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foreign trade

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COVER On the tube assembly line of a large TV plant in the Chicago area, workers are installing picture tube and all small tubes in the sets. Plants like this one are beginning to feel the stimulus of the pick-up in retail trade in the American Midwest. For a story on business in that area, please turn to page two.

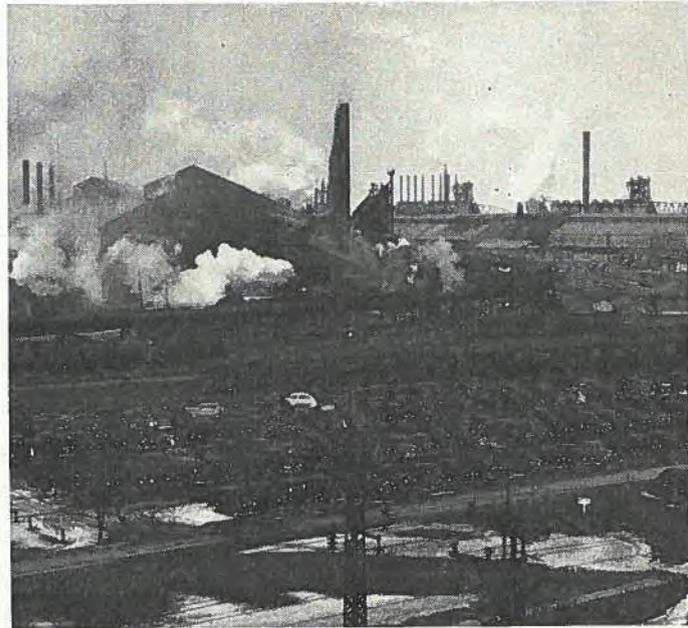
Midwestern Business Rallies

Retail trade, construction, and the motor vehicle industry have been the leaders in a Midwestern business recovery that began in last quarter of 1954. Rising incomes and brisk demand should help sales of Canadian raw materials and consumer products in this area.

R. V. N. GORDON,
Vice Consul and Trade Commissioner, Chicago.

BUSINESS IN THE MIDWEST, as in the rest of the United States, has improved steadily since the last quarter of 1954. At the present time, economic activity probably equals the record high of mid-1953. Steel mills in the Chicago area are operating at near capacity, compared with a low of 70 per cent in July and August of last year. Retail trade and construction are moving towards new peaks.

The United States' gross national product for the first quarter was at the rate of \$370 billion a year, almost as high as the peak rate achieved in the second quarter of 1953, and at the time of writing there are indications that this figure may now be even higher. Some people have remained pessimistic about this latest upswing in business activity but this feeling seems to be diminishing as gains in most fields are being consolidated. The present increase in business activity, sparked primarily by the automobile industry, retail trade and construction, is now spreading to most other sectors of the economy. New orders received by manufacturers in March, estimated at \$29 billion, were 20 per cent above those of March last year. According to a Department of Commerce report, they equalled the previous record set in March 1951 and topped the February 1955 total by \$3.8 billion.



This picture of a sprawling, busy steel plant in the Chicago area typifies the recent recovery in this basic industry.

Industrial production has climbed 8 per cent since last summer and in March stood at only 3 per cent below its all-time high.

Retail Business Outstanding

One of the brightest spots in the Midwest's business pick-up has been retail trade. In spite of a drop in the sale of "big ticket" items, total sales in 1954 increased to an estimated \$7.05 billion, \$150 million more than in 1953. The greatest part of the gain was made by Chicago's downtown stores and not by the glittering new shopping centres in the suburbs—a fact of some interest. Christmas trade for the State Street department stores was the largest on record and was a major factor in the good showing for 1954. Recently some persons have expressed doubts about shopping centre expansion, but three new ones were opened in the Chicago area in 1954 and 22 more are planned or under construction.

The Chicago Federal Reserve Bank's index of department store trade reached 106 in 1954, the same as in 1953 and only two points below the record high of 1951. To maintain this level in 1954, department stores had to increase the number of their transactions because sales of some major appliances and other higher-priced items slipped.

The mail order trade, which is centered in Chicago and constitutes one of the nation's largest retail operations, had a slightly lower volume of business in 1954 than in 1953. Sears, Roebuck and Company, with its fiscal year ending January 31, 1955, announced total sales of \$3,100 million, only 6 per cent below

the 1953 all-time high. Montgomery Ward and Company, reporting for the same fiscal year, showed a gross of \$961 million, 10.8 per cent below 1953.

Capital Goods Investment

Early estimates predicted a reduction in spending for capital goods in 1955, but a recent report by the United States Department of Commerce indicates that American businessmen are planning to increase their outlays for capital investment in 1955 compared with 1954. Other recent surveys have uncovered the same trend. Machine tool orders are beginning to increase gradually after spotty action last year and general industrial machinery has been showing gains. Even the railroad equipment industry has begun to raise its output slightly because of new business stimulated by improved prospects for carloadings and earnings. Production of new motor truck models brought March assemblies to 110 thousand units, the best level in almost two years.

Construction in Strong Position

Construction continues to be one of the strongest sectors in the U.S. economy. All indicators point to continuing high activity at least into the third quarter. During the first quarter of 1955, total outlay for construction, after allowance for seasonal changes, rose to an annual rate of \$41 billion—a new record.

In the Midwest, contract awards in the first quarter were 25 per cent higher than for the same period last year, despite a decline for utilities and public works. Housing continues to play the major role in this rise and it appears that the 1.4 million annual rate for housing starts, which was achieved during the first three months of 1955, will continue at least for the near future. Applications for Federal Housing Administration insurance commitments on new home construction are well above last year, and Veterans Administration appraisal requests have continued to run at double the rate for early 1954. Housing permits issued in the Chicago area during March 1955 exceeded the corresponding month in 1954 by 55 per cent. In part this figure reflects new projects for luxury lakefront apartments, though permits for single family homes were also up 30 per cent.

Labour Market

Employment has not yet fully reflected the general improvement in business in the early part of the year. According to the Federal Department of Labour, the number of U.S. wage and salary workers in non-agricultural pursuits was approximately 500 thousand higher in February than at the end of last summer, on a seasonally adjusted basis. The fact remains, however, that these gains have not matched the expansion in business volume. On a seasonally adjusted

basis, the rise in non-agricultural employment since last summer has totalled only about 1 per cent, whereas the increase in industrial production has reached more than 8 per cent. The failure of employment and unemployment statistics to show improvement comparable to those in output is explained in part by the subsequent increase in the length of the work week.

Agriculture Lags Behind

The agricultural population is not sharing in the general recovery, and it is estimated that farm income for 1955 will be down 5 per cent. This stems partly from further acreage reductions and lower support prices for basic crops such as cotton and wheat. Livestock prices may also move down with a further expansion this year in hog production.

The year 1954 was a good one for Midwest beef producers; demand was strong because of low prices and the lack of competition from other meats. The hog trade, however, was plagued by wide fluctuations in volume and prices. The Chicago buyers paid an average of \$21.55 a hundredweight, within some of the widest price ranges ever known. The average was only slightly below the \$21.75 of 1953.

In spite of the decrease in agricultural income, farm purchases remain high and farmers appear confident that the drop in their income will be small. The demand for land has actually been strong enough to increase prices and sales of farm equipment are running ahead of last year at the same time.

Prospects for Canadian Exports

All these developments seem to promise that the demand for Canadian goods in the Midwest will continue strong well into 1955. Certainly base metals, ores, newsprint, lumber, plywood and other construction materials are assured of a strong market. In the foodstuffs industry, continuing high consumer demand should absorb large quantities of Canadian food products, particularly in the specialty field where there is an ever-growing market. This is highlighted by the experience of the Dutch. They set up a government-sponsored booth at the recent National Food Brokers' Convention and received a large number of firm inquiries for agencies throughout the Midwest for the Dutch food products exhibited. The products shown are already being sold on the eastern seaboard.

In the manufactured consumer goods field (other than foodstuffs) the market continues to grow, as the rise in the already high Midwestern standard of living permits an increased demand for all types of imported goods. The success stories of Canadian firms entering this field for the first time are multiplying. One Montreal shoe manufacturer, for instance, has just been successful in introducing some of his line to a large Chicago mail-order house. ●

The Cuban Market for Pharmaceuticals

Brisk competition is feature of \$35 million a year market for drugs and pharmaceuticals in Cuba. Information on local production and selling procedures which is given below should help Canadian exporters who are looking for a larger share of this business.

G. A. BROWNE, *Commercial Secretary, Havana.*

SIX MILLION CUBANS buy an estimated \$60 to \$70 million worth of ethical and proprietary drugs and medicines each year—a per capita expenditure exceeded in few other countries. Available statistics do not reveal what percentage of imports enters packaged and ready to sell. However, the best informed agree that about half of the products retailed to the consumer are made, processed or packed in Cuba. This puts the market for imports to be sold at retail at about \$35 million a year. Canada's share of this trade, according to Cuban statistics, totalled about \$1.4 million in 1953.

Imports into Cuba—1953

(1 Cuban peso equals 1 U.S. dollar)

Simple Drugs		Chemical and Pharmaceutical Products	
Total value	\$6,369,658	Total value	\$21,685,010
<i>15 Leading Countries</i>			
United States	\$3,113,804	United States	\$18,354,895
CANADA	1,387,725	Germany	781,636
Chile	368,208	United Kingdom	579,304
British Malaya	190,087	Switzerland	569,641
Mexico	142,434	CANADA	320,608
Union South Africa	139,462	France	240,397
Argentina	132,074	Mexico	217,638
Netherlands Indies	106,340	Belgium	201,868
Hong Kong	103,862	Italy	137,859
France	97,892	Spain	93,390
Thailand	70,771	Brazil	55,008
Italy	64,477	Netherlands	41,998
Paraguay	61,329	Sweden	35,951
United Kingdom	53,233	Japan	20,967
Netherlands	53,182	Colombia	15,724

In the above figures, because of Cuban Customs classification and nomenclature systems, a variety of items are included not directly related to the pharmaceutical industry. Simple drugs includes hops and malt, oilseeds and vegetable oils, vegetable pitches and creosote, resins, gums, synthetic and natural crude and reclaimed rubber, and tanning materials. Chemical and pharmaceutical products include a number of items which seem more obviously destined to other than the pharmaceutical industry. These particular items, in 1953, amounted to approximately \$6 million. Of the class total of \$30.7 million for 1952, about \$11 million were similarly not strictly pharmaceutical raw materials.

Most if not all of the prime materials for Cuba's pharmaceutical industry must be imported; exceptions are alcohol, glycerine, glass ampoules, and printed matter—including paper and cardboard labels, wrappers, boxes and cartons. Laboratory equipment, fine chemicals, vitamins, antibiotics, and other essentials requiring a large investment and big production runs must come from abroad.

Domestic Production Improving

Domestic production comes from about 250 to 300 local laboratories, ranging from the score or so of first-class manufacturers (including the half-dozen local subsidiaries of foreign firms) to some hundred or more small bottle or vial-filling establishments operating on very limited capital.

Perhaps 35 to 40 of these laboratories rank with the leading foreign manufacturing chemists in the matter of quality and product control, if not in volume and manufacturing range. The lack of an organized, central technical and scientific control on medicines produced in Cuba has retarded the advance of the remainder and has made prescribing physicians slow to turn from the imported product. In December 1954, however, the Laboratory of Control of the National Medical Collegium was formally inaugurated and steady improvement in products and sales is confidently expected.

Range of Output

Domestic production currently comprises mainly vitamin preparations, homoeopathics, and the preparation for retail use of antibiotics. There is also a limited local output of fine chemicals. But apart from a small production of hormone preparations and vitamin products from shark liver oil and citrus fruits, and an early attempt at alkaloid extraction from the cashews of Pinar del Rio Province, domestic firms have hesitated to invest in the specialized equipment for more

diversified and advanced manufacturing. This reluctance is locally attributed to the present limited tariff protection.

In 1939, the production of liver extract was begun and approximately 25 per cent of the demand is now met locally. More recently, antibiotics such as streptopenicillin and coramycin in aqueous suspension are said to have been developed in Cuba. Cuban laboratories spend about \$2½ to \$3 million a year on raw materials for the further elaboration of two leading antibiotics imported in bulk.

Serums and Vaccines

The two most widely used serums are anti-tetanus and anti-diphtheria; both enter duty-free, almost entirely from the U.S., and there is no local production.

Typhus and some other human and veterinary vaccines have lost some ground to the sulfas and antibiotics. However, the latter do not immunize and Cuban laboratories are still supplying local demands for vaccines against typhoid fever, pyogenic, intestinal, bronchial and staphylo-streptococcic infections and allied salves, unguents, syrups and serums for human use. Vaccines and serums against the most common and prevalent disease of animals and poultry are also produced by Cuban laboratories specializing in veterinary products.

Other Pharmaceutical Products

Analgesics, anti-asthmatics, barbiturates and digestives form a considerable part of local production and almost all in current international use are packaged in Cuba. The more specialized preparations in these lines are imported; 50 per cent of the total demand, however, is said to be met by domestic production. The business in analgesics alone is said to average \$100 thousand wholesale per month. It is interesting to note that comparatively few patent medicines are sold in Cuba.

Cuba has three ampoule manufacturers who supply about 50 per cent of domestic demand. Supply could be expanded were most imports of injectibles not already packaged in ampoule form. Few empty ampoules are imported because the domestic producers are protected.

Selling Procedures

All pharmaceutical specialties, before reaching the market, must be registered with the Ministry of Health and the procedure includes the appointment of a Cuban registered pharmacist to be responsible for the purity of the product. His name must appear on the label. Demand for products is largely created by the 1,200 salesmen who call on the island's 5,000 practising doctors, 1,200 dentists and 700 veterinarians.

The number of retail pharmacies has been estimated as 2,200 supplied—through about 150 wholesale druggists—by both foreign drug houses and the domestic manufacturers. Many of the products of European firms are manufactured in Cuba by their local representatives on a contract basis to surmount the tariff preference enjoyed by U.S. houses.

Retail Prices

The Commerce Ministry controls prices of pharmaceutical specialties to the trade and public and products imported by branches or exclusive agents must be sold to wholesalers at the same price as an import direct from the manufacturer. The product is sold to the retailer at a 23½ to 26½ per cent mark-up and the retailer sells it to the public on a controlled profit basis. For items selling at one peso or less the retail mark-up is 30 per cent, up to two 25 per cent, and over two pesos, 20 per cent.

