozen semi-autonomous departments as well as the normal departments necessary for commercial banking. The latter function is conducted through the "Carteira de Credito Geral" (Office of General Credit). While the bank operates a clearing-house for cheques, the use of cheques is not fully developed and it is sometimes difficult to cash a cheque payable in another city.

The other departments are the "Carteira de Redescontos" (Rediscount Department); the Carteira de Cambio (Exchange Department); the Carteira de Credito Agricola e Industrial (Department of Agriculture and Industrial Credit); the Carteira do Comercio Exterior (Foreign Trade Department) and the Caixa de Mobilizacao Bancaria (Banking Mobilization Fund).

Carteira de Redescontos

The "Carteira de Redescontos" offers facilities for the rediscounting of short-term paper and issuing paper currency against such rediscounts.

Carteira de Cambio

The "Carteira de Cambio" has as its principal duty the supervision of the Treasury's reserves of foreign exchange. Under the present exchange regulations commonly known as the Aranha Plan, it issues foreign exchange to registered importers upon presentation of the exchange certificate obtained at the foreign exchange auctions. It is interesting to note that time drafts have been given new stature under the present system. Before an importer can obtain an import licence, he must show proof of having purchased an exchange certificate and established a credit in foreign exchange with the Bank of Brazil. At the present time, U.S. dollars are only being offered on 120-day delivery but this delivery is guaranteed by the Bank of Brazil (in effect, the Government), on the due date. For over a year, these commitments have been met promptly.

Carteira de Credito Agricola e Industrial

The "Carteira de Credito Agricola e Industrial" was organized in 1936 to provide short-term agricultural and industrial loans.

Carteira de Comercio Exterior

The "Carteira de Comercio Exterior" (CACEX), set up by Law No. 2145 of December 1953 to replace the Export and Import Department of the Bank of Brazil, is the department responsible for the licensing of imports and exports under the exchange regulations established in October of 1953.

Caixa de Mobilizacao

The "Caixa de Mobilizacao" established by Decree-Law No. 21499 of September 1932 during a period of depression and heavy withdrawal from Brazilian banks, helps to liquidate slow loans held by the banks.

Brazil thus does have elements of a Central Bank. If the functions of the Treasury, the Superintendency of Money and Credit, and the Bank of Brazil and its various departments were combined, the mechanism of a Central Bank would certainly exist. ●

Indonesia's Industrial Program

A FIVE-YEAR INDUSTRIAL PROGRAM has been prepared by the Indonesian Planning Bureau and submitted to the Government for approval. The Bureau estimates that 11·4 billion rupiahs (one billion dollars) will be required to finance the plan and that approximately 2·28 billion rupiahs (or $200 million) will be spent each year. Part of the cost will be financed through foreign credits because approximately 50 per cent of the budget will have to be met by foreign exchange and the balance with Indonesian currency. The plan is not based on foreign capital investments.

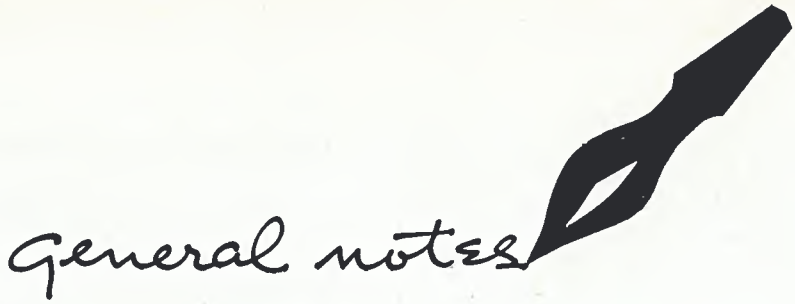
The Director of the Planning Bureau has stated that the program cannot be initiated until financial facilities are provided for it in the Government's budget. Although many difficulties have been encountered in trying to arrange financing for the projects that have to be paid for with Indonesian currency, it is expected that certain projects may be started in 1956.

The five-year program has been divided into the following groups, with the funds required for each group added:

- Agriculture, transfer of population to other areas in Indonesia, and other projects for social improvement, $120 million.
- Transportation, communications and roads, $250 million.
- Industry and mining, $250 million.
- Irrigation and multi-purpose projects, $250 million.
- Education, health and social projects, $130 million.

Projects to be started in 1956 are the electric power plants at Asahan in North Sumatra and Tjitarum in Java, and the steel industry in South Sumatra. The cost of the Asahan power project is placed at 650 million rupiahs or $65 million, which includes $10 million for harbour improvements at Belawan, Sumatra. Estimated cost of the Tjitarum power project is 600 million rupiahs or $60 million. Foreign exchange requirements for these two projects will amount to 50 per cent of the estimated costs. The Planning Bureau has not determined the cost of the steel industry planned for South Sumatra.

—W. D. WALLACE,
Commercial Secretary, Djakarta.



Australia

INTERNATIONAL BANK LOAN—The Commonwealth Government has announced that allocations for the new $54·5 million International Bank loan, agreement for which was signed in Washington last month, will be as follows: $9·5 million for aircraft for Australian airlines; $19 million for agriculture and forestry to buy types of tractors and other farm machinery available only from the U.S. and Canada; $500 thousand for electric power; $14 million for road transport; $4·5 million for rail transport, and $7 million for industrial development—Sydney, May 2.

GATT BARRIER TO TRADE PREFERENCE—Australia could not get more trade preferences by leaving GATT while Britain remained a member, the Federal Minister for Commerce and Agriculture reported at a meeting of the National Farmers' Union. The Minister said the Federal Cabinet had not considered the new trade rules drawn up at the GATT meeting in Geneva last year, nor had Cabinet decided if Australia should remain a member. However, Australia had gained a good measure of success from its representations, and from her point of view GATT seemed to be better balanced than it had been before the conference—Sydney, May 2.

