CANADA

foreign trade

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cover Highways rank first among government works in Venezuela, with Bs. 249·8 million spent on them in 1954. None of the present projects is as spectacular as the "Autopista" from La Guaira to Caracas, three years in building and opened in late '53. Photo contrasts the Autopista on the left with the old, serpentine road on the right. For a report on many phases of the Venezuelan economy, turn to page two.
—Photo by Hamilton Wright.

This picture shows the Avila, part of the range of mountains which separates the Venezuelan capital, Caracas, from the coast and complicates the communications problem.

Venezuela Prospers and Progresses

Money is tight and terms of sale extended but payment is easing and business prospects are bright in this highly competitive market. Oil output rose last year and food and mineral production increased; exports and imports set new records in value and volume.

H. LESLIE BROWN,
Commercial Counsellor, Caracas.

PETROLEUM OUTPUT is still growing, foreign trade exceeds previous records, agricultural production continues to increase and industry is expanding—that is the bright picture of Venezuela today. Government and people are enjoying incomes which have risen steadily over the years, investments are yielding good returns, and there is no real need to fear for the business future. This prosperity has brought high private and public investment and extended credit resources and although the optimism is well founded, available money has been used to the full.

Money Runs Short

In fact, in this country of relatively high income, money is at present hard to come by. During late February and early March some banks placed full-page advertisements in leading Caracas newspapers to attract deposits. On March 6th, for example, the Banco de Venezuela announced a new savings plan offering 1 per cent on current accounts and 2 per cent on savings accounts. In the same issue of the same newspaper the Banco de Caracas offered 1 per cent per annum on current accounts, 1½ per cent on deposits of 90 days, 2 per cent for 180 days, 2½ per cent for 360 days and the legal limit of 3 per cent per annum on savings accounts. It is obvious that ready money is in short supply even though monetary circulation has been increased. Statistics on savings during the next month or so will not be available until later in the year, but there is no current indication that the savings campaign is easing the money shortage.

The Caracas Chamber of Commerce made a public statement early in March expressing fear that, although savings should be encouraged, the new rates may cause interest costs on mortgages and commercial credits generally to rise, with undesirable repercussions on domestic commerce, production and cost of living.

Credit and Terms of Sale

Though bank statistics have not come to hand, there seems no doubt that collections were slower this January than in previous years; February will probably show improvement. Payments from interior points have been coming in satisfactorily with the result that wholesalers and distributors in main centres, such as the capital, have begun to reduce their financial obligations.

Importers in Venezuela are accustomed to paying sight draft after a week or so and often seek 30 to 90 days and even longer terms. This practice is derived from custom, from the desire to avoid high domestic interest charges and from the highly competitive conditions of business. Because collections have been slow—the degree varying with the trade—some importers have sought more extended terms to delay payment for an additional month or so until the cash position eases.

Because competition is strong, it seems politic for exporters to Venezuela to grant the longer terms whenever the importer's standing is good.

In any event, while the money shortage continues, Canadian and other exporters to this country may find some of their customers slow to pay and asking for more extended terms of sale. There are reasonable expectations that the tight cash position may ease by midsummer; as a matter of fact, it is already somewhat improved.

Government Finance

A high proportion of Venezuelan business activity depends on the Government's expenditure on its program of construction and development. Whenever government payments are delayed payments all along the line slow down. The government fiscal year begins on July 1st.

Government revenue did increase towards the end of 1954, but even though expenditures were closely watched the deficit which had been noticeable for some months continued to grow, though at a slower rate. During the first six months of the fiscal year beginning July 1, 1954, government spending exceeded revenue by Bs.170 million, compared with a surplus of Bs.16 million in the same period twelve months earlier. Despite the deficit, at the end of the year the treasury reserves at Bs.279 million were better than the Bs.239 million in the previous December.

The Government continued and expanded its program of public construction to improve communications, housing and amenities, and aid industry. The 1954-55 budget estimates of Bs.2,380 million were enlarged by appropriations of Bs.135·4 million for work on the Rio Caroní hydro-electric project, a steel plant, railways, irrigation, a petrochemical plant and other development plans.