New Trends in Car Design

Now that the 1955 cars have been unveiled, most people are wondering what improvements the automobile industry plans for the future. Changes appear on the drawing boards immediately after the introduction of new models and it is reported that radical improvements can be expected in car styling and engineering as early as 1957. In that year, body styles are expected to be more compact and lower, with a greater tendency towards the streamlined sports car design. Colour, which has been featured during the past year or two, may have reached its zenith but further developments may be still in store. Attention seems to be focused at present on lighting, both stronger and safer headlights and interior lighting.

Mechanical advances indicate that a hand-operated accelerator for greater driving ease on long trips is planned, although the foot accelerator will be ready for use when needed. Lights on the instrument panel will indicate such things as a low battery, lack of fuel supply and failing brakes. Also in the cards are fluorescent lights which will come on when doors, the rear trunk or the engine compartment are opened. Methods of insulation are being investigated, and air conditioning may become "optional equipment".

Smaller and lighter engines are predicted; manufacturers are said to be experimenting with V-6s which, if practicable, might well displace the V-8. Television sets will soon be offered as another "optional" (for rear seat passengers only), and it has already been announced that the new tubeless transistor-type auto radio will be available next year.

British Cars Go to Market

Over a million motor vehicles came off British production lines in 1954; about 45 per cent of these went to overseas buyers. Domestic market is restricted by road congestion and heavy purchase tax; American-style cars are providing stiffer competition in foreign markets.

T. M. BURNS,
Assistant Commercial Secretary, London.

OUTPUT OF MORE THAN ONE MILLION UNITS made 1954 a record year for the British motor vehicle industry. The exact production figure was 1,038,834 units, made up of 770 thousand cars and 270 thousand commercial vehicles. Nearly half of these vehicles—some 492,811—were exported, making Britain the world's largest automobile exporter by a substantial margin.

The 1954 record production is likely to be exceeded in 1955. In the first two months of this year, 192,300 cars and commercial vehicles were turned out, over 42,000 more than in the first two months of 1954. At the moment, a new car is completed every ten seconds of the British working day. This means that in the average length of time required to read this paragraph, three new cars have rolled off the assembly lines.

Expansion Plans

The British automobile industry is looking to a steady increase in its production facilities. According to industry spokesmen, it is estimated that production capacity in five years' time will be 1.5 million cars and commercial vehicles a year, a 50 per cent increase over current output. In the last nine months, firms in the industry have announced capital expansion plans which will cost nearly \$350 million. Subsidiaries of two North American manufacturers will account for about \$250 million of this over the next five years.

What are the factors which are leading the British industry to take this optimistic view of the future? The first is the state of the domestic market. At present, there are slightly more than four million vehicles on the roads in Britain. More than a million and a half of these are prewar models. Since the end of the war, government restrictions on the industry's domestic sales, combined with high rates of personal income, has meant that the demand for automobiles has risen sharply and has far outstripped the supply. Many prewar cars have been kept on the roads after they have passed the stage of economic repair. The replacement market for these cars is a large one and to this market must be added the increasing demand for cars resulting from rising incomes.

Domestic Market Buoyant

That the market for cars is not yet saturated can be seen from the fact that at the end of 1953 there was one car in the United Kingdom for every eighteen persons. In the United States the figure was one car for every three persons, in Canada one car for every six persons, in Australia one car for every eight persons. A doubling or tripling of the present market thus seems possible. In the short term, an encouraging feature of the domestic market from the industry's viewpoint is the growing waiting lists for the popular small cars. For most of these types the domestic customer must wait from three to six months for delivery.

Roads Badly Congested

There are two unfavourable aspects of the domestic market in the United Kingdom. The first is the increasing congestion on the highways. Since 1938 the total number of motor vehicles has risen from 2.6 million to slightly over four million at present. This 50 per cent increase has occurred during a period of scarce resources in the United Kingdom. Priority wartime and postwar demands on the capital resources of this country left little available for road building and improvement. Today, three cars are trying to occupy the same space as two cars did sixteen years ago, on a road system which was becoming overburdened even before the war.

Investment on roads in 1953 totalled about \$28 million. This is only about half of the amount spent on road construction and maintenance in 1954 by the Province of Ontario alone. The United Kingdom authorities are conscious of the low priority given to investment in roads. Early this year the Government announced a sharply increased program which will involve an expenditure of some \$400 million over the next four years on major improvements and new construction. After 1959, expenditure is likely to be about

\$135 million a year. It is expected that this program will go a long way towards a solution of the congestion problem.

The second factor which has the effect of keeping down the rate of expansion of the domestic market for cars is taxation. At present the basic retail price of the smallest mass-produced car in the United Kingdom is \$750. The purchase tax adds \$318 to this. Car operating costs are also high. For example, high-test gasoline sells for 63 cents a gallon. These high costs reduce substantially the spreading of car ownership among the lower income groups—a common occurrence in North America.

Taxation Discourages Sales

This heavy taxation is directly related to the United Kingdom's balance of payments position. The automobile industry is one of the largest consumers of imported raw materials in Britain. The industry needs iron ore, sheet steel, rubber and many other materials. Because of the precarious balance of payments position since the end of the war, this country has been unable to afford unlimited sales of cars in the domestic market. In the early postwar years, direct controls of raw materials were used to ensure that a major proportion of car output was directed to export markets to compensate for the cost of imported materials. Today, these direct controls are gone but the purchase tax continues to restrict domestic demand and thereby reduce the pressure on the balance of payments.

Outlook in Export Markets

Export markets are just as important to British car-makers as the domestic market. In fact, in the years since 1948, only in 1953 and 1954 was less than half of Britain's car and commercial vehicle output exported. In 1950, a record 69 per cent was sold abroad. Last year, exports accounted for 45 per cent of total production. Overseas shipments of passenger cars alone last year (366 thousand units) were worth \$327 million and constituted the United Kingdom's second most important category of exports. British exports of cars and commercial vehicles in 1954 were down from the peak of 543,591 units exported in 1950 but were higher than exports in either 1952 or 1953.

The British automotive industry has a remarkable export record. In 1954, exports were six times greater in volume than they were in 1938. This increase was achieved, however, during a period of currency restrictions and there are indications that in some markets at least, when trade restrictions are dropped British exporters are losing ground to North American manufacturers. Some evidence of this is appearing in South Africa, for example, where conditions favour the type of automobiles produced in North America. European markets also present problems because there English

cars must compete with Continental manufacturers who produce cars even smaller and more economical to operate.

Against this, in the postwar years the British industry has built up a strong distribution system throughout the world and, aided by good sales and servicing facilities, the industry should be able to meet the new competition following exchange relaxations in many areas. It is particularly significant that the lion's share of the capital investment being undertaken by industry is accounted for by the United Kingdom subsidiaries of U.S. car manufacturers. This seems to be a firm indication that these manufacturers look for a continuing and increasing demand for British cars in the markets of the world.

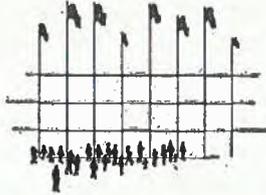
Canadian Market

British exporters of cars to Canada did not have as good a year in 1954 as they did in 1953. Exports were down from 28,811 cars to 16,449. The 1954 figure represented only 21 per cent of the record year 1950 when more than 76,000 cars went to Canada. In the postwar period, the United Kingdom industry has introduced many design changes in its cars to make them better suited to North American conditions. It is clear that there will be a continuing demand for British cars in Canada. However, with an apparent consumer preference for larger cars which the British car manufacturer has had difficulty in producing competitively, and with the growing competition in the Canadian market, it is doubtful whether exports to Canada will rise again to the levels of 1949 and 1950. The best market for the future appears to be the "two-car" family and those who prefer the British "prestige" or sports cars.

U.S. Approval for Canadian-Made Goods

The Underwriters' Laboratories, Incorporated, Chicago, Illinois, is now in a position to accept applications for the investigation of equipment manufactured in Canada and intended for sale in the United States, either on the basis of inspection at the port of entry or at the Canadian factory.

This would appear to solve the problems of most Canadian manufacturers regarding inspection and they will now receive the same consideration as manufacturers in the United Kingdom. This is an important new development for Canadian industry because until this ruling was issued, it was not possible to get Underwriters' Laboratories approval for Canadian manufactured products for sale in the United States.



fairs and exhibitions

Canada at Tokyo

THE MANY JAPANESE who last year ate bread made from Canadian flour or used Canadian pressed barley instead of rice showed special interest in the Canadian exhibit at the second Japanese International Trade Fair. When the Fair opened in Tokyo on May 5, visitors to the Canadian Government stand enjoyed a graphic demonstration of the growing, processing and marketing of Canadian grains. Large-size photographs illustrated ploughing, harvesting and threshing on the prairies and a portion of a big harvester showed the machine actually discharging grain. Sheaves, bags and graded samples of grain rubbed shoulders with the end products—a loaf of Japanese bread and a bowl of pressed barley.

The second Fair was held at two sites in Tokyo—the Tokyo Trade Centre and the Harumi pier. The exhibits were largely confined to machinery, metals and metal goods, textiles and textile goods, chemicals, and food-stuffs. Of the 2,840 exhibitors, about 1,152 were Japanese and the rest were drawn from twenty foreign countries, including Canada, the United States, France, the Philippines, Scandinavia, Mexico, Turkey and Israel. About 5,000 foreign visitors were expected to attend the Fair which closed on May 18th. The last few days coincided with the International Chamber of Commerce meeting which is being held in Tokyo this year.

New Plan for BIF in '56

A MAJOR POLICY CHANGE will split the British Industries Fair into two separate shows in 1956 and subsequent years. The first will be held from February 22 to March 2 at Earls Court, London, the second from April 23 to May 4 at Olympia, London, and Castle Bromwich, Birmingham. The February show at Earls Court will be for consumer goods such as toys and games, textiles and clothing, fancy goods, jewellery, stationery, leather and sports goods, whose main selling season is in the spring. The second show in May will bring exhibitors from other lighter industries such as packaging, chemicals and office appliances to Olympia, and heavier industries such as engineering and hardware to Bromwich.

This year's BIF was held at Olympia and Castle Bromwich from May 2 to 13. The BIF is now managed by British Industries Fair Ltd., a private company, which took it over from the Board of Trade last year.

Encore for Bogotá

LAST FALL Colombia held its first international exhibition and fair in the capital city, Bogotá. The success of this first venture has prompted a repeat performance this year, from November 25 to December 11. Canadian firms who wish to exhibit should obtain application forms and any further information from the Corporation of Fairs and Exhibitions, Apartado Aéreo No. 6843, Bogotá, Colombia.

What's New in Radio?

LATE IN APRIL, Grosvenor House, London, was the scene of a Radio Component Show, sponsored by the Radio and Electronic Component Manufacturers' Federation. The 142 stands were carefully inspected by the 20,000 visitors who came from over 30 countries. Among the more interesting exhibits were:

- A kraft-based, inexpensive recording tape which is said to compare well with tapes costing twice as much.
- A new range of precision potentiometers in metal casings. Individual sections can be rotated for calibration, thanks to a special method of ganging.
- A ceramic cartridge for gramophone pick-ups and motors, which may be of particular value in the export market.
- A small, compact reflex loudspeaker that proves its worth in areas where the background noise is high.
- An inter-laminar insulation recently developed which is said to be waterproof and able to endure annealing temperatures up to 800 degrees Centigrade.
- A new fan, only one inch in diameter and an axial flow type.

● A glass-bonded insulation material developed by a British firm with the co-operation of the Ministry of Supply.

Party Fare

SOMETHING NEW in vertical trade exhibitions is scheduled for New York City, August 28 to 30. It's the first annual Fancy Food and Confection Show, sponsored by the National Association for the Specialty Foods Trade, to be held at the Sheraton-Astor Hotel.

At this show, buyers will be able to inspect unusual delicacies and fancy foods both for home entertaining and for the restaurant and hotel trade. Some of the displays will feature novelties in this line; others will concentrate on foods which have a perennial popularity. Seminars on important sales and promotion problems will enhance the value of the exhibit to the trade. The show is being planned and managed by the Charles Snitow Organization, 331 Madison Avenue, New York. Canadian firms interested in taking space should write to them at the above address.



Hon. T. C. Davis, Canadian Ambassador to Japan, pauses to examine a large-size sample of Canadian wheat at the Canadian Government display at the second Japanese International Trade Fair held in Tokyo from May 5-18.

JUNE 11, 1955

June in Bordeaux

THIRTY-EIGHT YEARS ago the Bordeaux Fair in its present form was set up; today it attracts each year about 1½ million visitors and covers an area of 31 acres.

Exhibits of agricultural machinery, foodstuffs and food processing machinery, automobiles and bicycles, and household appliances took first place last year, but many other categories were also featured. Bordeaux is the centre of a great wine-making area and Bordeaux wines are always on display.

This year the Bordeaux Fair will run from June 12-June 27 and some 3,000 exhibitors have taken space. The Fair offers special facilities to the foreign visitor, including reduced railway fares.

Summer Furniture Market

THE ANNUAL SUMMER FURNITURE SHOW will take place in Grand Rapids, Michigan, this year from June 20 to July 1, inclusive. The show is expected to be one of the most diversified in many years and the manufacturers are introducing many new ideas. It will be held in the Exhibitors' Building and the Waters Building, and some firms will have their own factory showrooms open for inspection. Canadian buyers who would like to attend this show or Canadian exhibitors interested in taking space should contact Mr. Charles Campbell, Secretary of the Grand Rapids Furniture Exposition Association, 427 Fulton St. E., Grand Rapids, Michigan.

Calendar of Fairs

IN NORTH AMERICA

56th International Food Exhibition, Chicago, June 12-16. For information, write: National Association of Retail Grocers, 360 North Michigan Avenue, Chicago 1.

Vancouver Gift Show, Vancouver, July 18-21. For information, write: Show Merchandising Ltd., 9 Duke Street, Toronto.

OVERSEAS

7th International Trade Fair, Trieste, Italy, June 19-July 3. For information, write: Commercial Attaché, Embassy of Italy, 133 Sparks Street, Ottawa.