TRADE DEFICIT WITH DOLLAR AREA—Australia had a trade deficit of £36,764,000 with the dollar area in the eight-month period ending February 28. This deficit is a record for the period, and only £12 million below the 1952-53 deficit for a year. A steep rise in the cost of dollar imports, mainly capital goods including machinery, cars and raw materials, caused the heavy deficits. For the same eight-month period, dollar imports cost Australia £80,985,000, compared with £58,094,000 in the corresponding period of 1953-54. If this trend continues, which seems indicated, the total dollar deficit for 1954-55 will be well above the record deficit of £48 million in 1952-53—Sydney, May 2.

NYLON SPINNING PLANT—British Nylon Spinners (Australia) Pty. Ltd. has announced that it will spend between £2 and £3 million sterling on the establishment of a nylon spinning plant in Australia. A 92-acre site near Fern Tree Gully, about 25 miles from Melbourne, has been purchased. British Nylon Spinners in the United Kingdom is the sole supplier of nylon yarn and nylon staple fibre to all British Commonwealth countries, except Canada.
About 14 months ago, the Australian subsidiary company began its work for British Nylon Spinners in Australia. It has progressed so well since that it is able to announce the purchase of a plant site for the parent body. The company already maintains in Australia a team of experts to provide information on nylon and provide solutions to technical problems for manufacturers. Because most of the special machinery will be imported from overseas, and because of the time involved in building in Australia, it may be two years before the plant is operating—Melbourne, April 28.

GYPSUM PLANT—It is reported that an Australian company plans to spend £70,000 on a handling plant to ship gypsum at Thevenard, on the west coast of South Australia. The company has taken leases totalling 828 acres 40 miles west of Thevenard, estimated to contain millions of tons of high-grade gypsum.
The company was mining 125 thousand tons of gypsum a year in New South Wales and Victoria, but as deposits were not of high purity in New South Wales nor very extensive in Victoria, the new sources had to be secured to ensure adequate future supplies. It was stated that three million tons of high-quality gypsum could be obtained readily and cheaply at Lake MacDonnell, and probably another 19 million tons could be mined at a slightly higher cost. The company believes the Lake MacDonnell deposits will supply the bulk of Australia's gypsum requirements which at present total 350 thousand tons a year—Melbourne, April 28.

Brazil

TOLL ROADS PAY OFF—Statistics for 1954 show that 4,516,843 vehicles paid a total of Cr.$102,448,135 in tolls on São Paulo's Anchieta (São Paulo-Santos) and Anhanguera (São Paulo-Campinas) highways during the year. Daily average of vehicles passing along these roads was 257 on the Anchieta and 213 on the Anhangeura—São Paulo, May 6.

ZINC OXIDE FACTORY—A zinc oxide plant with an initial capacity of 500 tons a month is nearing completion in São Paulo. This venture was under-

taken by Tennant Importacao e Exportacao Ltda., along with other Brazilian interests. The first furnace, with a capacity of 500 tons a month, is being installed and a second similar furnace will be installed about two months after production begins this October. The bagging and other facilities of the plant are designed for a monthly production of 1,000 tons. The "Durham" process will be used, and British and Canadian engineers will be in Brazil to provide technical assistance in the early stages. The new company will be called Industria Brasileira de Pigmentos S.A. The output of zinc oxide should be sufficient to meet all Brazil's requirements for the next few years at least. The company will have the facilities to produce a range of zinc oxides, complete from leaded to pharmaceutical types—São Paulo, May 6.

Cuba

GLASS FACTORY—The Owens-Illinois Glass Company has announced plans to establish a glass plant some 20 miles outside Havana where it has bought 148 acres of land. Construction will start as soon as tax and labour details are worked out. The plant will use domestic sand and limestone and a Cuban company will be formed to operate it. The new venture expects to find a market with the growing canned foods industry and the active pharmaceutical and beverage industries—Havana, April 29.

Finland

HYDRO-ELECTRIC POWER—Within the next 15 years Finland plans to build 30 new power stations in the northern part of the country, doubling the present hydro-electric resources at a total cost of $400 million. Several rivers will be diverted and artificial lake-reservoirs formed to implement this scheme, the largest of its kind yet undertaken in Scandinavia—Stockholm, April 22.

India

SILVER REFINERY—Work is progressing on the installation of a silver refinery in Calcutta, the first of its kind in Asia. This $2 million plant, equipment for which is being obtained from Germany, will extract silver from quarternary alloy silver coins introduced during World War II and now being replaced by nickel coins. A by-product of this process will be electrolytic copper, not currently produced in India—Bombay, April 19.

FERRO-MANGANESE PLANT—The Government has granted a licence for the construction, with United States assistance, of a ferro-manganese plant at Tumsar in Madhya Pradesh State. The output of this factory, the first of its kind in India, is expected to be around 25,000 long tons a year—Bombay, April 19.

OIL PROSPECTING—The Indian Geological Survey recently carried out explorations in Eastern Saurashtra and Gujerat and parts of the Punjab for possible oil-bearing structures. Gravity and magnetic surveys in the coastal sedimentary tract of Madras State have also been started. The Government has entered into an agreement with the Standard-Vacuum Company of America for joint petroleum exploration in West Bengal. The company is carrying out a reconnaissance survey along both banks of the river Hooghly. The only other agency prospecting for oil in India is the Assam Oil Co., Ltd.—New Delhi, April 15.