Expenditure on government projects during 1954 was twice that of the previous year—a reported Bs.1,667 million, (over $500 million) for a country with a population of nearly six million. The most important of these were highways, Bs.249·8 million; city and town improvements, 222·5; sanitation and social assistance, 155·6; miscellaneous buildings, 127·7; public housing, 122·3; naval ships, 113; facilities for the armed forces, 104·6; schools, 79·1; agriculture and livestock development, 77·4; dredging, 73·5; hotel, tourist and recreational centres, Bs.71·1 million, and a range of other groups, mainly for public service.

Importance of Petroleum

The petroleum industry provides about two-thirds of the Venezuelan Government's income and, quite understandably, Venezuelan business is closely watching the arguments in the United States as to whether or not American purchases of Venezuelan petroleum and products should be placed on quota. Bearing in mind that 38 per cent of Venezuela's petroleum is sold to the United States, the whole economy could be profoundly affected by any drastic change in United States import policy.

In 1954, Venezuelan oil wells yielded 691,695,665 barrels of crude (about 1,894,000 barrels a day), as compared with 644,138,247 in 1953. Production at the end of 1954 exceeded two million barrels a day.

Foreign Trade

Venezuela's foreign trade increased substantially last year, according to provisional data recently issued. Exports rose from Bs.4,841·7 million in 1953, itself a record, to Bs.5,686·9 million in 1954. Coffee and cocoa were both down so the improvement came from larger shipments of petroleum and products and from iron ore.

Imports at Bs.2,745·6 million exceeded the 1952 record of Bs.2,542·3 million and the previous second highest year, 1954, of Bs.2,477·1 million. Principal imports were food products and beverages, Bs.406·2 million; textiles, 164·8; animals and their industrial products, 15·1; vegetable materials and their industrial products, 50·2; wood, paper and their products, 70·8; minerals, glass and ceramics, 115·1; metals and their products, 431·5; machines, instruments and apparatus, 907·3; industrial chemicals, 147·2; miscellaneous, 146·3; goods free of import duties (e.g. for government account), 259·2; goods solely for government account because otherwise prohibited, Bs.31·9 million.

Food Production

Venezuela imports a substantial proportion of its food and local production trends are of interest to Canadian suppliers. Provisional data for 1954 give some pertinent facts. The output of preserved milk increased from 3,380 metric tons in 1953 to 3,750 in 1954, butter production jumped from 1,691 to 2,634, and lard increased from 20,628 to 23,644 metric tons. Vegetable oil production, however, showed only a modest total increase. The improved output of sesame oil—7,515 metric tons compared with 6,316—was largely offset by a drop in cottonseed oil from 687 to 642 metric tons and the continued decline of coconut oil from 2,279 to 1,586 metric tons. Under import protection, meat production rose from 92,691 metric tons to 94,806, hulled rice from 26,389 to 30,895 tons and sugar from 71,815 to 97,116 tons.

Serious problems still trouble the fish industry. The pack of canned fish dropped from 7,823 metric tons in 1953 to 4,801 in 1954; salted fish decreased to

6,092 metric tons in the first nine months of 1954, compared with 8,097 in the same period of 1953. A recent press report indicates that Great Britain offered to buy 60 thousand cases of canned fish a year and Jamaica 50 thousand cases, but the Venezuelan price of Bs.32 a case was too high. The industry, at present using 30 per cent of capacity, is seeking government aid for exports by asking a special exchange rate known locally as the "sardine dollar".

The total area of land under cultivation is 3,524,300 acres. Production of the main crops totalled: coffee, 688,801 sacks of 60 kilograms; cocoa, 16,000 metric tons; rice, 48,932 metric tons; potatoes, 33,601 metric tons; tobacco, 8,435 metric tons. The cattle population is now estimated at 6,236,200.

Industrial Production

Consumption of electricity increased more than 16 per cent from 840,873 kwh. in 1953 to 979,257 in 1954, reflecting the continued growth of industrial and domestic consumption. Record industrial production has expanded all along the line: cigarettes, from 2,725 million to 2,995 million; soap from 14,656 metric tons to 16,376; cement from 982 thousand metric tons to 1,213 thousand; automobile tires from 223·2 thousand units to 372 thousand, and inner tubes from 166·9 thousand to 343·7 thousand; concentrated feedstuffs from 46,923 metric tons to 59,274. In the textile field, production of cotton, artificial silk and mixed piece goods is well up, the result of increased tariff protection.