13th International St. Erik's Fair, Stockholm, Sweden, August 27-September 11. For information, write: Secretary, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park, Ontario.

New England Needs More Lumber

The buoyant construction industry in New England and the increased contract awards for most types of building should mean a booming market for Canadian lumber exporters. Here is a review of supply, demand, and prices in this area.

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

THE VALUE OF CONSTRUCTION in New England in 1954, at \$1.4 billion, broke all records and exceeded the comparable figure for 1953 by 27 per cent. This unprecedented activity is continuing and most indications point to another big year in 1955. This promises well for Canadian lumber exporters.

Non-residential building awards moved 28 per cent ahead of 1953, with noteworthy gains of 66 per cent for hospitals, 55 per cent for public buildings, and 45 per cent for religious buildings. Commitments were made to spend 33 per cent more for new educational and science buildings than in 1953. The value of awards for construction of manufacturing buildings showed a 40 per cent increase over 1953.

Highway and other public works contracts went up 85 per cent and awards for public and private utilities by 64 per cent. Residential building, which had given little promise of a further increase over 1953, registered a gain of 8 per cent. The surprising feature of this expansion in home building was the fact that it was achieved despite a drop of 50 per cent in the value of awards for apartment-house construction. Almost 31,000 one-family homes were built on a speculative basis. The value of this type of construction, at \$343 million, was 32 per cent greater than in 1953.

Rise Expected to Continue

New England builders expect that the number of dwellings to be built and sold this year will be 10 per cent higher than in 1954. The number of residential building contracts awarded during January and February was 20 per cent ahead of the same period last year and, at \$68 million, up 19 per cent in value.

The latest F. W. Dodge Corporation report indicates that contracts issued for construction in New England in March were the highest on record and that figures for the first quarter of 1955 (\$379 million) are the highest in history. Although the March 1955 total of \$135.9 million was 10 per cent below February, it was 3 per cent ahead of March 1954. The first quarter level was 42 per cent above the first quarter of 1954.

The comparative figures given below help in assessing the market:

CONTRACTS FOR CONSTRUCTION IN NEW ENGLAND

Type	March 1955	Increase or Decrease over March 1954	Increase or Decrease over Feb. 1955
Non-residential	\$54 million	+ 56%	+ 55%
Residential	44.8 "	- 20%	+ 45%
Heavy engineering ...	37.9 "	- 9%	- 56%

For the first quarter of 1955 compared with the first quarter of 1954, the figures are:

Type	First Quarter 1955	Increase or Decrease over first quarter 1954
Non-residential	\$116.5 million	+ 45%
Residential	112.9 "	- 1%
Heavy engineering	149.7 "	+ 105%

There is some feeling that activity may slow down during the second half of the year. However, mortgage funds on liberal terms are expected to be ample to meet needs. The general consensus is that most home building will be concentrated in the \$10,000 to \$14,000 class and home buyers are expected to be more selective.

Highway construction in the six-state region will probably continue at an extremely high level for the next ten years. Population is expected to increase by one million by 1965, thus expanding the need for schools, institutions and suburban shopping facilities. The exodus of manufacturing and warehousing operations from locations in the large cities to outlying ones near new, modern highways, together with the growing popularity of suburban living, ensure that construction will be a major stimulus to New England's economy in 1955.

Effect on Lumber Market

How is all this activity affecting the lumber market? Here is a brief review.

Softwoods—Although the New England market is usually sluggish during the early months of the year,

demand for most softwoods has been good and prices firm. The unusual activity in construction during the first quarter—made possible by mild weather and absence of snow—contributed substantially to this. The Federal Reserve Bank of Boston reports that the construction boom brought the wholesale price index of structural materials up nearly 7 per cent between January 1953 and early 1955.

Douglas fir and western hemlock encountered sluggish demand in New England in the early months but country-wide demand forced prices higher. Prices of eastern and western pines have been firm at fairly high levels although demand seems to be slowing down and prices are easing somewhat. Sales of western are ahead of output. Demand for both eastern and western spruce is heavy.

The demand for western spruce in New England has increased tremendously. This has resulted mainly from lower prices and the ability of western shippers to supply large quantities of the most desirable types. At the same time eastern Canadian shippers have faced difficult production problems caused largely by adverse weather conditions in the woods. These have coincided with an active demand from overseas markets, principally the United Kingdom. Now that New Englanders have been sold on western spruce, there should be a permanent and steady market for it in this area. The larger New England dealers report that it constitutes the largest proportion of their spruce business.

Unfavourable weather conditions in both eastern and western spruce-producing areas this spring have again hampered production in the face of heavy demands. Advances of from \$2 to \$4 on matched boards have been adopted by western spruce mills and prices of dimension are \$5 to \$10 ahead of levels prevailing in early March. Eastern spruce prices have also strengthened, particularly on 1 x 2 & 3 and boards. Production of Douglas fir and western hemlock has also been delayed by poor weather and at least one large mill is reported to have closed for lack of logs. Shipments and sales were well ahead of production at the end of the first week in May.

A strike by dock workers at one of the large lumber terminals in South Boston, scheduled to begin on April 29th, was postponed at the last minute at the request of the Boston Port Authority. Another meeting of interested parties was held on May 3rd but no agreement was reached. Negotiations were continuing at the time of writing and there was hope that a strike would be averted.

Meanwhile, following the strike notification, lumber yards experienced a sharp increase in demand for Douglas fir and hemlock. Those yards located within

50 miles of seaports were reportedly able to fill in stocks from dock supplies which still cost some \$10 to \$15 per M below rail transit. At the same time, prices on dock east coast to the retail trade showed small to medium advances in some categories of fir and hemlock. Apparently dock supplies are fairly comfortable for the present with reserves available in metropolitan Boston and in Rhode Island. These can be drawn upon if the strike materializes.

Hardwoods—Hardwoods have been moving normally in New England with no excitement in demand. There have been price increases recently but the outlook is for steadiness. Good-quality maple and birch are in steady demand at good prices. However, within the past two weeks demand has strengthened, probably in response to the bullish features of the softwood market. Oaks and birch commons have felt the effect most.

The following table shows prices for selected species and grades between April 23 and May 7.

<i>Softwoods</i>	<i>April 23</i>	<i>May 7</i>
Dressed eastern spruce random 2 x 3 & 4	93.00- 97.00	94.00- 98.00
Western white spruce No. 3, 1 x 10	100.00-103.00	98.00-103.00
Fir boards, No. 3, 1 x 8 & 10	87.00- 90.00	87.50- 90.50
No. 3 and better, May-July loading	90.50- 92.50	91.50- 93.50
Spot or transit	92.00- 94.50	92.50- 95.50
Fir dimension No. 1 and 2, April- July loading	108.00-109.50	106.25-109.75
No. 3, April-July loading	87.25- 80.50	89.50- 93.50
Fir or hemlock No. 3, 2 x 4, 6 and 8, Spot or Transit	87.50- 91.25	88.50- 92.50
<i>Hardwoods</i>		
Birch 4-4, No. 1 Common	115.00-135.00	120.00-140.00

Outlook for 1955

Generally speaking, the outlook for New England sales of all types of lumber from Canada is encouraging. The building boom will continue to generate active demand and prices should be attractive in view of the restricted supply of some of the most desirable woods. Barring a continuation of production difficulties at home or unforeseen developments in the United States, Canadian lumber exporters may look forward to an excellent New England market in 1955.

Tour of Territory

A. W. EVANS, Canadian Trade Commissioner in Cape Town, South Africa, will visit Southwest Africa from June 13 to 22. During his tour he hopes to visit Tsumeb, the copper-mining area, where a number of Canadians are employed. Businessmen interested in Southwest Africa should cable Mr. Evans at Cape Town as soon as possible.

Trends in Irish Trade

Relaxation in currency regulations effective last October has already helped push up Canadian sales to the Irish Republic. Analysis of 1954 import figures shows interesting shift in commodities purchased; sales to Canada rose.

T. G. MAJOR, *Commercial Counsellor, Dublin.*

FROM THE CANADIAN POINT OF VIEW, the most significant influence upon Irish external trade during 1954 was certain relaxations in the currency regulations which came into effect in October. These relaxations served to widen the potentialities of Irish-Canadian trade although import licences, quota restrictions and customs duties still exercise a retarding influence.

Certain specified goods may now be purchased freely from dollar sources. These include cereals and cereal products, animal feedingstuffs, animal and vegetable oils and fats, oil seeds, oil nuts, seeds for sowing, raw cotton, yarns, fibres, leather, hides and skins, and timber. With some minor exceptions, £250 will be allocated every three months for the import of other goods and it is understood that requests for amounts exceeding this value are being favourably considered.

The downward trend of trade with Canada noted in 1953 continued in 1954, but statistics for December and the first two months of 1955 reveal a considerable rise in imports from Canada.

Trade Deficit Smaller

Total imports exceeded exports during 1954 by £64.8 million, £3.8 million less than in 1953. Total imports, at £179.9 million, dropped by £2.8 million from 1953; total exports increased by £1 million to reach £115.1 million. The Volume Index for imports (base 1938=100) which jumped sharply from 125 in 1952 to 141 in 1953, dropped approximately five points in 1954. The Export Index Number shows an increase of about three points since 1953 compared with a rise of 15 points between 1952 and 1953.

The table above analyzes the trade of the Irish Republic by monetary areas. Sterling area trade shows an increase since 1953, with trade with the United Kingdom rising from £196.1 million to £202.3 million. Imports from the dollar area and from non-sterling EPU countries, however, decreased notably. A drop in exports to the United States was counterbalanced by increased sales to Canada.

REPUBLIC OF IRELAND TRADE BY MONETARY AREAS

Area (Origin for imports: destination for exports)	Imports		Exports (Including re-exports)	
	1953	1954	1953	1954
	(£ million)			
Sterling	113.0	121.5	104.7	103.6
United Kingdom..	92.7	100.3	103.4	102.0
Dollar	25.5	17.0	2.8	2.8
United States	16.5	12.2	2.4	2.2
CANADA	5.7	3.9	0.4	0.6
Non-Sterling EPU	34.6	30.6	4.3	5.7
All other areas	9.7	10.9	2.3	3.0
Total	182.7	179.9	114.1	115.1

Pattern of Markets

The United Kingdom continued to be Ireland's main market, though sales decreased compared with 1953. However, 88.6 per cent of total exports went to Britain and imports from Britain increased to reach 55.7 per cent of the total, as against 50.7 per cent in 1953.

Imports from most countries in Western Europe declined compared with 1953, with the exception of the Federal Republic of Germany. Purchases from West Germany increased by over £2 million to reach £7.3 million and consisted chiefly of iron and steel manufactures, machinery and electrical goods, textiles, and muriate of potash. Exports to Western Europe and in particular to West Germany improved. Imports from India show a sharp increase in value because of the rise in the cost of tea.

Imports from Argentina rose, revealing a shift in the source of supply of maize. In 1953, total maize imports to the value of £5.4 million came from the United States. Last year, when maize worth £4.2 million was imported, only £1.6 million worth came from the United States; the remainder was supplied by Argentina and the Union of South Africa.

Trade with Australia and New Zealand fell off.

Agriculture Dominates Export Trade

The importance of agriculture to the economy of Ireland is revealed by the pattern of export trade; nearly 60 per cent was carried on in agricultural

produce in 1954, compared with 53 per cent the previous year. Cattle exports increased noticeably as a result of decontrol of the market in Great Britain. Total exports rose from £25.1 million to £33.9 million, of which £24.6 million represents sales to Great Britain. Exports of foodstuffs of animal origin rose by £1.4 million to reach £31.3 million but other foodstuffs declined by £14.2 million to £10 million, largely because of a slump in the chocolate and sugar confectionery industry. The value of exports of beef and veal, bacon and ham, and butter increased. Sales abroad of pork, eggs and sweetened fat, and of other miscellaneous food products, declined. Total textile exports (with the exception of apparel) were down but stockings and hose went up by over £300 thousand. Other increases took place in exports of cardboard and paper and of motor vehicles. At the present time, there is a large export trade in second-hand motor cars to Great Britain.

Import Trade Declines

Import trade declined by £2.8 million, with the most notable decreases, compared with 1953, taking place in imports of butter, wheat (from £6.9 million to £1.7 million), maize, the raw materials for the chocolate and sugar confectionery industry, tobacco (due to running down of stocks) and textiles (except apparel).

Increased concentration on agriculture is reflected in a rise in imports of agricultural machinery and appliances, agricultural tractors and fertilizers. Motor vehicles and parts, aircraft and parts, railway rolling stock, coal, iron and steel for processing, wrought aluminum and copper, motor spirit and fuel oils, wood pulp and timber were among the commodities which the Republic bought in larger quantities in 1954. The value of timber imported rose by approximately £1.4 million and came largely from Finland and Sweden, as in previous years. Canada's share of this trade showed some improvement.

Trade with Canada Analyzed

Imports from Canada during 1954 totalled \$8,821,468—a drop of \$4.5 million since 1953. Exports to Canada rose from \$582,216 in 1953 to \$1,150,194. As a result of Irish Government policy, total wheat imports dropped considerably and purchases of this commodity from Canada fell to \$2.9 million from \$10 million in 1953. However, trade in other commodities improved slightly, with imports of goods other than wheat rising by over \$2.6 million.

The most significant imports from Canada which did not appear in 1953 trade were barley (\$494 thousand), canned salmon (\$274 thousand) and freight and passenger automobiles (\$322 thousand). Imports of whole peas increased from \$16,378 to \$54,849 com-

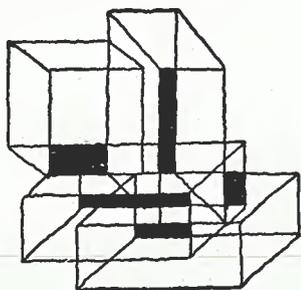


View of Waterford, in southern Ireland, where the craft of making Waterford glass was revived after the war. This famous glassware has played a part in the growing Irish exports to Canada in the postwar years.

pared with 1953, lumber from \$369,600 to \$1,603,800, hides and skins from \$380,444 to \$627,629, and wood pulp from \$33,315 to \$206,580. In addition, a number of items of lesser value such as cellulose products, medicinal preparations, drugs and chemicals, synthetic resin manufactures, tobacco, etc., showed gains.