OIL REFINING CAPACITY—The oil refinery being established by Caltex at Vizagapatnam will enlarge its capacity from 500 thousand to 675 thousand tons of crude oil a year, a rise of from 10,000 to 13,000 barrels a day in terms of production. The total capital outlay will be raised to Rs.125 million instead of the Rs.75 million envisaged in the original plan. Production of kerosene will be increased by 5 per cent, and of motor spirit by 20 per cent. Preliminary construction work has begun and the refinery is expected to go into production in 1957. The Burmah-Shell Refinery, now being built at Trombay near Bombay, will go into full production before the end of this year. The Standard-Vacuum Refinery went into production last year—New Delhi, April 16.

Indonesia

ELECTRIC INSULATORS—A ceramics enterprise in Semarang is making preparations to produce insulators, pressed tiles and fireproof bricks. Up to now, insulators for electric appliances have all been imported and domestic production of tiles and fireproof bricks has not been sufficient to meet the domestic demand—Djakarta, April 15.

COPRA EXPORTERS GROUP—The Copra Exporters Association and the Indonesian Chamber of Commerce have established a copra exporters' organization, called "Persutuan Exportir Kopra Indonesia" (PEKSI). All the 25 copra brokers in the country are associated in this organization which will become the sole broker for copra. It went into operation on April 1—Djakarta, April 15.

Israel

CITRUS CRATES—A modern lumber mill is under construction in Israel and partial operations have begun in the log-cutting division. Principal manu-

facture of the mill, which will use logs from West Africa, will be citrus crates and other fruit boxes; annual output is estimated at 800 thousand citrus crates and 300 thousand boxes for other fruits. The local investors own another factory which produces cases for citrus fruit at the rate of 200 thousand a year and which was, up to now, the largest single enterprise of its kind in Israel. However, the country's total requirements for citrus crates for export average six million, and last season exceeded eight million. Therefore, the greater part of Israel's crate requirements will still have to be imported in the form of shooks. All supplies of this wood are currently being obtained from Europe, mainly from Yugoslavia, Portugal and Austria—Athens, April 18.

Japan

RECORD TOURIST SEASON—The Japan Travel Bureau and the Japanese National Railway Corporation estimate that about 63,000 tourists will visit their country during 1955 and altogether will spend nearly $49 million—Tokyo, April 19.

South Africa

COMPANY REGISTRATION—In 1954, 3,530 new companies were registered in South Africa, compared with 2,619 in 1953, and registered capital at £34 million allowed a substantial increase over the 1953 figure of £14·5 million. Though neither figure gives an exact indication of economic trends, these totals do provide a broad picture of industrial and commercial development—Cape Town, April 25.

HYDRO-ELECTRIC PROJECT—The prospects for the development of a major hydro-electric project at the source of the Orange River are receiving increasing publicity. The project will offer the fourfold advantage of power development, water conservation, erosion control in the Orange River basin, and a recovery of 150 thousand acres of arable bottom land. Discussions are reported under way between the British and South African Governments since the headwaters of the Orange are in the British Protectorate of Basutoland—Johannesburg, April 22.

Surinam

DEVELOPMENT PLAN—The Netherlands has agreed to invest up to 171 million guilders in a ten-year development plan for Surinam (Netherlands Guiana), a self-governing territory within the Netherlands realm. In return, Surinam will give preference to Netherlands' products and firms in execution of the plans. One-third of the plan's total cost will be borne by Surinam and two-thirds by the Netherlands—one-third in the form of loans and the remaining third in the form of outright gifts—Port-of-Spain, April 27.

Trinidad

TRADE DEFICIT—Trinidad had an unfavourable trade balance of over $7 million in the last three months of 1954, according to the *Economic Quarterly Report* released by the Central Statistical Office. The report showed that imports exceeded exports in the period October to December 1954 by $7·2 million, compared with an excess in the fourth quarter of 1953 of $11·7 million. A negative trading balance of such proportion in the fourth quarter is not unexpected because of the seasonal decline in the main agricultural exports, and the tendency for imports to increase during the latter part of the year.
The year 1954 had a positive trading balance of $12·1 million which compares with a positive balance of $20·4 million for 1953. In 1952, a negative balance of $13·9 million was recorded—Port-of-Spain, April 22.

United Kingdom

STERLING AREA RESERVES—The sterling area gold and dollar reserves increased by $19 million in April, the first substantial rise in five months; apart from an increase of $1 million in January, the reserves had been declining since last October. During the month, $17 million was received in defence aid from the United States and $13 million was received from EPU. Against this, the United Kingdom paid $2 million to creditors of EPU in bilateral settlements. The net result was that the sterling area was still in deficit with the rest of the world to the extent of $9 million in April. However, this deficit was only one-third that of the corresponding March figure, and only a fraction of the $101 million deficit incurred in February—London, May 9.

COMPANIES REGISTERED IN SCOTLAND—Companies registered in Scotland during 1954 numbered 691, an increase of 109 compared with 1953. This is the highest number of registrations since 1949 and the capital involved, £8,024,670, is the largest since 1951—London, May 9.

Venezuela

NEW INDUSTRIES—In 1954, 108 new industries were set up in Venezuela; the aggregate capital was Bs.84 million, or about $25 million. These plants are estimated as giving employment to 4,350 workers and the total estimated new production will be worth about $28 million a year—Caracas, April 25.

SINGAPORE
Plans for Industry

Hong Kong's success in building up secondary industry is attracting attention in Singapore, which may follow suit. But the effect of industrial development on the colony's traditional trade is first being studied.

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

"INDUSTRIALIZATION", a word that seems to promise prosperity and higher living standards to people of under-developed countries, is drawing more and more attention in Singapore. Although a few new industries have been launched in recent years, the whole subject is at present one for frank discussion as a prelude to the making of policies. But if industrialization is accepted as necessary or desirable for Singapore, it will have a far-reaching influence on the colony's economy. It may even affect the basic principle of free trade which has made this island the trading centre of South East Asia and the third busiest port in the world.