Mining Industry Progresses

The new iron ore fields are rapidly getting into their stride; from 199 thousand metric tons in 1950, output increased to 2,296 thousand in 1953 and more than doubled to 5,388 thousand metric tons in 1954. Gold production recovered from 849,235 grams in 1953 to 1,744,088 in 1954, a figure comparable with those of the immediate postwar years but far below wartime output of over four million grams. The output of diamonds in 1954 was 96,983 carats, larger than in any previous year except the record year of 1952 when the total reached 98,281.

Banking Abroad URUGUAY

W. GIBSON-SMITH, *Commercial Secretary, Montevideo.*

BANKS IN URUGUAY which handle foreign business, including some local banks, are the following:—

Foreign Banks	*Bank of London & South America* *National City Bank of New York* *Royal Bank of Canada* *Banco Holandes Unido* *Banque Nationale pour la Commerce et l'Industrie* *Banco do Brasil* *Banco Italo Belga* *Banco Frances-Italiano para la America del Sud*
State Bank	*Banco de la Republica Oriental del Uruguay*
Domestic Banks	*Banco Comercial* *Banco de Credito* *Banco la Caja Obrera* *Banco de Montevideo*

The foreign banks are all international institutions of repute and require little comment. They cater particularly to foreign business. The Banco Italo-Belga, which was some years ago one of the leading foreign banks, has since diminished in importance. The Bank of London and South America is the longest established of the foreign banks and has perhaps the largest local branch. The National City Bank of New York set up its branch in 1914 and also deals very considerably in foreign business.

The Royal Bank of Canada was established in 1919 and has since developed an extensive foreign business. Some eight years ago the manager of this branch (recently transferred elsewhere) was appointed, as the dean of foreign bank managers, to represent the foreign banks in the note issue department of the Central Bank. In this way, foreign banks are permitted a say in the control of currency note issue and inspection of gold stocks held by the central bank.

Every one of the banks listed above takes a special interest in the handling of foreign collections and generally advertises this service both locally and abroad through its branches and/or correspondents. In respect of Canadian business particularly—except for the Royal Bank of Canada and/or the National City Bank of New York—no particular efforts seem to be made by the other banks to increase their collection business with Canada. This is no doubt because of the reduced volume of Canadian exports to Uruguay, as a result of the limited dollar quotas granted in the past four or five years for imports from Canada.

Handling Foreign Business

The foreign banks listed above are specially equipped to handle foreign business efficiently. They maintain special departments to look after foreign collections and every one of these banks has an exchange trader on the staff to look after all foreign exchange transactions, in close collaboration with the management of the bank itself. The local banks listed—which, in addition to the loaning business, handle foreign exchange and collection business—also have their foreign exchange experts and while they do not have their own overseas branches they use international banks as their agents. The State Bank (the Bank of the Republic of Uruguay) maintains an important foreign business department. It has no overseas branches but operates through correspondents; the agent in Canada is the Bank of Montreal.

Choosing a Bank

Collections need not necessarily go to any particular bank although it should obviously be one with arrangements with the remitting bank for the collection of bills and with a foreign exchange department. Bills drawn on names in the interior of the Republic are invariably passed by the receiving foreign bank to the Bank of the Republic for collection, because the latter has branches throughout the country. The reason is that the foreign banks have no branches outside Montevideo and of the local banks, only three (Comercial, Banco de Credito and Banco la Caja Obrera) have any interior branches at all and even these have set up only a few branches in the most important towns and villages.

As already pointed out, *foreign branches* established in Montevideo handle the bulk of Canadian collections, chiefly because they are a part of banking organizations whose resources and experience in overseas markets qualify them especially to look after this type of business. None of the Uruguayan banks has branches abroad except the Banco de la Republica, which has one in Rio de Janeiro.

The general custom in handling collections is for the bank here to advise drawee by phone or letter to call at the bank and accept or pay the bill. Some years ago it was the practice to send the bills with the bank's messenger for acceptance, but this practice has been discontinued for some years.

Procedure in Collections

A peculiarity of the foreign exchange business in Uruguay affecting all collections is that, whereas up to 1932 foreign exchange business was free and entirely in the hands of the private banks, since that year an import-export control board has been operating. This board grants the import licences which carry assurance of exchange cover. Under these circumstances it becomes quite impossible to import anything whatever without a prior import permit. Should any firm in Uruguay infringe this regulation, the goods involved would remain in the Customs indefinitely. On the other hand this control *assures* the exporter of his foreign exchange cover, whether drafts are sight or up to 180 days. It is the responsibility of the local agent of the foreign firm to make sure that the import licence procedure is in order. In short, the drawee of the bill takes no risk whatever as far as exchange cover is concerned.