On the other hand, some commodities featured in 1953 trade did not reappear in 1954. These included semi-fabricated aluminum (\$52,423) and copper rods, strips and sheets (\$94,432). Great Britain continued to be the main source of supply for these products. Total imports of seed dropped from the 1953 level. No flaxseed was imported in 1954 compared with \$124 thousand worth in 1953 and clover seed purchases decreased; imports of timothy grass seed rose. Other items which declined in value were newsprint (from \$1,665,000 to \$1,605,000), leather, drills and sowers, whisky, and asbestos milled fibres.

The largest single export from the Republic to Canada was fresh pork to the value of \$555,962, an increase of \$498,420 over the 1953 figure. On the other hand, sales of bacon and hams and other pork preparations dropped. An important export was cocoa and chocolate confectionery and preparations which reached \$237,348—but it is unlikely that this will be maintained in 1955. Exports of whisky, non-sparkling wines, fresh beef and veal, chicken and fowl, carpeting, etc., rose. New items appearing in 1954 included frozen egg yolk or albumen, men's leather footwear, tweeds, worsteds, serges and wool tops. There was a drop in exports of jute yarn and fabric, raw wool and gypsum board. ●



commodity notes

Argentina

PLOUGH DISCS—A German firm will begin manufacturing plough discs and other agricultural implements in Argentina by the end of 1957. The Government, by decree dated April 14, 1955, has approved the investment of 352,145 Argentine-German agreement dollars in this project—Buenos Aires, May 19.

Barbados

SUGAR—Dry weather with scorching sun, described as the worst since 1939, has hit Barbados during the sugar cane crop season and is causing a drop in yield of about two to three tons of cane per acre. If the dry spell continues the drop may be even greater and fields which would normally yield 45 tons will drop to 41.

The number of acres of canes burnt this year is the greatest since 1945, although the number of fires has not been unusually high. The spread of fire is to some extent accounted for by the strong winds. This dry weather and the large number of acres destroyed by fire do not augur well for the next crop—Port-of-Spain, May 20.

Brazil

TOBACCO—Brazil's tobacco production totalled 134,273 tons in 1954, compared with 132,135 tons the previous year—São Paulo, May 18.

COFFEE—Parana's coffee crop, on the market after June, is estimated by the Londrina Rural Association at 4.3 million bags from 375 million trees. The Brazilian Coffee Institute's estimate, made in January, is 4.1 million bags from the same number of trees. The difference arises from a different criterion of yield per tree—São Paulo, May 17.

Egypt

TOBACCO—An Egyptian company has received permission to grow tobacco on its farm near Gianaclis. Previously, the Egyptian Government prohibited local production in order to protect its revenue from customs duties on imported tobacco. Permission was

granted to this company on the understanding that the entire crop will be exported to Germany, but it is expected that sales to local manufacturers will be allowed eventually. The Government's revenues will be protected by an export tax or by the imposition of an import excise tax—Cairo, May 17.

Federation of Rhodesia and Nyasaland

TOBACCO—After copper, tobacco is the Federation's second most important export. It is grown principally in Southern Rhodesia and tobacco auctions are held in Salisbury, the federal capital. American auctioneers officiate. So far this season, 18.5 million lb. of flue-cured tobacco have been sold for £3.25 million (an average price per pound of approximately 49 cents Canadian), and 90,600 lb. of fire-cured tobacco has been sold for £5.6 thousand (an average price per pound of 17 cents Canadian)—Salisbury, May 16.

Finland

METAL AND ENGINEERING PRODUCTS—According to a report by the Bank of Finland, exports of Finnish metal and engineering products which previously were mainly directed to the U.S.S.R. are increasingly being exported to western countries. The principal western customers are Sweden, Norway, Denmark, Iceland, Turkey, Israel and Brazil. The principal products exported are copper, alloy steels, machinery for the pulp and paper industry, engines, road-making machines, textile machines, electric motors and appliances, tools and household goods—Stockholm, May 24.

India

ION-EXCHANGE MATERIAL—A new process of preparing ion-exchange material from coal, developed at the Fuel Research Institute, Dhanbad, is being acquired for commercial purposes by a German firm for use in some European countries. The licence for the process has been issued by the National Research Development Corporation of India. A Calcutta firm has already been granted a licence to produce the material for Indian requirements.

Prepared from coal, it is used extensively for water-softening for boilers, laundries, textile mills, dyeing houses, breweries and ice plants—New Delhi, May 19.

PENICILLIN—The government-owned Hindustan Antibiotics Limited at Pimpri, near Poona, Bombay State—a \$20-million project undertaken in co-operation with the World Health Organization and other specialized agencies of the United Nations—is expected to begin commercial production of penicillin towards the middle of this year. The plant is scheduled to produce 20 million mega units of penicillin a year. Under the Second Five-Year Plan, manufacture of streptomycin, chloromycetin, and such by-products as vitamin B-12 will also be developed. Efforts are being made to locate cheap indigenous substitutes for the raw materials currently imported—Bombay, May 22.

Indonesia

KAPOK—The Kapok Institute has announced that production of kapok on the islands of Java and Madura for 1954 amounted to 12,000 tons, the same as in the previous year. During 1954, Indonesia exported 20 tons of kapok to Canada—Djakarta, May 12.

Japan

CANNED GOODS—Exports of canned goods from Japan during 1954 totalled \$50,393,000, compared with \$34,940,000 in 1953, according to a report by the Japan Canned Goods Association—Tokyo, May 20.

Mexico

FERTILIZERS—Production of fertilizers rose by 462 per cent in the five years 1950-54; imports rose by 275 per cent—from 15,474 tons (7 million pesos) to 58,097 tons (48.4 million pesos). The overall increase in consumption during the five years was 397 per cent. Naçional Financiera, a government agency, anticipates that three new fertilizer plants will be constructed during the next few years, but states that the Mexican market can absorb immediately another 150 thousand tons a year, chiefly of chemical fertilizers—Mexico, D.F., May 26.

Philippines

COCONUT WALLBOARD—A Philippine firm recently announced plans to make building materials out of coconut husks. The new process, the result of 15 years of research, uses coir dust and short coconut husk fibres. A plant will be erected near the Pasig River, just outside Manila. It will turn out boards

of various sizes, employing specially-designed machinery imported from abroad. The Philippine Institute of Science reports that tests carried out in its laboratories show that the new product is as strong and durable as some grades of hardboard.

Apart from boards, the new factory will produce material for furniture-making and other structural purposes. Its capacity will be ten to fifteen tons of coir daily. Coir fibres will be available for brushes, door mats, carpets, bags, ropes, yarns, fishing nets, cushions, pillows and mattresses—Manila, May 19.

St. Lucia

BANANAS—St. Lucia, although it only started importing banana plants in 1949, is now rapidly developing a large banana industry. Both climate and soil conditions are extremely suitable for banana growing. In 1953, 150 thousand stems were exported and last year over 300 thousand. The growers hope to export three-quarters of a million stems this year and by 1958, two million stems—Port-of-Spain, May 19.

South Africa

MAIZE—The first official estimate for the 1954-55 maize crop forecasts a harvest of 30.8 million bags (of 200 lb.), which is only fractionally less than last year's crop and promises an exportable surplus of about 12 million bags. The Maize Control Board has recognized the softening of world prices by reducing the guaranteed return on premium grade maize to the Union farmers by 1/-. The maximum price for the new crop is 30/- per bag—Johannesburg, May 12.

GOLD—Gold winnings in March amounted to 1,210,513 ounces, an increase of 95,551 ounces over February and the highest output since July 1942. The value, £15.2 million, established an all-time record and surpassed the previous record of £14.9 million in December 1954. This achievement is the result of a combination of favourable factors, including a 31-day month, continuing expansion of operations in the new mines of the Free State and Western Transvaal, and the availability of native labour which increased by a further 1½ per cent to 330 thousand—Johannesburg, May 18.

CITRUS—Three records were established by the Union's citrus growing industry last year—a record crop of 8.5 million cases, a record export of 6.35 million cases, and a record value for exports of more than £12 million—Cape Town, May 16.

SUGAR—South Africa produced 828 thousand short tons of sugar for the 1954-55 season, a new record. This figure is 12.5 per cent over the previous similar

period, and increased acreage indicates a larger production for the next crop. This production will enable the Union to export her full quota of 200 thousand tons under the Commonwealth Sugar Agreement; local market requirements are estimated at about 600 thousand tons—Cape Town, May 16.

Spain

SMALL CAR—The Voisin Biscuter is the smallest and most economical car manufactured in Spain. Named after its French inventor, M. Voisin, it is now being made in Barcelona by the "Empresa Auto-nacional S.A.". More than 1,000 have been sold in Barcelona and its popularity, especially among the young, is increasing. It is the first light car to be 100 per cent Spanish manufactured, and is now being turned out at the rate of 300 a month. A two-seater, the Voisin Biscuter does a hundred kilometres on four litres of gasoline and has a top speed of over 70 kilometres an hour. It has a Hispano-Villers 197 c.c. engine, front traction, three-speed gear boxes, differential, four independent wheels of small diameter, and a strong body of duraluminum. The basic cost per car is Pts.28,600 or approximately \$715; complete with accessories such as windscreen wipers, spare wheel and hood, the car costs Pts.29,750 or approximately \$744—Madrid, May 17.

Sweden

WALLBOARD—Exports of Swedish wallboard in 1954 increased by 69 per cent to 213 thousand tons compared with 126 thousand tons in 1953. Leading customer was the United Kingdom which bought 92,000 tons—43 per cent of total exports—compared with 47,000 tons in 1953. The second largest customer was the Netherlands, taking 28,700 tons compared with 17,400 in 1953, followed by the United States with 14,600 tons compared with 7,800 the previous year. Prospects for 1955 are considered to be good, particularly as wallboard is now on the United Kingdom's free list. Prices are expected to remain stable as in 1954—Stockholm, May 20.

Trinidad

CARDBOARD CARTONS—Trinidad's cardboard carton factory, run by a Danish firm, began operations as a pioneer industry at Mount Hope on April 18th. The \$750 thousand factory was completed in four months and has a staff of 10. Its capacity is 20 tons of cardboard a day. The factory will make its cartons from thin sheet cardboard on reels, imported from Scandinavian countries and Denmark. The sheet material will be corrugated, piled and formed on the machines and also stamped to suit the required labels. The number of local orders so far received will keep the plant running for some time. Output

will meet the needs of the local market but leave little for export, although some is contemplated—Port-of-Spain, May 23.

United Kingdom

BICYCLES, MOTORCYCLES—In the first two months of this year, the United Kingdom produced 560 thousand bicycles, 90,000 more than in the same period of 1954. Exports in January and February totalled 352 thousand, an increase of 13,000. British motorcycle manufacturers have also started the year well—output in January and February was 33,130 machines, 4,190 more than in the same two months last year. Exports, however, dropped slightly from 13,360 to 12,530 units—London, May 25.

SYNTHETIC FIBRES—In March, United Kingdom output of terylene, ardil, rayon and nylon reached the record level of 42.2 million lb. The total was made up of 20.6 million lb. of continuous filament yarn and 21.6 million lb. of staple fibre. Production in the first quarter of 1955 was at an annual rate of 470 million lb.; staple fibre now accounts for rather more than half this output—London, May 25.

MACHINE TOOLS—At the end of January, British machine tool makers had orders on hand worth £83 million, compared with £71.6 million in January 1954. Value of production is running at about £66 million a year, so that outstanding orders represent about 15 months' output. Export orders represent about one-third of total production and were valued at £20 million in 1954. United Kingdom exporters report that their exports are now more evenly distributed than for some time past, and that they are retaining their competitive position vis á vis Continental machine tool exporters—London, May 25.

RADIO AND TV SETS—United Kingdom sales of radios and television sets in the first quarter of 1955 are considerably greater than in the comparable period last year. Retail sales of TV sets totalled 286 thousand units in the period January to March 1955, compared with 168,500 in the same three months of 1954. Similar increases occurred in radio sales, which advanced from 254,500 units last year to 384 thousand in the first quarter of 1955—London, May 25.

West Germany

WALLPAPER—West Germany's wallpaper manufacturers produced a record 86.2 million rolls of wallpaper in 36 plants last year. This represents a production increase of 27 per cent over 1953, the highest since the war. Exports reached 3.2 million rolls (1953, 1.8 million), mainly to Switzerland, Italy, the Netherlands, Belgium, Austria and Luxembourg—Bonn, May 24.

Exchange and Import Controls Abroad

During the year, the Department of Trade and Commerce receives many questions about how exchange and import controls affect payment for Canadian exports. This article deals with questions of this type that arise in carrying on Canadian trade with the sterling area.

J. R. DOWNS, *International Trade Relations Branch.*

EXCHANGE AND IMPORT CONTROLS in other countries often seem mysterious because they are unfamiliar. Many questions are directed to the Department of Trade and Commerce about payment for Canadian exports.

This article is an attempt to provide answers to questions which are frequently asked about the sterling area. These are important questions, because about 50 per cent of the world's trade is financed with sterling. A later article will deal with other currencies as these affect our trade.

Q. Why can't Canadian exporters accept sterling in exchange for goods shipped to the sterling area?

A. There are no Canadian regulations which prevent an exporter from accepting payment in any currency he chooses.

Canadian exporters to Britain and other sterling countries are, in fact, paid in "dollar account" sterling, which the British authorities will convert into dollars at the official rate. Canadian exporters normally exercise their right to receive dollars in this way.

Goods shipped into the United Kingdom from Canada are in many cases listed under open (unrestricted) licensing arrangements. In other instances, individual import licences must be obtained. In all these cases, when dollar area goods are sold to the United Kingdom in compliance with their regulations, permission is automatically forthcoming to receive payment in "dollar account" sterling. The private importer in the United Kingdom naturally pays for his dollar goods in sterling and the exchange transaction is effected by the banks.

The United Kingdom authorities do not permit payment of inconvertible sterling to exporters in the dollar area. By inconvertible sterling is meant British currency which the United Kingdom authorities will not exchange into dollars. Other sterling area countries follow similar import and exchange policies.

Q. Does this mean that all sterling at present earned by exports of our goods to the sterling area is convertible?

A. Yes; it is the same as selling for dollars.

Q. What part of our exports to the United Kingdom comes under open licensing?

A. In 1954, about 65 per cent of Canadian exports to the United Kingdom were under open licences—that is, *not* subject to restriction or discrimination. A further 21 per cent of Canadian exports were individually licensed but were admitted without discrimination as to source. Thus about 14 per cent of our exports in 1954 were subject to discrimination.