Favourable Factors

The arguments favouring increased industrial development are many. The first stems from a friendly rivalry between Singapore and Hong Kong. Now that it has lost much of its entrepôt trade with China, Hong Kong has made remarkable progress in building secondary industries to supply not only the domestic demand but export markets as well. Singaporeans are saying: "If Hong Kong can do it, why shouldn't we?" Like Hong Kong, Singapore has lost some of its entrepôt trade with neighbouring countries such as Indonesia, Burma and Thailand. Although imports (mainly raw materials) from these countries have remained steady in recent years, exports (largely consumer goods) have dropped to a fraction of their value in, say, 1951. Some observers believe that this source of profit has dried up permanently and that an alternative will have to be found if Singapore is to maintain its present prosperity.

Some Industries Established

A few industries which have been established recently have been successful enough to encourage other ventures. There are, of course, industries which are basic to most countries—for example, furniture manufacturing, boat-building, soap-making and the processing and packing of certain foods such as ice-cream, soft drinks, beer, biscuits and confectionery. There are also industries based on indigenous products such as tin smelting, rubber remilling, sawmilling and coconut oil expressing. These can be considered firmly established and without much likelihood of expansion.

Other industries were established prewar and a few of these have expanded. These include motor assembly (Canadian-owned), paint, aluminum forgings, castings and stampings, drycell batteries, asbestos pipe and corrugated sheeting, metal drums for oil and various rubber products such as footwear, belting, hose and sheeting.

The new industries which have attracted public attention are ropes and cables (mainly for shipping), tin cans (for the pineapple industry), shoe polish, perfumes and cosmetics, yarn spinning (and eventually weaving), plywood, metal windows, and part manufacture of electrical appliances, mainly air-conditioners and water-heaters.

Political Development a Factor

Another argument for increased industrialization—in this case highly intangible—stems from Singapore's political development. Elections were held in early April to choose a Legislative Assembly composed largely of elected members as opposed to the old system of members appointed by the Colonial Administration. During the election campaign, the different parties took stands on the subject of local industry. However, no policies were laid down nor commitments made on such vital issues as tariff protection, attraction of capital, government assistance, taxation, subsidization, etc. The most that was said by any party was that, if elected, it would propose measures for industrial development which would enhance the welfare of Singapore generally.

The tangible arguments are naturally much more realistic. First, it has to be recognized that Singapore and Malaya have a population of only seven million.

Though they have the highest standard of living in Asia, individual purchasing power in no way compares with that in most Western countries.

Possibly Singapore's best asset in considering industrialization is its young people. Over 50 per cent of the island's population of 1·1 million are under 21 years of age. This constitutes both a good labour force and a growing consumer market. Public expenditure on education, medical services and housing has increased year by year. The following figures indicate the expansion in educational and medical facilities:

Capital Expenditure	*1948-49*	*1950-51*	*1952-53*
Education	M$336,500	M$3,743,370	M$4,697,259
Medical	607,000	869,939	4,645,550

Over the last four years, M$52 million has been spent on low-cost housing. A large technical training college has been launched and this should alleviate the shortage of skilled labour.

The Colonial Government has undertaken large-scale expenditure on basic facilities and services to make Singapore attractive to industry. A new power station opened in 1953 has enough generating capacity to meet all needs for a number of years. The water supply, already adequate for present requirements, is being expanded. A new M$30 million International Airport will be opened in July. Facilities of the Singapore Harbour Board are continually being increased. During 1954 nearly 10,000 ships of a net tonnage of 49 million entered Singapore—a figure which is second only to London among the ports of the British Commonwealth.

Other Services Adequate

Such services as the post office, telephone and telegraph are both well run and adequate. There are some 20 banks of various nationalities in business and at least three more (including the Bank of America and the Bank of Tokyo) have signified their intention of opening branches in Singapore.

Above all, Singapore has an efficient government intent on maintaining Singapore's position as one of the leading commercial centres of the world. It remains to be seen whether or not industrial development can take place without modifying Singapore's traditional commercial role.

trade commissioners on tour

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

J. L. MUTTER, Commercial Counsellor in Oslo, Norway, began his Canadian tour in Vancouver, May 11-13. His itinerary is:

Quebec—May 30
Montreal—June 1-7
Toronto—June 13-22
Ottawa—June 23-30
Hamilton—July 4
St. Catharines: Welland: Niagara Falls—July 5-6
Sarnia: Walkerville—July 7-8

S. G. MacDONALD, Commercial Counsellor in Rome, Italy, began his Canadian tour in Ottawa on April 25th. His itinerary is:

Cornwall: Brockville—May 30
Kingston—May 31
Deseronto: Batawa: Peterborough—June 1
Toronto—June 6-10
Winnipeg—June 20-21

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

Board of Trade—Cornwall, Montreal.

Chamber of Commerce—Brockville, Deseronto, Hamilton, Kingston, Niagara Falls, Peterborough, Sarnia, St. Catharines, Quebec, Welland.

Canadian Manufacturers Association—Toronto, Winnipeg.

Department of Trade and Commerce—Ottawa.

Cinnamon
from Ceylon plantations

World demand for first-quality Ceylon cinnamon has been exceeding the supply but production is being increased. Meanwhile, shortage has pushed up prices to an all-time high.