Apart from the foregoing, banking practice and customs in this country are on the whole much the same as in former years and follow mainly the principles of English and American banking.

The following figures indicate the relative importance of the various types of banks:

	Uruguayan pesos		
December 1953	*Capital and reserve*	*Total deposits*	*Advances*
Banco Republica (state bank)	102,079,000	475,191,000	622,366,000
Other Uruguayan banks	116,107,000	497,326,000	592,601,000
Foreign banks	19,474,000	86,974,000	111,433,000

New Sports Car in U.S.

A newcomer has joined the Detroit automotive manufacturing fraternity. The company, Dual Motors Corporation, expects to begin the production of a four-passenger sports car by midsummer. Initial production is expected to be about 150 cars during the first year. Called "The Firebomb", this sports car will be equipped with an engine of at least 225 horsepower and will have a 115-inch wheel base. It will weigh 2,800 pounds and be equipped with a wrap-around windshield, leather upholstery, and a folding cloth top or an aluminum hardtop.

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Argentina and Uruguay
Markets for Seed Potatoes

Uruguay will probably buy about 300 thousand bushels of Canadian seed potatoes and Argentina a smaller quantity if foreign exchange for this purpose is authorized. Here is information on types preferred, shipping methods, and other useful market data for the exporter.

W. F. HILLHOUSE,
Agricultural Secretary, Buenos Aires.

ARGENTINA

ARGENTINA over the past 18 years has imported an average of over 250 thousand bushels of Canadian seed potatoes per year to make her one of Canada's most important customers in this field. Imports have, however, fluctuated from nothing to over 1¼ million bushels per year and have been authorized only since 1950. This year domestic potato prices are high because of a considerably smaller production from the early, semi-early and semi-late crops. And, since no seed has been imported since 1953, prospects appear to be fairly good that imports on a smaller scale will be authorized—possibly 150 thousand crates (275 thousand bushels). However, availability of foreign exchange is always a crucial factor in the Argentine decision to import and no definite announcement may be expected from the Central Bank until May or June.

Production Picture

Potatoes are produced in most of Argentina's provinces but several areas are outstanding in the commercial production. More than half of the small early crop is produced in Tucumán; Santa Fé and northern Buenos Aires dominate the semi-early production; south-eastern Buenos Aires yields most of the very important semi-late crop; and the second crop in the Rosario district of Santa Fé provides most of the late crop. This crop year unfavourable weather conditions until early February cut production from the early and semi-early crops by more than 20 per cent compared with the previous year and threatened the main crop with a much more serious decline. During the past two months growing conditions have improved, however, and the semi-late crop is now generally reported to have recovered to a surprising degree. The condition of the late crop is said to be quite good, although recent warm humid weather increases the danger of a serious attack of late blight.

In summary, the prospect is that total Argentine production this year will fall considerably below last year's all-time record of over 1·6 million metric tons but will at least suffice to meet domestic requirements, unofficially estimated at 1·1 million tons. It may also provide relatively small quantities for export to neighbouring countries. Under these conditions, prices are expected to remain near their present rather high level and well above those of last year.

Exports and Imports

In former years Argentina exported both seed and table stock potatoes, shipping seed mainly to Uruguay and table potatoes to Uruguay, Paraguay and Brazil. Since 1943 no seed has been exported and since 1945 exports of table stock have been sporadic and usually limited to a few thousand tons at most. Last year, as a result of the large production, exports were vigorously promoted and according to unofficial figures reached almost 50,000 metric tons. More than 30,000 tons went to Brazil, approximately 13,000 tons to Uruguay, and the remainder to Paraguay. Export subsidies on these shipments were announced at three pesos per 60 kgms. but are said to have run to more than twice that figure. One interesting transaction apparently involved the sale of over 19,000 tons of potatoes to Uruguay and Brazil in payment for an unknown quantity of British truck chassis.

Although there will undoubtedly be a market for substantial quantities of Argentine table stock potatoes again this year, especially in Uruguay, present Argentine production prospects suggest that she will be unable to fulfil all her neighbours' needs.