Q. What about restriction of and discrimination against dollar goods in other sterling area countries?

A. The degree of freedom varies from country to country, but they have all made progress towards the abolition of controls and discrimination. South Africa has completely abolished discrimination against dollar goods. South Africa retains a number of import controls but is taking steps to eliminate these. Other sterling area countries—for example, New Zealand, Australia, and some colonial areas—have adopted more liberal policies on dollar imports in the last few years.

It seems likely that under-developed countries of the sterling area will retain import controls longer than the more developed countries. Import controls alone, however, need not mean discrimination and in fact it is in the interest of the under-developed countries in general to eliminate discrimination as soon as possible.

Q. Isn't there an unofficial market for sterling in New York? Could not Canadians obtain sterling for their exports and convert this money into dollars on the New York market?

A. There is an unofficial market for sterling in New York. Dealings there are largely between residents of non-sterling, non-dollar countries—that is, residents of the countries the United Kingdom authorities term the "transferable account" area.

Since Canadian exporters to the United Kingdom do receive payment in convertible sterling, they would

normally have no reason to resort to this unofficial market. Canadian exporters cannot increase their sales to the United Kingdom by expressing willingness to accept payment in inconvertible sterling.

When goods are paid for in sterling, there is normally a transfer of sterling from one bank account to another in London and this transaction is subject to British exchange regulations. The United Kingdom authorities in general do not approve payments from transferable area accounts to dollar accounts. The British exchange controls therefore make it very difficult for a dollar area exporter to receive payment for his goods in transferable account sterling. In addition, sterling sells on the unofficial market at a discount of up to three per cent on the official rate of exchange.

Q. The dollar area has been mentioned a number of times. Exactly what is this area?

A. The dollar area is a group of countries, mainly in North and South America, which have close commercial links with the United States, and which do not discriminate against imports from any source by means of import and exchange controls.

The dollar area is not a formal grouping of countries, like the sterling area, or the European Payments Union, which has its own internal arrangements. Dollar area countries, by contrast, are so defined for the purposes of exchange and import regulations in the United Kingdom and other soft currency countries. For example, the United Kingdom defines the dollar area as the United States and its dependencies, Bolivia, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Liberia, Mexico, Nicaragua, Panama, the Philippines, Salvador, Venezuela and Canada, which is listed as the "Canadian Account" area.

Q. Is most of the world's trade financed with sterling?

A. The estimates of the part of world trade financed by sterling vary. A common one is that about 50 per cent is financed with sterling. The United States dollar is the other "big" international currency.

Q. Is our trade affected by the exchange and import controls of important non-sterling, non-dollar countries?

A. Yes. The important countries of Europe, with their dependencies, have systems of control to protect their balances of payments. The Western European countries are members of the European Payments Union and the United Kingdom provides a direct link between EPU and the rest of the sterling area. Important non-European countries, for example Japan, also have their control regulations.

A further article will answer typical questions about regulations in other countries, and will discuss the significance of points raised by the questions and answers.

Export Bonuses on Brazilian Cotton

IN AN EFFORT to move Brazilian exports to world markets, the Superintendency of Currency and Credit issued Instruction 115 on May 4. The effect of this regulation is to transfer cotton from the second category of exportable products to the third.

This will have a favourable effect on cotton exports. Under the export bonus system, the Superintendency has listed four categories of Brazilian export products for which export exchange bonuses are paid to the exporter in addition to the official rate of 18.36 cruzeiros to the U.S. dollar.

Category	Bonuses in cruzeiros per U.S. dollar or its equivalent	
	Convertible Currencies	Other Currencies
First	Cr.\$13.14	Cr.\$11.86
Second	18.70	17.19
Third	24.70	22.95
Fourth	31.70	29.67

This move to assist the cotton growers to obtain a larger share of foreign markets has met with a mixed reception. The Brazilian Rural Society is of the opinion that the increased cruzeiro return to the cotton farmer is sufficient and just. The Agricultural Federation of the State of São Paulo (FARESP) is not fully convinced. FARESP had been seeking an increase to the fourth category. The reaction of the São Paulo Cotton Exchange was favourable, mainly because the increase to third category would not affect adversely local domestic cotton prices. A transfer to fourth category would have upset domestic pricing and increases would have aggravated the inflationary trend in Brazil. For example, quotations on the Cotton Exchange of São Paulo on May 4 were Cr.\$450.00 per arroba (one arroba=15 kilos or approximately 33 pounds) for immediate sales; for October futures—Cr.\$481.50. Using a recent New York market quotation of 35 cents per pound and considering the third category return for cotton exports of approximately Cr.\$43.00 per U.S. dollar, a quotation of between Cr.\$450.00 and Cr.\$460.00 per arroba would result. This is approximately the same as local market quotations.

Crop forecasts for 1955-56 have not been evaluated yet, but early reports seem to indicate a somewhat smaller crop than last year. The quality, however, is expected to be higher.

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

Sudan's Development Problems

Progress in the Sudan is hindered by poor communications, the country's major problem; the Government has plans on foot to improve rail, road and water transport.

M. R. M. DALE, *Commercial Secretary, Cairo.*

INADEQUATE TRANSPORTATION FACILITIES are the stumbling block to the development of this African country, affecting both internal and external trade in its basic industry—agriculture. The Sudan, with a population of ten million, covers an area of nearly a million square miles extending from Egypt to the Belgian Congo and from French Equatorial Africa to Ethiopia and the Red Sea. Much of the land is desert, but a third of the whole area could be developed for agriculture with increased irrigation, experimental projects in the tropical south, and further development of rainlands' agriculture. Unfortunately, the productive areas are remote from the Sudan's only seaport, Port Sudan, and transport between these areas and the capital, Khartoum, is poor. This transportation problem has become more acute with the improvement in living standards and the subsequent growing interest in new local products and in imported foodstuffs.

Transport Included in Plan

A program to build roads, expand the railways and make more effective use of transport on the country's 2,300 miles of rivers is included in the Government's five-year (1951-56) development plan. The plan, for which £E18 million has been allocated, also includes projects for extension of the Gezira cotton scheme, increasing irrigation, improving supplies of drinking water in rural areas, and a geological survey of the country. Industrial development in the Sudan has been held back by lack of cheap power and of mineral resources.

Cotton Is Leading Export

Cotton and cotton by-products are the Sudan's most important source of income and account for about 80 per cent of total exports, compared with 11 per cent of the total in 1912 and 30 per cent in 1942. American-type cotton is grown in the Sudan, particularly in the rainlands of the Nuba mountains, but long-staple cotton is by far the most important crop. The increase in long-staple cotton production during the last 25 years can be attributed to the successful Gezira Co-operative Scheme under which the Government, the tenant and the Gezira board are partners in an out-

standing socio-economic experiment. Each of the three partners in this huge co-operative farm of one million feddans has certain specific duties. The Government provides land, canals and water; the tenant provides labour for field irrigation, sowing, after-cultivation and picking; the Gezira board manages the scheme and supplies capital equipment, such as ginneries, light railway equipment and farm machinery. The three partners are jointly responsible for the cost of fertilizer, spraying, transport, ginning and marketing.

Gum Arabic Market

Gum Arabic is the Sudan's second most important export and sales abroad have increased from 9,760 tons valued at £E148,308 in 1902 to 13,708 tons valued at £E491,431 in 1942 and 40,000 tons in 1954 with a value of almost £E4 million. The Sudan supplies 80 per cent of world demand for gum Arabic, which is extracted from wild acacia trees. The gum is sold at auction either by the picker or, more often, by the local merchants to the large exporters who prepare it for shipment. Price and supply fluctuate greatly. Other Sudanese exports include sesame, dura and hides and skins.

Principal Imports

The Sudan's imports for the first eleven months of 1954 totalled £E44,368,000 and exceeded exports by £E6,815,000. (Returns from cotton sold late in the year adversely affected the balance.) Principal imports were textiles, tea, coffee, sugar and footwear. The country is self-sufficient in millet, salt, edible oils and meat, but as the standard of living rises, larger numbers of the people are learning to prefer wheat flour to millet. Wheat is considered an expensive crop in the Sudan and therefore imports of flour have substantially increased from 17,000 tons in 1938 to 40,000 in 1954. There is a surplus supply of milk in some areas but a deficiency in others and large quantities of dried and evaporated milk are bought abroad. Sugar imports have trebled since 1938 and a pilot sugar-growing scheme has been started in the southern province.

Canada's trade potential in the Sudan is limited not only by exchange considerations but by the nature of the market itself. Our sales to the Sudan are largely confined to flour, farm machinery, motor cars, technical services and occasional manufactured products to

satisfy demand. In 1954 these sales had a total value of \$8,368 and the principal item was farm machinery and parts; our imports had a total value of \$56,954; the largest item was amber and Arabic gums.

Banking Abroad



Central, South and British East Africa

HOWARD CAMPBELL, *Assistant Trade Commissioner, Johannesburg.*

BANKING IN SOUTHERN AFRICA is conducted along much the same lines as it is in Canada and the United Kingdom. There are only a few banking houses but they have branches throughout Kenya, Uganda, Tanganyika, Rhodesia, Nyasaland, Mozambique and the Union of South Africa. Their pattern of operation is illustrated below:

are asked by overseas banks to make collections, they usually notify the consignee of the amount due as soon as the documents arrive. If payment is not received within 24 hours, a bank messenger is sent out to make collection. A portion of the $\frac{1}{4}$ per cent commission received for this work is remitted to the overseas bank when the collection has been made.

	Total Assets	BRANCHES			
		Union of South Africa	Central Federation	British East Africa	Mozambique
Barclays Bank (D.C.O.) Ltd., 40 Simmonds Street, JOHANNESBURG	£515,839,926	558	53	37	2
The Standard Bank of South Africa Limited, Simmonds Street, JOHANNESBURG	363,643,250	553	54	35	3
Volkskas Beperk, Van der Walt Street, PRETORIA	41,617,700	150	....	....	....
Netherlands Banks of South Africa Limited, Simmonds Street, JOHANNESBURG	26,820,624	50	3	....	....
Banque de l'Indo Chine, 67 Fox Street, JOHANNESBURG	1,050,000	2	....	....	....
The South African Bank of Athens Limited, Marshall Street, JOHANNESBURG	1,443,736	2	....	....	....

The Standard Bank of South Africa Limited maintains an office at 67 Wall Street, New York City, and Barclays Bank (D.C.O.) Limited has branches at 214 St. James Street West, Montreal, and 304 Bay Street, Toronto. The other banks mentioned above work through correspondent banks in North America.

All of the banks operating in this part of the world are interested in handling foreign business. When they

Even the smallest branch of each bank acts as an independent unit and can open letters of credit or make collections when called upon to do so. Each branch deals with overseas inquiries direct and there is no need for Canadian banks to route correspondence through the head office of the bank with which they wish to deal. ●

United States Clarifies "Fair Value"

New regulations recently issued by the U.S. Treasury define more carefully "fair value" as applied to imported merchandise when the question of dumping is at stake.

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

FOR SOME TIME uncertainty has prevailed over the correct definition of "fair value" when it is used to ascertain whether or not the price at which goods are offered for sale in the United States is below the value of the goods in the country of origin—and therefore constitutes dumping. In general, the tendency has been to accept the value used for customs appraisal, although this value might be considerably higher than the actual sale price to the United States, and to consider that this does not constitute dumping in the usually accepted definition of that term. Furthermore, it had become apparent that the existing regulations were intricate, time-consuming, and often gave a misleading price comparison.

To clarify this issue, the Treasury first took administrative action in June of 1954 and published proposed amendments to the regulations, inviting comments and suggestions for improvements from industry and from traders. As a result of the replies received, the Treasury last November issued proposed amendments. But before adopting the changes, it again invited comment. Regulations have now been issued that are substantially the same as those published in November.

Methods of Determining Values

The new regulations are important because they clarify the methods of establishing whether or not dumping is taking place and also remove some of the anomalies of the previous methods of assessing values when considering anti-dumping action. The amendment clearly defines fair value as applied to imported merchandise and goes on to illustrate the application of the definition by giving a number of examples.

The usual test for determining dumping will be whether or not imported goods are sold at prices less than the fair value. The fair value is defined as the price at which the goods are sold for consumption in the country of origin on or about the time of purchase. Where this cannot be established, or if the sales in the home market are of little significance, other criteria are used. These are, in order of consideration:

- Prices charged on exports to other countries.
- Prices of other foreign producers or sellers in the same country.

- Cost of production.

What is particularly significant about the new regulations is that in calculating fair value various considerations may be taken into account. Reasonable allowance, for instance, may be made for differences in quantities and circumstances of sale. Furthermore, if no actual sales take place in the home market, offering prices may be accepted. Should sales prices otherwise vary, the established fair value will take into account the price at which the preponderance of the merchandise is sold, weighted average of prices, or other reasonable criteria.

Some Examples

This means that, should a foreign firm have a domestic price structure that provides for prices that differ according to the class of customer, it may apply the same pricing policy to its exports to the United States without danger of running foul of the anti-dumping laws. In general, the amendments make it possible for foreign firms to deal in the United States market using the same pricing policies as they use on the home market. Or they may even offer lower prices for export if there are conventional and satisfactory reasons for doing so—such as greater volume per individual sale than is customary on the home market. The amendments also make it possible to apply export prices (without danger of anti-dumping action) to their sales in the United States, even if these prices are lower than the domestic price—as long as sales in the domestic market are relatively small in relation to total sales (i.e., domestic plus all exports).

It should be emphasized that these important changes and clarification of valuation for anti-dumping purposes in no way alter or affect the valuation for duty purposes. The procedure for calculating values for assessment of duties remains unchanged and there may be wide divergence between the values used for each purpose. As the Treasury forecast on several occasions, a bill was introduced into Congress on May 6, 1955, designed to amend the methods of arriving at value for duty purposes. It remains to be seen, however, whether this bill will pass both Houses of Congress. In the past, similar bills have been introduced and have failed to pass the Senate. ●

General notes



Australia

TV IN EIGHTEEN MONTHS—Commercial and national television stations are expected to begin telecasting in about 18 months. There will be one national station and four commercial licences have been granted—two each in Sydney and Melbourne. Ten or twelve Australian manufacturers will make TV sets, and most major companies are well on the way with initial production planning. Eighty per cent of the capital of a licensee company must be held by Australians—Sydney, May 17.