CENTURIES AGO a tree known as "Cinnamomum Zeylanicum" was discovered growing wild in Ceylon. Not until the 18th century, when the West began to develop a taste for the inner bark of this tree with its aromatic and delicate flavour, did systematic cultivation of cinnamon begin. Today Ceylon has about 35,000 acres planted in cinnamon trees—about 11,000 acres less than in 1914. In some areas, rubber and coconut have made heavy inroads into cinnamon plantations and the lack of adequate supplies pushed cinnamon prices in 1954 to the highest level on record.

Production Methods

The mature, long shoots of the tree, about six or eight feet high, are cut every year between the months of May and October. The next process is peeling. Two parallel cuts are made up and down the length of the bark, which is then loosened from the wood. The brownish outer bark is scraped out and the clean bark rolled into quills. (At this stage the quills are light yellowish-brown in colour.) Finally several six to eight-inch quills are stuck together until they form tubes about 36 inches long. These tubes are dried in the sun for several days and then are packed for export.

Cinnamon Products

Altogether, four types of cinnamon products are prepared from the bark of the tree—quills, quillings, featherings, and chips. Quills—the dry, long pieces of the bark which are rolled into tubes—represent the best-quality Ceylon cinnamon. After the quills are dried, the split and broken pieces of cinnamon which remain are sold as quillings. Featherings are the shavings from the branches which are not suitable for peelings and come from the better-quality cinnamon bark. Chips come from the coarser types of trees in which the outer and inner bark cannot be easily separated.

For export purposes, cinnamon quills are at present graded as either "Fines" or "Hamburgs"; the latter is a slightly coarser type. Fines are further subdivided into 5 zeros (00000); 4 zeros (0000); 3 zeros (000); 2 zeros (00) and 1 zero (0), with the 5 zero first in quality. Hamburgs are graded as No. 1, 2, 3, or 4; No. 1 is the thinnest and the others are increasingly thicker and coarser. Cinnamon quills, quillings, featherings and chips are all put to the same uses but the products made from chips are of poorer quality. These cinnamon products are used not only as spice but also as ingredients in fumigants, incense and sachets. In Mexico, the powdered bark is used to make cinnamon tea.

The cinnamon tree also produces cinnamon bark oil and leaf oil. The bark oil is distilled from trimmings and chips and also from the inferior quality bark. Pale yellow in colour and with a pungent, sweet taste, its main constituent is cinnamic aldehyde. It also contains a quantity of eugenol and other chemicals. It is mainly used in pharmaceuticals and dental preparations, as a flavouring in confectionery, soft drinks and liqueurs, and in making perfume and soaps.

Cinnamon leaf oil is extracted from the leaf of the tree and contains a much higher percentage of eugenol and very little cinnamic aldehyde. Eugenol is also the principal constituent of clove oil and cinnamon oil smells something like clove oil. Manufacturers of vanillin use it extensively and it also goes into soaps, perfume and fumigants.

Cinnamon quills are exported in 100-pound bales wrapped in hessian bags and chips in pressed bales of two to three cwt. Cinnamon bark oil is shipped in 25-ounce bottles in cases; leaf oil in steel drums of varying capacities, according to the stipulations of buyers.

Export Trade in Cinnamon

In 1954 Ceylon exported 53,769 cwt. of cinnamon quills and quillings worth over Rs.12 million. (Rs.4·80 Ceylon currency equal one Canadian dollar.) Over one-third of these shipments went to Mexico, the biggest buyer; the United States took about 22 per cent, and Peru and Central America also bought considerable quantities. The average f.o.b. price was 224·90 per cwt. The general marketing pattern has not changed since before the war: Mexico and the United States

have always been the leading outlets. Exports have, however, risen in the postwar period; from 1934 to 1938 they averaged 40,203 cwt. annually, compared with an average of 51,435 cwt. from 1949 to 1954.

The export pattern for cinnamon chips is somewhat different. Of the 5,030 cwt. valued at Rs.175,053/– exported in 1954 for an average f.o.b. price of Rs.34·80 per cwt., 46·5 per cent went to Australia. Other good markets were the Union of South Africa, Argentina, and New Zealand, in that order. Before the war the best customer for cinnamon chips was the United Kingdom, with Australia ranking second. Exports of cinnamon chips have fallen below the prewar annual average of 7,140 cwt.; for 1949 to 1954, they averaged 6,325 cwt.

Bark and Leaf Oil

Bark oil goes mainly to the United States, which bought over one-third of total 1954 exports of 15,670 ounces, valued at more than Rs.101,000. Italy and France also took considerable quantities, followed by the United Kingdom and the Netherlands. Output of bark oil also has risen since the war; postwar average annual exports have reached 14,811 ounces compared with the prewar figure of 11,197.

Cinnamon leaf oil exports show a contrary trend. In the years 1934-1938, average annual exports reached about 2·5 million ounces, 70 per cent of which went to the United States, with the United Kingdom and Malaya buying most of the remainder. Postwar annual exports have averaged only 1·9 million ounces, though in 1954 they touched 2·4 million ounces, valued at Rs.916,677. The leading market was the United Kingdom, which purchased 40·5 per cent of shipments; the United States ranked second as a customer and India third.

Prices and Problems

The following table compares prewar and postwar price trends for cinnamon quills and chips:

Annual Averages

	Quills		*Chips*
Year	*Fine 0000 per lb. Rs. cts.*	*Hamburg No. 2 per lb. Rs. cts.*	*(Per candy—5 cwts sifted free from sand and dust) Rs. cts.*
1934	·29	.....	30·64
1935	·35	.....	27·69
1936	·37	.....	33·75
1937	·43	.....	47·17
1938	·40	.....	35·16
1949	1·13	.....	37·60
1950	1·53	.....	44·57
1951	1·95	.....	87·59
1952	1·38	.....	90·09
1953	1·58	.....	91·14
1954	2·67	1·88	114·71

(Cdn.$=Rs.4·80 Ceylon currency.)