In twelve of the past eighteen years Argentina has imported seed potatoes from Canada. According to Canadian export statistics, shipments during those years have ranged between approximately 55,000 and almost

1·3 million bushels. In the immediate prewar and postwar years Argentina imported seed potatoes every year. In the last few years, however, almost entirely because of a scarcity of foreign exchange, seed potato imports have only been authorized when they were considered to be essential and a fairly strong opinion has taken root that Argentina can "get by" without new imports for three years if absolutely necessary. On the other hand, officials of the Ministry of Agriculture are convinced that more frequent imports would benefit the domestic potato industry. Under these conditions it is expected that this year they will request authority and foreign exchange to import seed potatoes, but on a more modest scale than in 1953 when 13,250 metric tons were imported, all but 1,000 tons of which came from Canada. It is hoped that by asking for only 7,000-8,000 metric tons (140 thousand-160 thousand crates) this year, foreign exchange will be found.

Preferred Varieties

In 1953 the import comprised—Katahdin 11,000 tons, White Rose 2,000 tons, Sebago 200 tons and Sequoia 50 tons. Should imports be authorized this year it is expected that approximately the same quantitative relationship would exist between these varieties. In addition, however, a fairly substantial quantity, possibly 5-10 per cent of the total, might be of the Kennebec variety. Experimental quantities of Kennebec, Keswick and Canso were imported in 1953 and the Kennebec variety has done well, especially in the Rosario zone. Unfortunately it has not yet shown to advantage in the Balcarce area which is the main seed-producing zone of the country. Nevertheless, the authorities are anxious to give it a trial on a substantial commercial scale.

Seed and Crate Quotations

Although Argentina has traditionally imported seed potatoes from Canada in crates in normal ventilated stowage the agricultural authorities definitely wish to try shipment in sacks in refrigerated space. Hence, any call for tenders this year will probably require quotations in sacks as well as crates. Since 50 kilos is a much more manageable quantity for any Latin country than 100 pounds, it seems probable that Argentina, like Uruguay, will prefer to have sack as well as crate quotations on the basis of 50 kilo units.

Should seed potato imports be authorized this year, the import will be handled as usual by the I.A.P.I. and the call for tenders could be expected about mid-August. An active, well informed agent, fully conversant with I.A.P.I. purchasing procedures, is normally a prerequisite to a successful bid.

URUGUAY

URUGUAY, which for the past ten years or more has been one of Canada's largest and most regular customers for seed potatoes, is expected to be in the market this year for approximately 300 thousand bushels. Following the recent trend, imports of the Kennebec variety are expected to rise at the expense mainly of Katahdin. As usual, actual quantities imported will depend to a certain extent on the availability of foreign exchange and the prices quoted.

Uruguay's summer potato crop, planted largely from imported seed, is at present menaced by the worst attack of late blight since 1944. Unseasonably warm, humid weather with morning fogs has brought on a widespread infection of the disease a full month ahead of normal. Hence, the volume as well as the quality of the crop is seriously threatened. Fortunately at this stage the Kennebec variety is resisting the disease to an exceptional degree. Since approximately 35 per cent of the North American imports were of this variety last year the authorities are hopeful that at least that section of their crop will be saved. The other varieties imported from Canada—the Katahdin and Pontiac—and the Up-to-Date variety imported from Denmark, appear to be equally and rather completely susceptible to this attack.

Under these circumstances, Uruguay's imports of table stock potatoes are expected to be at least 200 thousand sacks larger than normal. Last year most table stock requirements were imported from Argentina for the first time in a number of years. But the outlook in Argentina this year is such that only a small portion if any of Uruguay's needs is expected to be available there.

Seed Imports

Uruguay normally imports seed potatoes of the Katahdin, Kennebec and Pontiac varieties for the propagation of seed for the winter crop and of the Up-to-Date variety for the production of table stock. Uruguay has imported Canadian seed potatoes every year since 1938. From very modest shipments in the early years purchases have grown steadily until, during the past five years, they have averaged more than 270 thousand bushels a year, making her one of Canada's most important and regular customers.

In 1954, 160 thousand 50 kgm. sacks (293 thousand bushels) were imported distributed as follows: Katahdin 64,000, Kennebec 57,000 and Pontiac 39,000. In spite of the extremely unfavourable weather in Canada during growing, harvesting and shipping, these potatoes arrived in Uruguay in generally satisfactory condition. However, after the seed was removed from refrigerated storage there was considerably more breakdown than normal. Total losses amounted to approximately 2 per cent, reportedly from "soft rot", "pin rot" and "leak". The Uruguay officials were careful to regrade any sacks showing wet spots and in this way approximately 500 sacks were discarded from a total of approximately 50,000 that were regraded. However, many bags showed no signs of breakdown until after they had reached the farm.