AUSTRALIAN INDUSTRY—According to the Minister for Labour and Immigration, Australia's industrial growth has enabled the country to cope with increased population. Number of factories has risen from 27,000 before the war to 50,000, and the number of workers from 565 thousand to more than one million—Sydney, May 17.

Austria

AUTOMOBILE PRODUCTION PLANNED—The Austrian automotive industry, which at present only engages in the assembly of cars, is reported to be planning the construction of an Austrian popular car similar to the German Volkswagen. Up to now, Austria has produced trucks but no passenger cars. The price of the car is expected to be about US\$760. The 14-16 h.p. engine will permit a speed of up to 90 km. per hour. Austria apparently does not yet have all the necessary presses for body manufacture but is reported to be negotiating to import them—Berne, May 20.

Brazil

CHEMICAL PLANT—A United States company is planning the installation of a new plant in São Paulo for the production of sealing compounds for can and container industries. The company expects to add other products later—São Paulo, May 18.

British West Indies

CITRUS ASSOCIATION—A new regional organization in the British West Indies was formed recently when delegates from British Honduras, Jamaica, Trinidad, and Dominica met to establish the British

Caribbean Citrus Association. Temporary headquarters will be in Kingston, Jamaica. The new association will represent the citrus industry of the British Caribbean much as the British West Indies Sugar Association now represents the sugar producers. It is sponsored by the Regional Economic Committee and is hailed as a further step in regional co-operation. Among its immediate aims will be to seek assurance from the United Kingdom Government of a long-term market in Britain for the growing West Indies output of citrus fruit. Other functions will be research, collection of statistics and information on production and marketing, and the general improvement of the citrus industry—Kingston, May 17.

Chile

TRADE WITH JAPAN—Local press reports indicate that the Chilean Government is making plans to increase trade with Japan and has suggested a treaty between the two countries. The report also states that an official Japanese mission is expected to arrive in Chile shortly—Santiago, May 18.

FIAT TRACTORS—The Latin-American representative of the FIAT Motor Car Company of Italy recently visited Concepcion in southern Chile. During a press conference, he announced that his company intended to establish a tractor factory in Chile near the Huachipato steel works. Capital would be supplied partly from Italy and partly by the Chilean Development Corporation—Santiago, May 18.

Ecuador

FOREIGN TRADE—Figures recently released on Ecuador's foreign trade for the first three months of 1955 are encouraging. Exports in that period totalled 282 million sucres, compared with 243 million sucres for 1954. All of the main exports showed increases over 1954: cacao, a six million sucre increase; coffee, 17.5 million sucres; bananas, 20 million sucres; rice, 1.5 million sucres. Imports for the first three months totalled 154 million sucres, leaving a favourable balance for the period of 128 million sucres—Bogotá, May 20.

India

CASHEW FACTORY—Growers of cashew nuts in the South Arcot district of Madras State propose to set up, with government assistance, a \$160 thousand co-operative factory to process cashew nut oil and kernels for export. About 4,000 long tons of cashew nuts are produced annually in this district and disposal has proved difficult. The new factory, which is expected to handle 1,200 long tons a year, is designed to ease this marketing problem—Bombay, May 16.

EXPORTS OF ART SILK—An Export Promotion Council, composed chiefly of representatives of the trade, has been established to stimulate the demand for Indian art silk fabrics in foreign markets. Similar councils have already been set up for the cotton textile and silk and rayon textile industries and are planned for engineering goods, plastics, sports goods, cashew nuts and pepper, shellac, tobacco and mica. These trade promotional bodies are also expected to set standards of quality and packing and to organize rigorous inspection for products destined for export—Bombay, May 16.

South Africa

IMPORTS—Foreign credits to the value of £491 million will be available for the financing of imports during 1955, according to a report by the Economic Committee of ASSACOM (Associated Chambers of Commerce). The estimate, representing an increase of £52 million over total imports during 1954, encourages the belief in further early relaxations in import control. Representations are being made for a further allocation of quotas for consumer goods to supplement the two issues already announced for 1955, in the hope that the whole year's quota may reach at least 60 per cent of 1948 imports. The Director of Imports and Exports is now considering applications for quotas from new retail businesses and is examining the question of quotas for new wholesale businesses and in developing areas—Johannesburg, May 18.

United Kingdom

ELECTRIC RAZOR FACTORY—A British affiliate of a United States light engineering company will operate a factory at Thornliebank for the production of electric razors. The site of the new factory, which will occupy about 130 thousand square feet, is now being cleared for construction. About 800 persons will be employed in this project—London, May 25.

HOME BUILDING—With completion of 37,921 houses in March, the number of permanent houses built in Britain since the end of the war has passed

the two-million mark. Completion of 82,233 houses in the first quarter of this year is a new record. Housing starts so far this year have been slightly down from the high level of mid-1954; during the first quarter, 60,885 houses were started, compared with 75,699 in the first quarter of 1954—London, May 25.

RECORD TOURIST YEAR—Last year, 901 thousand tourists arrived in the United Kingdom, 10 per cent more than in 1953 and 80 per cent more than in 1937, the prewar record year. These visitors spent a total of £95.5 million in the U.K.; tourists from dollar areas spent over £34 million of this. In 1954 some 339 thousand visitors, about one-third of the total, arrived by air—London, May 25.

United States

SEAFOOD WAREHOUSE AND PLANT—A 12-million-pound capacity refrigerated warehouse, costing over \$1 million, will be constructed in Gloucester for storing frozen fish. Adjacent and connected to it, one of New England's largest processors of fish sticks and other seafood products will construct a new three-storey processing and quick-freezing plant. The plant is scheduled for completion early next year and will cost more than \$500 thousand. Among its special features will be a visitors' gallery from which modern processing techniques can be viewed. It will provide employment for 200 people. The cold storage warehouse will be on the Gloucester waterfront with deep water facilities for handling large ships—Boston, May 30.

NEW CEMENT PLANT—A new cement plant with a production capacity of 4,500 barrels a day is planned for Rockport, Maine. This is expected to raise New England's total cement output by approximately 50 per cent. The region's only other producer is also located in Maine and has an annual capacity of two million barrels. New England imports approximately two million barrels a year from other areas—Boston, May 30.

NITROGEN PRODUCTS PLANT—Two major oil companies are co-operating to build what will be the largest ammonia plant in the United States. Daily output capacity will be 300 tons. Hydrogen, a by-product of oil refineries located in East Chicago and Whiting, Indiana, and belonging to the two companies, will be combined with nitrogen to produce anhydrous ammonia. End products of the plant will be ammonia, fertilizer and other industrial nitrogen products. Production will begin in May 1956—Chicago, May 27.

The Venezuelan Market for Fish

Despite several forms of government assistance, the fish catch is not increasing and country provides small market for imports. Canada favoured as supplier of canned salmon, but should be able to sell other types also.

D. B. LAUGHTON, Acting Agricultural Secretary, Caracas.

PRODUCTION OF ALL TYPES OF FISH in Venezuela has remained virtually unchanged since 1948 or in some years has declined, despite considerable government assistance in the form of increased duties on fish imports, lower duties on fish canning equipment, and long-term loans for boats and gear. The country now has facilities for doubling present production but the demand is lacking, particularly for salted and canned fish. Fresh fish is moderately popular but sales are restricted by inadequate refrigerated truck services for distribution and not enough freezer facilities in the markets.

However, the Government is still anxious to expand the industry and is planning to increase port-side storage capacity.

Venezuelan Production of Commercial Fish

	(metric tons)			
	Fresh	Salted	Canned	Total
1946	23,000	13,500	7,800	44,300
1948	39,400	13,400	9,300	62,100
1950	29,500	10,700	4,500	44,700
1952	31,900	10,200	7,500	49,600
1953	32,800	10,200	7,800	50,800
1954	21,500	6,100	4,800	32,400

Source of preceding table: Boletin Estadistica. Ministerio de Fomento.

(Note: The 1954 figures are provisional. Venezuelan statistics do not show fish production by species.)

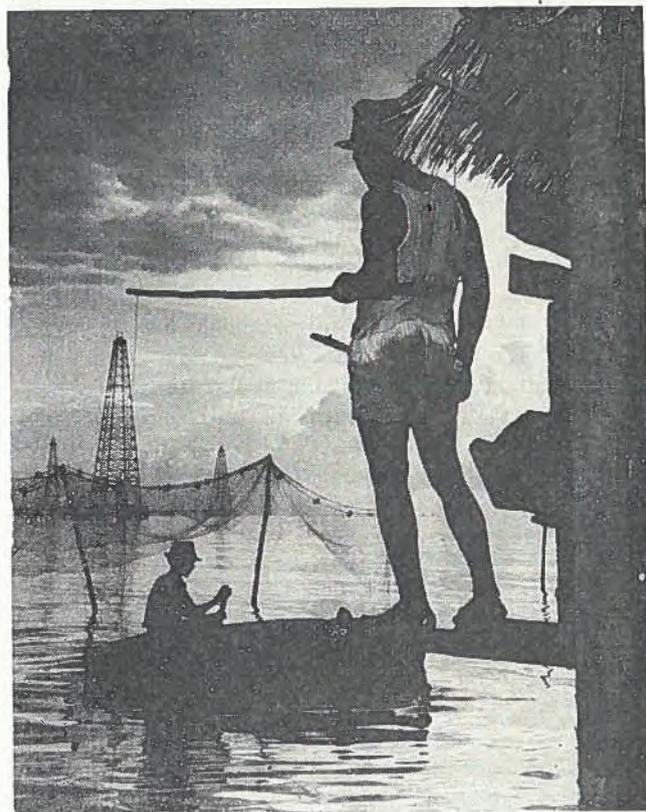
The Venezuelan Government is reviewing the legislation on ocean fishing and may soon permit the taking of certain coarse species for use solely by the fishmeal industry. Present production is only 1,000 metric tons per year and present demand, which is estimated at four times that amount, is increasing annually in proportion to the animal feeds industry. There may also be plans for the preparation of fish fertilizers; Venezuela is currently importing both organic and inorganic formulas to develop agricultural production.

Sport fishing is rapidly increasing in popularity as new roads give the general public greater access to the sea and the standard of living permits more recreation. Venezuelan coastal waters are well stocked with the

usual Caribbean game fish and recently it was discovered that during May to August of each year there are good schools of tuna about the islands off the port of Cumana.

Imported Fish Products

Venezuela provides a small market for a wide range of cured and canned fish and every major import category except canned sardines showed some increase in 1954 compared with previous years. This reverses the production trend and is all the more surprising in view of the protective duty of 27 cents per gross pound which is applied to all types of fish products.



—Creole Petroleum Corp.

Two Venezuelans fish in the ancient way in Lake Maracaibo, with the great oil derricks rising in the background.

FOREIGN TRADE

No single country could be called Venezuela's principal supplier of fish. Norway is the source of 95 per cent of the dry salt cod imports, but Portugal ships 55 per cent of the canned sardines, Canada 50 per cent of the canned salmon, and The Netherlands 45 per cent of the salted herring.

Venezuelan Fish Imports by Types

(gross kilograms)

	1951	1953	1954
Dried salt herring	18,000	20,100	22,700
Other herring	35,000	33,700	38,300
Dried salt cod	460,700	520,000	720,900
Canned tuna	230,400	274,000	322,800
Canned salmon	167,100	217,500	224,000
Canned sardines	1,627,800	16,000	15,000
Other fish	154,700	150,000	n.a.

Source of preceding table: Boletín Estadística. Ministerio de Fomento.

Canada's place as principal supplier of canned salmon is closely challenged by the United States, which obtained some 46 per cent of the Venezuelan market in 1954. The greatest demand in Venezuela is for "pinks" and the comparative supply and price in the two countries usually determines the relative volume. Dry salt cod from Canada has been offered as much as 15 per cent cheaper than quotations from Norway but only a few hundred bales of the larger size have found buyers, because of the preference for Norwegian-type packaging and fish preparation. Some substantial orders of herring meal were shipped from Canada during 1954 and were well received. Unfortunately the Canadian price has been very high in recent months.

Although cured and canned fish are the usual imports and account for by far the greater volume, there has been an interesting growth in the demand for a variety of frozen fish and shellfish, most of which is being supplied by the United States. Now that refrigerated shipping is available from Canadian ports there may be an opportunity to participate in this trade and it warrants investigation.

Outlook for Fish Imports

The Venezuelan economic outlook is for continued prosperity but it is unlikely to be reflected in any substantial increase in the imports of cured or canned fish both because of the fact that fish is not a popular food and because of its relatively high cost, the result of high duties. Canada should be able to hold her position in canned salmon and might make some gains in both salt cod and herring meal during 1955, but with the total value of all Canadian fish exports to Venezuela averaging only about \$100 thousand a year, a small increase would make little impression on the markets of either country. ●

Norway Builds a Steel Mill

THE FIRST PART of Norway's state-owned iron and steel mill, at Mo in Rana, has been completed and the first generator supplying power to the mill and the first of the electric steel furnaces were put into operation in April. It was expected that the first batch of crude iron would be produced about the middle of May. The second generator was scheduled to be ready on June 1st, when the second iron smelter would be brought into use. Full production will not be achieved until the third and last generator is installed, probably in August. However, the personnel are as yet untrained and it will be some time before operations become fully efficient.

The general plan for the steel and iron works is in three parts:

- (1) An annual production of 170 thousand metric tons of rolling mill products, to be increased to 220 thousand metric tons when the fourth iron smelter is installed. Products will include billets, girders, angle and T shape, ships' profiles, bars, rolled and band steels;
- (2) A capacity increase to 320 thousand tons and production of ships' plates and other rough rolled steel plates;
- (3) A capacity increase to 500 thousand tons, which should cover Norway's annual demand for iron and steel.

Iron ore for the mills comes, in the form of concentrate, from the Fosdalen mine in Trøndelag and the Sydvaranger mine in Finnmark. The chalk required for smelting is obtained from the mill's own quarry. Coal and coke will for the present be imported and ships will go into the works' own quay for both loading and discharging.