The main problem facing the Ceylon cinnamon producers is competition from cinnamon bark grown in other countries, such as Indo-China and Madagascar, and cassia bark from China, since cassia and cinnamon are somewhat alike and are sometimes confused. However, the typical Ceylon cinnamon seems to possess a flavour and aroma all its own.

To make sure that buyers abroad receive only quality cinnamon products, the Ceylon Government is taking measures to ensure that exports come up to a required standard. It is also bending itself to the task of increasing production and thus meeting the demands of overseas markets fully.

Gas Turbine Car

Chrysler Corporation has been testing a 1955 Plymouth equipped with a gas turbine engine to find out what the car can do under actual city traffic conditions. Engineers of this firm, and of General Motors, Ford and other companies, believe that gas turbines will power the passenger cars and trucks of the future. One prominent engineer recently predicted that gas turbines will make their appearance generally within ten years, and that a few years after that the majority of passenger cars built will have such power plants.

The efficiency of the engines has been increased during the past 13 months or so, it is reported, but many additional manufacturing costs and metallurgical problems must be solved before such an engine can be put into volume production. It is interesting to note that the gas turbine has less than one-fifth of the moving parts in modern piston engines, which means easier maintenance and better performance. It is air-cooled instead of using a radiator or liquid cooling system. The report adds that only one sparkplug is used to start the turbine and it can run on less expensive fuel.

Cattle for Colombia

Over 200 head of Canadian cattle to be used for breeding purposes were recently purchased by six Colombian cattle men who visited Canada, headed by Dr. Jose Aristizabel, director of agriculture for the province of Caldas. This marks the first time that livestock breeders from Caldas have purchased Canadian dairy cattle, although Canadian Holsteins have gone to other parts of Colombia and have acquired a good reputation. The present purchase included 115 Holsteins, 45 Jerseys, 40 Ayrshires and 14 Red Polls and more cattle may be bought later.

trade and tariff regulations

Colombia

NEW IMPORT REGULATIONS—By Decree No. 1259, effective May 4, 1955, Colombia has introduced new import control measures. The major changes are the provisions that:

1. Imports from individual countries will be limited to amounts equivalent to Colombian exports to each such country.

2. The Exchange Registration Board shall establish separate country accounts for Colombian exports for the purpose of authorizing payment for imports from each respective country.

Details concerning the present Colombian control system may be obtained from the International Trade Relations Branch.

Denmark

IMPORT LICENCES GRANTED FREELY FOR CERTAIN DOLLAR GOODS—Readers may recall a notice in *Foreign Trade* of March 19 reporting that Denmark freed many dollar goods from import licensing requirements effective February 23.

Information has now been received indicating that the relevant Danish regulations also established a second list containing certain dollar goods for which import licences will be granted freely. This second list includes cartridges for hunting and parlour guns; transformers of 1,200 KVA or more; turbine plants over 4,000 KW; matrices for type-setting machines; graphic art reproductions, graphical machines including book-binding machines; precision scales complying with Danish tolerance provisions; telephone and telegraph material; aircraft engines and parts.

Textile machines and parts; packing, wrapping and labelling machines (excluding bottling machines) and parts; machines and parts for the production of the following—cement, glass and glassware, rubber goods, leather, leather goods, footwear, paper, paper products, tobacco products, rolled and drawn iron and metal products, cables and conduits; electric tools for working metals, stone and wood; exposed films without Danish text for hire to motion picture theatre—Copenhagen, April 15.

Greece

TARIFF INCREASES—To assist in the financing of the reconstruction of the earthquake-stricken districts in Thessaly, and to meet the current budget deficit, the Greek authorities announced substantial increases in many import duties and direct taxes effective April 27. The increases are expected to yield about $33 million in the fiscal year 1955-56. Approximately 30 per cent of this amount is to come from increases in income taxes.

The increases in customs duty amount to 50 per cent of the existing rates on all specific (weight) duties with the following exceptions:

- Wheat;
- Items on which duties have been increased by 50 per cent since April 1953, in order to restore them to their pre-devaluation levels (see *Foreign Trade* of October 3, 1953, June 12 and November 13, 1954);
- Goods for which the present measure makes special provisions, consisting in most instances of increases amounting to less than 50 per cent. For example, the duties on codfish, herring, kidney beans, lentils and frozen beef were increased by about 21 per cent, on hard cheese by 23 per cent, on live animals by 25 per cent.

Moreover, the import duty on prepared calf and kip leather was increased from 9 per cent to 20 per cent ad valorem, and on patent leather from 14 per cent to 25 per cent—Athens, April 27.

Iraq

ARABIC LABELS REQUIRED FOR PHARMACEUTICAL PRODUCTS—According to a recent decision of the Ministry of Health, pharmaceutical products imported into Iraq for local consumption must carry all descriptive material, instructions etc., in Arabic, in addition to English or any other language at present being used. The instructions cover both labels and pamphlets.

It is reported that chemists and druggists have been informed of the new regulations and have been asked to notify their suppliers. A time limit of three months is allowed to comply with this order, after

which pharmaceuticals failing in this req
will be banned. Canadian exporters of
ceutical products are advised to contact the
immediately in order to work out sat
methods for implementing the new order
April 27.

United Kingdom

LICENSING OF CANNED FRUITS—Impo
the United Kingdom were notified in N
Importers No. 726, dated April 27, 1955
arrangements for the issue of licences fo
of canned fruits from Canada and the Unite
Licences will be made available for impo
Canada of canned apricots, canned peaches
pears, and mixtures containing these fru
licences granted will be valid until Nover
1955.