Breakdown at that stage has resulted in verified claims for over 2,500 sacks, which although not a large percentage of the total, is several times normal and high enough to create an unfavourable impression. Although complete data are not available it appears that the Kennebec variety was somewhat more susceptible to this type of breakdown than the Katahdin, which in turn was less resistant than the Pontiac. Although the Uruguay officials realize that conditions in Canada were most exceptional last year there is a feeling that under such conditions the selecting, grading and inspecting of the seed should be strengthened to compensate for the increased risk.

Buyers' Preferences

During the past few years the Kennebec variety has gained rapidly in popularity in Uruguay, imports rising from 10,000 sacks in 1952 to 28,000 in 1953 and to 57,000 last year. While this rate of increase may not be maintained this year it is expected that imports of Kennebecs will again increase substantially. Although the popularity of Pontiacs is somewhat limited, their early characteristics are appreciated and little change is expected in the quantities imported. Some of the increase in Kennebec potatoes will probably be at the expense of Pontiacs.

For the past two years Uruguay has purchased both small and large size packed together in each sack. Although the Uruguayan producer prefers small seed, it has been found better administratively to import both sizes together. However, because of the strong preference for small seed, Uruguayan producers and officials are particularly conscious of any excess of large-size potatoes above the allowable maximum. They have had grounds for complaints in this regard on numerous occasions in the past two years. It follows that more attention could be paid to this when grading is done in Canada.

Seed potato imports will be handled by the official Uruguayan Seed Service on a call for tenders. The date for the submission of tenders is normally during the first week in September. Since all conditions set by the call for tenders must be met precisely for the bid to be considered, each tender should preferably be submitted through a local representative to ensure that it meets all legal and technical specifications. ●

MLS Provides

a selling opportunity

A NEW SERVICE to bring Canadian Brigade wives in Germany the familiar Canadian goods they prefer at the prices they like to pay got under way with the opening of a family shopping centre at Soest on February 18th. Conveniently located in the midst of the new married quarters, the shopping centre was besieged on opening day by happy army wives who have been struggling for some time with unfamiliar currency, weights, brands and language to accomplish their family shopping. Maple Leaf Services, the organization behind this new venture, was initiated and is sponsored by the Canadian Army. It is a non-profit private company incorporated under part two of the Dominion Companies Act, and its president and general manager is D. K. Black.

Maple Leaf Services' first family shopping centre, now in full swing in Soest, will soon be followed by two others within the 1st Canadian Infantry Brigade Group's area—one at Werl to open on June 1st and a third at Hemer scheduled to open later this summer. The Soest shopping centre comprises a modern Canadian-style self-service groceteria, complete to shopping carts (which are unusual in Europe) and a family shop stocking men's furnishings, women's wear (not including such fashion articles as dresses), children's and infants' wear, jewellery, housewares and notions, sporting goods and leather, toiletries and drugs, etc. Under the overall management of a Canadian civilian, Verne W. Delancey, the stores are staffed by Germans.

These MLS stores, serving a population of 10,000 with a $600,000 a month payroll, offer a good business opportunity for Canadian exporters. With service its aim—and the reason for its establishment—MLS operates on the basis of buy Canadian every time. But it can only do so if prices are competitive. The Canadian housewife in Germany is delighted to see again the brands she knows, but if she can buy an equivalent British or German product at a lower price naturally she will do so. Her purse is the final arbiter of what will appear on the shelves of MLS stores. At present, British, United States, German and other continental products as well as Canadian goods are being stocked by the Soest shopping centre; German items sell at lower prices there than in German stores. Canadian goods for MLS are already moving across the Atlantic but there are many other Canadian products that MLS would like to stock if the prices are right. Largest buying will likely be of food products. Quotations from firms seeking this business should include catalogues or literature and clearly state prices and discounts, terms and cash discount, be inclusive of packing charges, be based on f.o.b. plant and indicate possible availability. They should be addressed to: *Maple Leaf Services, Kaiser Otto Weg., Soest, West Phalen, Germany,* with a copy to Maple Leaf Services, P.O. Box 626, Station "B", Ottawa. Payment will be made in Canadian dollars. MLS pays the cost of transport to Germany and, because it has been certified as a component of the Canadian Forces in Europe, it does not pay any customs duties. But it does pay an estimated 14 per cent carriage charge from Canada.