Present estimates value the output of the entire works at a value of Kr.100 to 120 million a year and this, it is hoped, will mean a saving on imports of steel and iron of between Kr.80 and 100 million a year. The factory has cost some Kr.500 million so far. However, the management believes that if this outlay is considered as a once-for-all payment to realize a self-supporting Norwegian plant, and if the demand for iron and steel continues at its present high level, the works will be able to operate at a profit in spite of foreign competition.

—B. G. R. BARTON,

Office of the Commercial Counsellor, Oslo.

MEXICO *has better year*

Agricultural and industrial activity and private investment increased in Mexico during the last fiscal year; gold and dollar reserves are the highest in three years, and the country seems to be pulling out of the difficult situation that followed the devaluation of the peso in April 1954.

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

AN OPTIMISTIC REPORT on Mexico's improved economic condition during the last twelve months was given by the Minister of Finance, Lic. Carrillo Flores, at the convention of the Mexican Bankers' Association in April. Other banking and government officials fully confirmed his statements.

A year ago at this time Mexico was floundering in economic chaos following the drastic devaluation of the peso to 12.50 to the U.S. dollar in April 1954. Consequently, it is highly gratifying to the financial authorities to be able to report that Mexico's gold and dollar reserves are now at the highest in three years, standing currently at \$225 million. These reserves fell to \$157 million a year ago, just before the devaluation of the peso, and continued to fall to well below \$100 million last June.

The Finance Minister reported that gross national production went up by 7 per cent during the year under review. In addition, 700 thousand acres of land were opened to cultivation with the completion of various irrigation projects. Mexico's hope for increased agricultural production lies in the northwest and the Minister stated that the Federal Government will loan 2,500 million pesos to farmers this year.

Foreign Trade

In spite of devaluation—introduced to lower imports of luxury goods—the value of total imports has not fallen by much more than the saving on foodstuffs imports, which can be attributed primarily to better crops. Imports increased slightly in volume last year, from 3.9 to 4 million tons. Exports improved from 5.7 to 6.8 million tons. The excess of imports by value amounted to 2,008.8 million pesos in 1954 but it was smaller (79.5 million pesos) in January this year than in the corresponding month of 1954 (115.7 million pesos). Trade balances should continue to improve.

There is some movement of trade away from the United States and towards Europe. Supplying countries in 1954 were, in order of importance, the United States, Germany, Canada, the United Kingdom, France, Italy

and Switzerland. Imports totalled 3,116,089 tons from the United States, 261,195 from Europe and 11,663 tons from Asia. Principal buying countries were the United States, the United Kingdom, Japan, Germany, Netherlands, Canada and Belgium, in that order. Export volumes were 6,240,942 tons to the United States, 414,961 to Europe and 132,312 tons to Asia. Trade with the United States represented 79 per cent of Mexican imports, compared with 82 per cent in 1953, and 73.6 per cent of exports, compared with 74.3 per cent in 1953.

Remittances from Mexicans employed in the United States, an important invisible export, declined last year to \$27.9 million from \$33.7 million. Although nearly half a million Mexicans living illegally in the United States were repatriated, some 288 thousand were contracted to work north of the border last year.

Agriculture

Sixty-five per cent of Mexico's people work on the land and farm production exercises a powerful influence on the national economy. Imports in 1953 of 661,099 tons of corn, wheat and beans cost \$59 million and were a major factor in the currency devaluation. Last year, good harvests reduced imports of these three basic foodstuffs to 226,795 tons worth \$14.2 million. The Secretary of Agriculture claimed on March 20 that production of wheat, corn, beans and rice this year will be sufficient for domestic needs. At least 350 thousand head of feeder cattle will move into the United States this year, renewing an export trade which averaged nearly half a million head a year until hoof and mouth disease halted it in 1947.

Minerals and Metals

Immense deposits of sulphur in the Isthmus of Tehuantepec are making Mexico a major world supplier. The nationalized oil industry, which in March jubilantly reported mounting production and exports, will produce at a plant opened in January sufficient lubricants to make imports, valued at about \$15 million a year, unnecessary.

Production of gold declined from an average of 38,234 troy oz. in 1953 to 32,293 oz. last year, and of silver from 4.09 million oz. to 3.33 million oz. Although exports of zinc rose by 30,000 tons last year, sales of lead, copper, and zinc together declined from 636,339 to 627,504 tons. The metals market is a prime factor in Mexico's foreign trade balances.

Tourist Trade

The tourist industry is prospering. According to the Mexican Tourism Association, visitors spent \$324 million last year, \$29 million more than in 1953; \$42 million more than in the preceding year was spent on

the frontier. Receipts in the rest of the country were down \$12.8 million.

Turning again to the Minister of Finance's report for a summing up—the Minister stated that there was a general increase in agricultural and industrial activity as well as in private investment. The revenues of the Treasury have been balanced with expenditures, and guarantees to domestic and foreign investors have been clarified and consolidated. He declared that Mexico is definitely on the path of economic progress but warned that the country must continue to increase production and exports while restricting imports of unnecessary articles. ●

transportation notes

Cambodia

RAILWAY AGREEMENT WITH THAILAND—The long-awaited Cambodia-Thailand railway agreement was signed on April 21st, and inter-country railway service between Phnom-Penh and Bangkok can now begin. It is believed that this railway treaty will lead to a commercial agreement between the two countries. Trade relations between Cambodia and Thailand are expected to improve, and reports that through freight rates will be kept low suggest that Cambodia proposes to make increasing use of the port of Bangkok in international trade and thus lessen her dependence on the port of Saigon and the Mekong River in Vietnam—Hong Kong, May 18.

Colombia

FIRST HELICOPTER SERVICE—In November 1954 the first Colombian helicopter service was established by the firm Petroleum Helicopters de Colombia Ltda., a corporation jointly owned by Petroleum Helicopter Services Inc., made up of New Orleans and Colombian interests. Helicopter service was provided originally for the International Petroleum Co. of Colombia, the Texas Petroleum Company and the Empresa Colombiana de Petroleos. The service is used for geophysical exploration by these companies in country which would otherwise be inaccessible. At the moment, Petroleum Helicopters is under exclusive contract to the oil companies, but it is exploring the possibilities of establishing a commercial service in Colombia. Petroleum Helicopters Services Inc. of New Orleans has also extended its

operations in Canada where Sikorsky S-55's are used. In Colombia it uses Bell helicopters—Bogotá, May 12.

Greece

PORT FACILITIES—Work to extend port facilities in Piraeus, Greece's largest port, was begun on May 8. The project, financed by the Piraeus Port Authority, will include in its initial stages two big piers and 8,250 ft. of docks capable of accommodating 25 vessels, including two ocean liners. The contract provides for completion of the work in three years—Athens, May 25.

Italy

SHIPBUILDING—At a recent ceremony in the Taranto shipyards, the keels of three cargo vessels, with a total tonnage of 33,000 tons, were laid. It is estimated that by 1956 Italy will have the fourth largest mercantile fleet in the world, with good expectations that it will occupy third place before too long—Rome, May 27.

Turkey

CIVIL AVIATION—Seven de Havilland *Heron* aircraft recently went into service with the government-controlled Turkish State Airlines; the airline now has a total of 31 planes. Civil aviation in Turkey has made remarkable progress—144 thousand passengers were carried in 1954 and cargo increased by 63 per cent over 1953—Athens, May 11.

trade and tariff regulations

British Guiana

LICENSING ANNOUNCEMENT—The Controller of Supplies and Prices, British Guiana, has advised that consideration will be given to the release of a limited amount of currency for the import from hard currency sources of motor cars and commercial vehicles of a c.i.f. value not exceeding US\$2,500 each.

The basic principle on which applications for licences to import motor vehicles will be considered is that of essentiality. They should conform to the following criteria:

- (i) No reasonable substitute is obtainable from the non-dollar world;
- (ii) The vehicle will be engaged in work of importance to the Colony;
- (iii) It is required for constant and extensive travelling over rough and rugged roads.

The grant of import licences will be on the condition that the vehicles will be registered in the names of the approved applicants and will not be sold, pledged, transferred or otherwise disposed of for a period of two years without the prior consent of the competent authority.

No applications from distributors will be considered. The successful applicants may, however, arrange to purchase any make of vehicle required by placing his order with, and surrendering his import licence to, the appropriate car dealer, provided that the c.i.f. price of the vehicle does not exceed the amount authorized. The applicant may, alternatively, import a used vehicle, subject to the same proviso.

Chile

IMPORTS OF MACHINERY AND EQUIPMENT—The *Chilean Official Gazette*, under Decree 337, of April 15, 1955, publishes a priority list of machinery and equipment which may be imported during the current year, subject to the final approval of the exchange control authorities.

The list is divided into three categories:

LIST "A"—Machinery for basic industries, which include electric power coal, mining, agriculture, fertilizers (phosphatic and potassic), sulphuric acid, carbonate of soda, caustic soda, shipbuilding, railway and road transport material, machinery for the manufacture of special steels and machine tools,

preserves, fish oils and fats, fish freezing and drying, cellulose and paper, for making internal combustion motors, copper manufactures in general;

LIST "B"—"Vital" industries and those which produce or save foreign currencies, such as machinery for the milk industry, food concentrates, dehydration of foodstuffs, for making refrigerating plants and sealed units for refrigeration, antibiotics, medicines, insecticides, agricultural disinfectants and herbicides, beet sugar, metallurgical industry, distilling, impregnating and pressing wood, building materials, hemp and flax threads, synthetic resins and other plastic materials, solvents, essential oils, tanning extracts, machinery for utilizing sub-products and wastes.

LIST "C"—Other types of industries, such as machinery for mechanized bakeries, printing, chemicals, dyeing, wool-washing, leather industry and manufactures, tailoring, textile, rubber, glass and pottery industries.

This announcement provides some indication of the type of machinery whose import into Chile may be authorized in 1955. However, such imports from the dollar area continue to depend on Chile's extremely limited dollar exchange and on the alternative sources of supply—Santiago, May 21.

SULPHUR—Under a special system of combined export-import operations, the following barter operations against exports of Chilean sulphur were approved recently by the Exchange Control Board.

Name of Purchasing Country	Tonnage	Against imports into Chile of
Switzerland	2,000 tons	Vehicles (trucks, vans, pick-up trucks) value US\$64,000.
Peru	5,000 tons	Utility vehicles of German origin, value US\$142,500.
United States	6,000 tons	Utility vehicles (30 per cent) and spares (70 per cent), value US\$180,000.
United States	1,800 tons	Utility vehicles, value US\$51,300.
West Germany	13,500 tons	Utility vehicles, value US\$378,600.

—Santiago, May 19.

Colombia

FURTHER MODIFICATIONS IN IMPORT AND EXCHANGE CONTROLS—By Decree No. 1472, effective May 13, 1955, Colombia has amended the import regulations enforced by Decree No. 1259 of May 4. The major provisions of the new decree are: (a) the establishment of a free exchange market; (b) imports of goods classified in Groups 2, 3 or 4 to be paid for only with exchange purchased in the free market.

According to the decree, the free market will derive its exchange from exports other than coffee, bananas, raw hides, petroleum and platinum, commissions, tourist expenditures, and from capital imported into Colombia without registration or repatriation rights. It is reported that only 5 per cent of Colombian exchange earnings are in these categories. As of May 18, the regulations implementing this decree had not been published and import permits for the goods affected by the decree had not been issued at the new rates.

Details concerning this decree and supplementary regulations will be available from the International Trade Relations Branch.

Federation of Rhodesia and Nyasaland

IMPORTS OF WINES, SPIRITS AND CIGARETTE PAPER PERMITTED—As a result of a Trade Agreement just signed with France and retroactive to January 1st, 1955, the Federation of Rhodesia and Nyasaland has agreed to remove restrictions on imports of wines, spirits and cigarette paper not only from France but from all sources. This means that Canadian whisky, after a lapse of some years, can once again be imported in unlimited quantities—Salisbury, May 18.

Jordan

IMPORT REGULATIONS REVISED—Recent revision of Jordan's import regulations means increased opportunities for Canadian exporters who can offer attractive merchandise at competitive prices. The former rigid six-monthly quotas for essential commodities are abolished, as is the "penalty" system by which import permits were granted for non-essential goods on payment of fines of from 12 to 20 per cent of c.i.f. values from hard currency countries. Under the new provisions, goods are divided into the following three categories:

1. *Prohibited imports*—Local industries and a few products of neighbouring Arab states are protected by a short list of commodities. These do not include goods normally exported from Canada to this region.

2. *Essential goods*—Import licences and foreign currency at the official rate will be granted for these. (A charge of 5 per cent is made for import licences under this heading.) Import licences with hard currency allocations will not be granted for goods which can be obtained as easily from soft currency sources.

3. *Other commodities*—These include commodities which do not come under Categories 1 and 2. For these, import permits will cost only 2 per cent. Of particular interest to Canadian exporters is the fact that Jordanian importers will be able to obtain the dollars needed for payment of imports under Category 3 on the free exchange markets of neighbouring Arab countries such as Syria and Lebanon.

The new regulations stipulate that an importer must pay for all imports in Category 3 in the currency of one or other of the Arab states who are members of the Arab League. This currency will be purchased at the free market rate. Where the goods are purchased from non-Arab countries, payment to the exporter will be arranged through an Arab League country, even where the goods are to be shipped direct to Jordan. Thus, Canadian exporters will receive dollars for their exports but payment will be from, for example, Beirut instead of direct from Amman.

Although for the time being the extent of demand is the regulating factor for the granting of import permits, the Imports Committee retains the power to regulate the quantities of any commodities imported if the program appears to be getting seriously out of balance. Newly imposed increases in various import tariff rates will no doubt prove a restraining influence—Beirut, May 16.

St. Vincent

LICENSING ANNOUNCEMENT—The Controller of Supplies, St. Vincent, advises that there is an allocation of dollars for the purchase of private cars and commercial vehicles from dollar sources.

It is understood that the allocation has been allowed in order to meet cases where essential need can be proved. The following conditions will be taken into account in assessing the eligibility of applicants for licences to import these vehicles:

- (i) the purchase of a North American vehicle is essential and no reasonable substitute can be found in the non-dollar world;
- (ii) the cars are made available only to users whose business or public duties involve long distance travel over up-country roads;

- (iii) the purchasers can establish that they have a genuine need for this type of car for a purpose of importance to the territory;
- (iv) no resale is allowed except to a user who would qualify under the same conditions as the original sale.