ALUMINUM ON WORLD OPEN GENER
ENCE—Effective May 6, 1955, World Open
Licence treatment will be extended to im
unwrought aluminum, unwrought aluminu
and aluminum scrap. This permission to
without licence from any source was anno
Notice to Importers No. 729.

West Germany

CUSTOMS DUTIES REDUCED—It was rep
page 34 of the May 14 issue of *Foreign Tr*
the rates of duty on over 300 items in the
customs tariff were temporarily reduced for
beginning April 1. The reductions apply
650 commodities. Among these items, the f
appear to be of interest to Canadian exporte

Commodity	*Rate of per cent Normal*
Artificial iron oxide containing less than 70 per cent by weight of iron oxide	30
Isopropyl alcohol	25
Formaldehyde	25
Acetone	35
Mineral blacks (pigments)	20
Chemical auxiliary materials for the rubber industry	30
Waste of foil and film of cellulose acetate or other cellulose esters, unground; used films in reels or cut to pieces	20
Reclaimed rubber	20
Rubber belting, not combined with other materials	25
Inner tubes for vehicles	30
Aircraft tires, tubeless	30
Cattle and calf leather, chamois-dressed	14
Barrel staves and other wood for barrels, not finished, other than of oak	22
Blocks and panels for parquet flooring	25
Paper, gummed, surface-coloured or coated with graphite	20
Woven fabrics of discontinuous synthetic textile fibres	25
Linoleum and similar floor coverings	25
Oilcloth	20

Territory	Officer	City
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Cana Edifi Calle CIUD
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Cana 6 Sha Gard CAIR
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary	3 rue PARI
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor I. V. Macdonald, Assistant Commercial Secretary	Cana 22 Z BONI
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Cana 31 V ATHI
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a A GUA
Haiti	Charge d'Affaires, a.i. and Consul	Rou St. I POR
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hon Banl HON
India	Wm. Jones, Commercial Secretary	Offic High 4 Au NEW
India	D. M. Holton, Canadian Government Trade Commissioner Assistant Trade Commissioner	Gres Mint BOM
Indonesia	W. D. Wallace, Commercial Secretary	Can Bud DJA
Ireland	T. G. Major, Commercial Counsellor for Canada	66 U DUB
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor M. S. Strong, Commercial Secretary (Fisheries) W. R. Van, Assistant Commercial Secretary	Can Via ROM
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner R. R. Parlour, Assistant Trade Commissioner	Can Con KIN

Territory	Officer	City Address	Mail and Cables, Office Telephone
Japan Korea	J. C. Britton, Commercial Counsellor Assistant Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
Japan	Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 48966
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
Netherlands Belgium, Luxembourg	C. J. Small, Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. L. Mutter, Commercial Counsellor	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D, LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739

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

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	F. H. Palmer, Consul General R. V. N. Gordon, Consul and Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner J. H. Bailey, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul General and Trade Commissioner A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, Caja Nacional de Ahorro Postal, Calle Colonia 1013, 7° Piso, MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor F. B. Clark, Assistant Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 43431

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

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar 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 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 equivalent multiply by 1·01491.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 13	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying	·1314	7·61	
		Basic buying	·1971	5·07	
		Preferential selling	·1971	5·07	(1)
		Basic selling	·1314	7·61	
		Free	·07092	14·10	
Australia	Pound		2·2055	·453	
Austria	Schilling		·03790	26·38	
Belgium-Luxembourg	Franc		·01957	51·10	
Belgian Congo	Franc		·01957	51·10	
Bolivia	Boliviano	Official	·00519	192·83	
British West Indies	Dollar		·5743	1·74	(3)
	Pound		2·7569	·363	(4)
	Dollar	British Honduras	·6892	1·45	
Brazil	Cruzeiro	Effective selling			
		Category I	·01169*	85·54*	tax 10% (2)
		Category V	·00353*	283·45*	*May 3
		Official buying	·05367	18·63	(5)
Burma	Kyat		·2069	4·83	
Ceylon	Rupee		·2068	4·84	
Chile	Peso	Official	·00493	203·00	(1)
Colombia	Peso		·3941	2·54	(6)
Costa Rica	Colon	Official	·1755	5·70	
		Controlled free	·1484	6·74	
Cuba	Peso		·9853	1·015	tax 2% (2)
Czechoslovakia	Koruna		·1368	7·31	
Denmark	Krone		·1427	7·01	
Dominican Republic	Peso		·9853	1·015	
Ecuador	Sucre	Official	·06569	15·22	
		Free	·05695	17·56	
Egypt	Pound	Official	2·8294	·353	(7)
Fiji	Pound		2·4837	·403	
Finland	Markka		·00428	233·43	
France	Franc		·00282	354·99	(8)
French Africa	Franc		·00563	177·49	(9)
French Pacific	Franc		·01549	64·56	(10)
Germany	D Mark		·2341	4·27	
Greece	Drachma		·03284	30·45	
Guatemala	Quetzal		·9853	1·015	
Haiti	Gourde		·1971	5·07	
Honduras	Lempira		·4927	2·03	
Hong Kong	Dollar	Free	·1693	5·91	*May 2
Iceland	Krona	Official	·06050	16·53	
		Special buying	·04769	20·97	
		Special selling	·03768	26·54	(11)
India	Rupee		·2068	4·84	
Indonesia	Rupiah	Basic	·08643	11·57	(12)
Iran	Rial	Certificate	·01301	76·88	
Iraq	Dinar		2·7589	·362	
Ireland	Pound		2·7569	·363	
Israel	Pound		·5473	1·83	
Italy	Lira		·00158	632·51	