Future Plans

Maple Leaf Services is an infant company still in the process of organizing its staff and methods of operation. Eventually it will have a central buying office which will circulate regularly to the trade lists of the goods it needs. Meanwhile, it should be noted that quotations and correspondence should go to the address above. The first MLS basic product requirement list, issued last November, included such varied items as spices, pancake flour, cake mix, marmalade, soup, canned meat and fish, canned juices, pablum, shaving supplies, scrub pads, hair oil, chewing gum, baby's equipment, tooth brushes, milk of magnesia, bobby-pins, men's shirts, garters and windbreakers, women's rubbers, skirts and stockings, greeting cards, games, wax paper, writing paper and duffle bags.

In addition to the three family shopping centres at Soest, Werl, and Hemer, MLS plans to take over the catering of 11 canteens now operating within the Brigade and of three men's clubs opening shortly. Local produce will be used for fresh foods but non-perishable goods will be imported from Canada. Before MLS was organized these canteens were run by the British organization, NAAFI (Navy, Army, Air Force Institutes). NAAFI did a fine job but did not have the Canadian dollars to buy many of the Canadian products in demand. Moreover, it was hard put to satisfy the Canadian man's taste in snacks—hamburgers, hotdogs, doughnuts—from its stocks keyed to the British taste for tea, rock cakes and sugar buns.

Will Operate in Canada

Maple Leaf Services will also operate in Canada and it has just begun to take over management of all amenities for army personnel at the camps and units throughout the country. In doing so, its purpose is to provide equal facilities at all camps. As it is now, the larger units are able to afford more elaborate canteens and facilities. In future, any loss suffered in operating the small units will be absorbed by the larger establishments making larger profits. Stocks for the canteens and stores at camps in Canada will be bought about 50 per cent locally and 50 per cent nationally through Maple Leaf Services. ●

Time Pieces for Canadians

Canadians can be expected to buy about $20 million worth of watches this year and about $10 million worth of clocks; most of these will be of foreign make or will have imported movements and parts. The output of Canada's own watch and clock industry is comparatively small, although production of some types of non-jewelled watches and clocks is increasing.

Who are the main buyers of watches in Canada? School-age children account for about 40 per cent of all sales in the $5 to $25 range, men and women account for about 50 per cent of sales in the $25 to $75 range, and the remaining 10 per cent is made up of special items (usually for gifts) costing over $75.

Switzerland continued to be our main supplier of watches last year; other major sources were France, the United States and West Germany, in that order. The total value of our imports in 1954 was $1,818,782, of which Switzerland provided $1,644,056; France, $73,596; United States, $52,893, and West Germany, $30,098.

Imports of cases, parts, actions, movements and parts of movements for assembly into watches in Canada totalled $6,403,005 during the year. As might be expected, Switzerland again was the principal source, with the United States and West Germany in second and third place respectively.

When it came to clock imports last year, West Germany took the lead, supplying $796,992 of the $1,663,536 total value during the twelve months. The United States followed with $691,307, then the United Kingdom with $83,517 and Switzerland with $79,319. Canadian imports of movements, parts of movements, cases and springs for clocks, and time recorders had a total value of $775,765. Leading suppliers were the United States, the United Kingdom and West Germany.

The Canadian watch and clock industry also does some export business; in 1954 it sold $529,127 worth of watches and parts to 32 countries. Most of the sales were small: the largest were to South Africa, Mexico, the United States, Trinidad and the United Kingdom. Exports of clocks and parts totalled $303,478 and went to 29 countries. Again, most of the sales were small; principal buyers were the United States, Mexico, South Africa, Ceylon and Venezuela.

—P. E. JENSEN,
Commodities Branch.

A Convair 340 loads up at the airport in Hamburg as Lufthansa service to other German cities is resumed.

Deutsche Lufthansa Flies Again

I. V. MACDONALD, *Assistant Commercial Secretary, Bonn.*

GERMANY'S ONCE RENOWNED CIVIL AIRLINE, the Deutsche Lufthansa, resumed operations on April 1, 1955, and promises to take its place once again among the world's major airlines. Given the green light by the Allied High Commission in advance of complete sovereignty approval the new Lufthansa started internal services on April 1, will begin regular European flights on May 15, and regular transatlantic service on June 6, 1955.