United Kingdom

BENTONITE ADDED TO WORLD OPEN GENERAL LICENCE—The Board of Trade announced in Notice to Importers No. 730 that, effective May 13, 1955, bentonite will be admissible into the United Kingdom from any country without individual import licence.



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:

Toronto—June 13-22

Ottawa—June 23-30

Hamilton—July 4

St. Catharines: Welland: Niagara Falls—July 5-6

Sarnia: Windsor—July 7-8

S. G. MacDONALD, Commercial Counsellor in Rome, Italy, began his Canadian tour in Ottawa on April 25th and completes it in Winnipeg, June 20-21.

H. W. RICHARDSON, Commercial Secretary in Athens, Greece, began his Canadian tour in Windsor on June 1 and completes it in Toronto, June 13-22, and Ottawa, June 24-July 1.

V. L. CHAPIN, Commercial Secretary in The Hague, Netherlands, began his Canadian tour in Vancouver, June 6-8, and Victoria, June 9. His itinerary is:

Edmonton—June 10-14

Regina—June 16

Winnipeg—June 17

Windsor—June 20

Sarnia—June 22

London—June 23

Guelph—June 24

Hamilton—June 27

Welland—June 28

St. Catharines—June 29

Toronto—June 30-July 8

Kingston: Brockville—July 11

Montreal—July 12-20

Halifax—July 22

Moncton: Charlottetown—July 25

Fredericton—July 27

Saint John—July 28

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

Board of Trade—Charlottetown, Guelph, Halifax, Montreal, Saint John.

Chamber of Commerce—Brockville, Hamilton, Kingston, London, Niagara Falls, Sarnia, St. Catharines, Regina, Welland, Windsor.

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

Department of Trade and Commerce—Ottawa.

Department of Industry and Development—Fredericton.

head office directory *Department of Trade and Commerce*

No. 1 Building, 375 Wellington Street*	Gov. Local
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	0336
Deputy Minister: Wm. Frederick Bull	6748-2326
Executive Assistant: A. W. A. Lane	2380
Trade Policy Adviser: H. R. Kemp	5151
Technical Adviser: G. D. Mallory	3819
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421

Administration Branch

Comptroller-Secretary: Finlay Sim	2262
Administrative Assistant: Miss M. L. E. Jones	7411
Financial Assistant: S. B. Kayes	4312

Personnel Division

Personnel Officer: L. J. Rodger	5430
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General Records

Supervisor: C. Drolet	4980
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Equipment and Supplies

Supervisor: E. S. Brown	5011
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Economics Branch

Director: V. J. Macklin	5658
Associate Director: Dr. J. Davis	7372

Trade Commissioner Service

Director: John H. English	2530
Assistant Director for Foreign Service Operations: J. A. Stiles	6800
Assistant Director for Economic Planning and Co-ordination: J. P. Manion	8286
Area Trade Officers	
Asia and Middle East: Paul Sykes	5176
Commonwealth: C. B. Birkett	2144
Europe: K. Nyenhuis	0436
Latin America: S. G. Tregaskes	7641
United States	7641
Assistant Director for Administration and Finance: M. Grant	3058
Western Representative: H. L. E. Priestman, 355 Burrard Street, Vancouver, B.C. (Cable address: FORTRADE)	Pacific 7161
Newfoundland Representative: E. M. Gosse, Stott Bldg., St. John's, Newfoundland	2698

Commodities Branch

Director: Denis Harvey	5417
Special Assistant: A. L. Neal	8269
Assistant Director (Export Promotion): J. P. C. Gauthier	6519

Import Division

Director: C. F. McGinnis	7163
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Transportation and Trade Services Division

Director: A. P. Bissonnet	6236
Adviser: T. G. Hills	8679

Export and Import Permit Section

J. G. MacKinnon	3640
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Processing Officers:

Steel, non-ferrous metals, machinery, automobiles, all strategic materials:

 S. C. Cooke

Textiles, lumber, chemicals, rubber products, leather: K. A. Peaker

Imports and Office Supervisor: L. M. Lang

Directories Section: Miss K. Griner

B.W.I. Trade Liberalization Plan Section: G. L. Tighe

U.K. Token Import Plan Section: A. E. Fortington

Transportation and Communications Section: H. A. Hadskis

Traffic: J. H. Longfellow

7835

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

Standards Branch West Block, Wellington St.

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

Dominion Bureau of Statistics Holland Ave.

Dominion Statistician: Herbert Marshall	6371-2529
Assistant Dominion Statistician: J. T. Marshall	7695
Assistant Dominion Statistician: S. A. Goldberg	5458
Senior Research Statistician: N. Keyfitz	3562
Chief Administrative Officer: C. Scott	7368
Agricultural Division	
Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	
Director: E. F. Sheffield	5933
General Assignments Division	
Director: H. L. Allen	4052
Health and Welfare Division	
Director: F. F. Harris	6651
Information Services Division	
Director: C. C. Lingard	0418
Industry and Merchandising Division	
Director: H. McLeod	2125
International Trade Division	
Director: C. D. Blyth	8340
Labour and Prices Division	
Director: H. F. Greenway	7424
Mechanical Tabulation Division	
Director: W. I. Moore	8232
Public Finance and Transportation Division	
Director: J. H. Lowther	5396
Research and Development Division	
Director: F. H. Leacy	3071
Special Surveys Division	
Director: A. B. McMorran	5570

International Economic and Technical Co-operation Division (Colombo Plan) No. 4 Building, Lyon St.

Administrator: Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Capital Projects	
Chief: F. E. Pratt	0981
Technical Co-operation Service	
Acting Chief: J. T. Hobart	8662

Canadian Government Exhibition Commission 479 Bank St.

Director: Glen Bannerman	3558
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Export Credits Insurance Corporation Birks Bldg., 107 Sparks St., P.O. Box 655

President and General Manager: H. T. Aitken	2-4828
Assistant General Manager: A. W. Thomas	2,4828
Secretary: T. Chase-Casgrain	2-4828
Economist: D. C. Taylor	2-4828
Underwriter: S. Garrett	2-4828
Credits Supervisor: C. A. Law	2-4828
Claims Supervisor: F. G. Reynolds	2-4828
Accountant: D. A. Keill	2-4828
Montreal Branch 607 St. James St. West	UN6-1268
Toronto Branch Rm. 1511, 55 York St.	EM4-5778

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

Conversions into Canadian 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 1.01684.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 30	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying	1311	7.63	(1)
		Basic buying	1967	5.08	
		Preferential selling	1967	5.08	
		Basic selling	1311	7.63	
		Free	07079	14.13	
Australia	Pound		2.1983	.455	
Austria	Schilling		03782	26.44	
Belgium-	Franc		01953	51.20	
Luxembourg			01953	51.20	
Belgian Congo	Franc		00518	193.19	
Bolivia	Boliviano	Official		1.75	(3)
British West Indies	Dollar		2.7478	.364	(4)
	Pound			1.46	
Brazil	Cruzeiro	British Honduras	6870		
		Effective selling			
		Category I	01105*	90.48*	tax 10% (2)
		Category V	00277*	360.44*	*May 10
		Official buying	05356	18.67	(5)
Burma	Kyat		2065	4.84	
Ceylon	Rupee		2061	4.85	
Chile	Peso	Official	00492	203.36	(1)
Colombia	Peso		3934	2.54	(6)
Costa Rica	Colon	Official	1751	5.71	
		Controlled free	1481	6.75	
Cuba	Peso		9834	1.017	tax 2% (2)
Czechoslovakia	Koruna		1366	7.32	
Denmark	Krone		1424	7.02	
Dominican Republic	Peso		9834	1.017	
Ecuador	Sucre	Official	06557	15.25	
		Free	05685	17.59	
Egypt	Pound	Official	2.8240	.354	(7)
Fiji	Pound		2.4755	.404	
Finland	Markka		00428	233.86	
France	Franc		00281	355.87	(8)
French Africa	Franc		00562	177.94	(9)
French Pacific	Franc		01546	64.68	(10)
Germany	D Mark		2336	4.28	
Greece	Drachma		03228	30.98	
Guatemala	Quetzal		9834	1.017	
Haiti	Gourde		1967	5.08	
Honduras	Lempira		4917	2.03	
Hong Kong	Dollar	Free	1687	5.93	*May 20
		Official	06039	16.56	
Iceland	Krona	Official	04760	21.01	
		Special buying	03761	26.59	(11)
		Special selling	2061	4.85	
India	Rupee		08627	11.59	(12)
Indonesia	Rupiah	Basic	01298	77.03	
Iran	Rial	Certificate			
Iraq	Dinar		2.7536	.363	
Ireland	Pound		2.7478	.364	
Israel	Pound		5464	1.83	
Italy	Lira		00158	633.71	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent May 30	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00273	366·03	
Lebanon	Pound	Free	·3045	3·28	
Mexico	Peso		·07868	12·71	
Netherlands	Guilder		·2587	3·87	
Netherlands Antilles	Guilder		·5174	1·93	
New Zealand	Pound		2·7478	·364	
Nicaragua	Cordoba	Effective buying	·1490	7·17	
		Official selling	·1395	6·71	
		With Surcharge I	·1222	8·19	
		With Surcharge II	·09785	10·22	
Norway	Krone		·1377	7·26	
Pakistan	Rupee		·2972	3·36	
Panama	Balboa		·9834	1·017	
Paraguay	Guarani	Basic	·04683	21·35	(1)
		With Surcharge I	·03642	27·46	
		With Surcharge II	·02732	36·61	(13)
Peru	Sol	Certificate	·05176	19·32	
Philippines	Peso		·4917	2·03	tax 17% (2)
Portugal	Escudo		·03432	29·14	(14)
El Salvador	Colon		·3934	2·54	
Singapore & Malaya	Straits dollar		·3206	3·12	
South Africa (Union of)	Pound		2·7478	·364	
Spain & Dependencies	Peseta	Basic buying	·04491	22·27	
		Basic commercial selling	·05987	16·70	(1)
		Free	·02525	39·60	
Sweden	Krona		·1901	5·26	
Switzerland	Franc		·2295	4·36	
Syria	Pound	Free	·2753	3·63	*April 6
Thailand	Baht	Free	·04752	21·04	*Mar. 31 (1)
Turkey	Lira		·3512	2·85	
United Kingdom	Pound		2·7478	·364	
United States	Dollar		·9834	1·017	
Uruguay	Peso	Official	·6474	1·54	tax 6% (2)
		Basic buying	·5525	1·81	(1)
		Special buying	·4185	2·39	
		Basic selling	·5176	1·93	
		Special selling	·4014	2·49	
Venezuela	Bolivar		·2936	3·41	
Yugoslavia	Dinar		·00328	305·06	

* 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: Egyptian exporters receiving payment in dollars are granted Entitlements authorizing purchase of exchange for dollar imports. Effective rate for imports into Egypt 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, Camerouns, 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 33½, 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.

CUBA invites industrial investment

The making of plywood and copper wire, fish canning and molasses processing were among the Cuban projects suggested for U.S. investment at the recent New Orleans Conference.

N. LORENZO, *Office of the Commercial Secretary, Havana.*

DURING the International Conference on Opportunities for Investment of Private Capital in Latin America held in New Orleans early in March, a number of projects were presented by the Cuban delegation for the consideration of United States investors. Cuba's Agricultural and Industrial Development Bank (BANFAIC) sponsored three industrial projects—one, production of copper wire and cable; two, production of starches, dextrine and glucose, and three, making of pulp from sugarcane bagasse. A fourth proposition invited investment in the Havana Hilton Hotel already under construction.

Several Projects Discussed

The city of Cienfuegos sought credit for three industrial projects to turn out plywood, canned fish and shellfish, and cellulose from sugarcane bagasse, as well as funds for a tourist development scheme and a maritime terminal. Plans for the construction of a sizable hydro-electric project near this central port, using the falls of the Hanabanilla River, have already been approved.

Various business groups and organizations in turn presented eight miscellaneous projects—sugarcane cellulose, horizontal property building in Havana, cement factory, steel reinforcing rods, lime factory, workers' housing project, and a mortgage refinancing scheme. Here are brief details on some of the more interesting of these projects:

Copper Wire and Cable Mill—The project is based on Cuba's present annual consumption of these products, (which is estimated to total about \$1,750,000) and on the rise as electricity consumption itself increases.

Plywood Mill—The proposed mill aims at supplying roughly 50 per cent of domestic needs of plywoods and veneers of all kinds. Cuba now imports from various sources an estimated 50 million feet valued at \$8 to \$10 million.

Fish and Shellfish Canning Plant—This project proposes to supply exclusively the area immediately surrounding Cienfuegos, with a population of one million—that is, Colon, Sagua la Grande, Santa Clara, Sancti Spiritus and Placetas. It is believed that these products would have an assured market. Distribution of Cuba's fisheries production, estimated at 40 million pounds a year and valued at \$8 million, does not fully cover the island, and the country imports some 29 million pounds of dried salt fish (\$5 million) and 7½ million pounds of canned fish (\$1½ million). The Cienfuegos project also looks toward the processing of residue (an average 15 per cent in fish and 82 per cent in lobsters—Cuba's main processed shellfish) into fishmeal for animal feeds.

Sugarcane Bagasse and Blackstrap—There are three projects for the processing of bagasse (the dry fibre left from the sugarcane milling operations) for the production of paper, parenchyma, constituting 25 per cent of the weight of bagasse (which is used for feeds), black lye from which glycerine is in turn produced, pulp, lignin (for plastics), and cellulose and by-products for the chemical industries, such as rayon manufacture.

The proposed scheme for the processing of blackstrap or final molasses, contemplates the installation of 40 separate dehydrating plants in separate sugar mills throughout the Island (there are 161 mills altogether) for sale of the finished product direct to the United States market to replace current fluid exports.

The bagasse pulp project (here again the proposed site is the city of Cienfuegos) visualizes the export to the United States, for mixing with wood pulp in paper mill operations, of some 12,000 tons a year. The manufacturing process on which this bagasse cellulose project is based, in turn, is said to be a departure from that currently in use in the bagasse paper operations in the Argentine, Mexico, Peru and other countries. The latter has proven economically impracticable in Cuba. ●