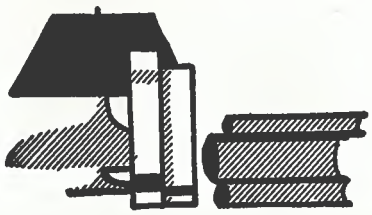
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent May 13	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00274	365·36	
Lebanon	Pound	Free	·3050	3·28	
Mexico	Peso		·07883	12·69	
Netherlands	Guilder		·2592	3·86	
Netherlands Antilles	Guilder		·5223	1·91	
New Zealand	Pound		2·7569	·363	
Nicaragua	Cordoba	Effective buying	·1493	6·70	
		Official selling	·1398	7·16	
		With Surcharge I	·1224	8·17	
		With Surcharge II	·09804	10·20	
Norway	Krone		·1379	7·25	
Pakistan	Rupee		·2978	3·36	
Panama	Balboa		·9853	1·015	
Paraguay	Guarani	Basic	·04692	21·31	(1)
		With Surcharge I	·03649	27·40	
		With Surcharge II	·02737	36·64	(13)
Peru	Sol	Certificate	·05186	19·28	
Philippines	Peso		·4927	2·03	tax 17% (2)
Portugal	Escudo		·03439	29·08	(14)
El Salvador	Colon		·3941	2·54	
Singapore & Malaya	Straits dollar		·3216	3·11	
South Africa (Union of)	Pound		2·7569	·363	
Spain & Dependencies	Peseta	Basic buying	·04499	22·23	
		Basic commercial selling	·05998	16·67	(1)
		Free	·02530	39·53	
Sweden	Krona		·1905	5·25	
Switzerland	Franc		·2299	4·35	
Syria	Pound	Free	·2753	3·63	*April 6
Thailand	Baht	Free	·04752	21·04	*March 31 (1)
Turkey	Lira		·3519	2·84	
United Kingdom	Pound		2·7569	·363	
United States	Dollar		·9853	1·015	
Uruguay	Peso	Official	·6487	1·54	tax 6% (2)
		Basic buying	·5535	1·81	(1)
		Special buying	·4193	2·39	
		Basic selling	·5186	1·93	
		Special selling	·4022	2·49	
Venezuela	Bolivar		·2941	3·40	
Yugoslavia	Dinar		·00328	304·51	

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality.
7. Egypt: Exporters receiving payment in dollars are granted Entitlements authorizing purchase of exchange for dollar imports. Effective selling (import) rate is official plus premium (average of 10·8 per cent in March) on Entitlements.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: Basic rate applies to all exports and essential imports. Purchase of exchange for other imports is subject to exchange surcharges of 33⅓, 100 or 200 per cent depending on product.
13. Paraguay: Basic rate applies to most Paraguayan exports.
14. Portugal: Approximately same rate for Portuguese Territories in Africa.



businessman's bookshelf

The West Indies and Caribbean Year Book 1954-55

Thomas Skinner & Co. (Publishers) Ltd. 880 pages. $9.00.

THIS TRADITIONALLY USEFUL REFERENCE WORK, now in its 26th year of publication, presents a wealth of material in its 800-plus pages. It covers not only the West Indian islands and other British and non-British territories in this area, but also the Central and South American republics that border on the Caribbean.

Most businessmen will be familiar with its many features, such as a chronology of events in 1953 and in the first four months of 1954, a list of organizations concerned in Caribbean affairs, general articles on British, U.S. and Canadian trade with the area, up-to-date information on communications and so on. Perhaps the most valuable part of the separate section on each territory is the business directory and the many detailed maps also enhance the value of the year book.

Order from: Thomas Skinner of Canada, Limited, 440 St. Catherine Street West, Montreal.

The African Native Market in the Federation of Rhodesia and Nyasaland

Prepared by the United Kingdom Trade Commissioner, Salisbury. 35 pages. 40 cents.

HERE is a really useful little book for the exporter, one that gives him the basic facts he needs to judge his prospects in this market. The African native market in the Federation is, the report says, "at one and the same time numerically large but very limited per head; potentially vast but at present only slowly emerging from a state where large quantities of a few relatively low-priced articles were bought". Although the growth of this market must necessarily be slow, the author considers it sure and the market one which no forward-looking exporter can afford to neglect.

The reader is given a very complete picture of the African native customer in this report—his way of life and his buying tastes. The section on advertising is very interesting and should help the exporter to avoid some unexpected pitfalls. A chapter on channels of distribution describes the types of importers, the methods of selling and internal distribution. The report concludes with import tables covering the commodities most in demand and showing the countries of origin and the value of imports in 1952.

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

Reference Tables, March 1955

Canadian Pulp and Paper Association. 31 pages. Free.

TO DRAW once a year a statistical picture of Canada's vital pulp and paper industry in just over thirty pages represents a real achievement. The tables cover many aspects of the industry, beginning with its source—the forested areas—and moving through the variety of pulps, newsprint, paper and paperboard produced. Later tables help to give a picture of this industry as compared with other Canadian industrial giants, and also show what it contributes to our economy.

Order from: Canadian Pulp and Paper Association, Sun Life Building, Montreal.

Commonwealth Trade 1953-54

Intelligence Branch, Commonwealth Economic Committee. 30 pages. 35 cents.

IN 1953, the Commonwealth accounted for 30 per cent of world trade (Russia and the Iron Curtain countries excluded). How this 30 per cent was made up and how trade varied among the various sections of the Commonwealth is set out in this small booklet. The general picture is discussed first, then come separate reports on the trade of the United Kingdom; Canada; Australia and New Zealand; South Africa and Southern Rhodesia; India, Pakistan and Ceylon; and the Colonial Territories. The concluding section discusses Commonwealth markets.

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