Almost ten years after its predecessor's last flight on April 21, 1945, a Convair 340 aircraft flying under the German flag took off from the Hamburg airport on a trial run to Duesseldorf, Frankfurt, and Munich. The Convair was one of four already delivered to the Lufthansa by the Consolidated Vultee Corporation of San Diego and intended for the European inter-city service. Four Super-Constellations Model L 1049 G will be employed on the North Atlantic route and four more, scheduled for delivery in early 1956, on air routes to South America and the Near East. Three DC3's are to be purchased for feeder lines in West Germany.

British Co-operating

The 3,000 miles of European air routes which will be served by the new German airline will include Paris, Madrid, and the lucrative London-Duesseldorf traffic, half of which has been surrendered by British European Airways in an international goodwill gesture. BEA will also discontinue its Duesseldorf-Munich service as a result of the Lufthansa's re-emergence. British co-operation with the new airline does not stop at division of established routes. Lufthansa personnel have been trained in Britain and British BEA-loaned pilots will act as captains of the Convairs, with German personnel as co-pilots for the first few months of operation. Trans World Airlines will supply 11 pilots and 12 flight engineers to fly the Lockheed Super Constellations slated for the transatlantic service linking Hamburg and New York. Under IATA regulations, adequate flight experience in contemporary aircraft is required before the German co-pilots can replace their British and American colleagues. Eventually turbo-prop airliners will be used for the first-class North Atlantic service, but it is not expected that they will be in service with the Lufthansa before 1960.

Preparations Took Time

Preparations for the inauguration of the Lufthansa service have been under way for several years. Chief obstacle was the Allied ban on the operation or ownership of aircraft in West Germany by German nationals. The Paris Treaties restoring sovereignty would have given West Germany the right to begin air operations;

however, special negotiations with the three occupying powers led to a special concession for the Lufthansa. Although repair and maintenance headquarters for the new airline are in Hamburg, the commercial and administrative centre will remain in Cologne. The original Cologne administrative office was known as the "Bureau Bongers" after Mr. Hans M. Bongers, a veteran of many years with the former Lufthansa and now chief of the new organization, and did not become officially the Deutsche Lufthansa until August 1954. Other seasoned Lufthansa veterans have been selected to fly the new aircraft, including pilots with several thousand commercial flying hours to their credit. It is expected that these experienced pilots will in turn become instructors in the proposed Lufthansa internal training program for which two Swedish Saab-Saphir aircraft have been ordered.

Grounded for ten years, this month Lufthansa planes resumed service on internal routes; next month will add European flights. U.S. and British aid, of various types, speeded the rehabilitation and re-organization job.

In the period between the wars, Lufthansa pioneered in international commercial air transport. Founded January 6, 1926, to bring order to the growing German airline industry, the Lufthansa inaugurated night passenger flights and soon extended its service to Madrid, Stockholm and the Canary Islands. In the first year trial flights were made to Moscow and Pekin using the trimotored Junkers G24. At the end of 1926 the Lufthansa possessed 120 aircraft. During the thirties, lines were opened to South America and the Near East and in 1939 scheduled flights to Bangkok, Hanoi, and Shanghai were begun. In Europe the network included also Oslo, Helsinki, London, Paris, Rome, Athens, and Istanbul. Passengers carried in 1939 numbered 277 thousand and distance covered totalled 12 million miles. The carrier of the late prewar period was the familiar JU-52, still in use in widely scattered parts of the world.

Financing the Airline

Lufthansa will probably not show a profit for some time. Fixed expenses are necessarily high and the operating break-even point probably cannot be achieved with much less than 20 aircraft.

Mr. Bongers believes that it should be possible to cover costs by realizing about 100-120 million tons/kms and this could be achieved by a fleet of about 20-24 planes. In a recent statement he announced that a capacity of 90 million tons/kms would be reached by 1957. This represents about one billion passenger kilometres or double the capacity of the old Lufthansa. The initial overseas schedule of six flights weekly to New York is expected to be increased to 12 in 1956 and to include connections to Rio de Janeiro and Buenos Aires. The Director said also that once the German airline becomes firmly established in overseas traffic, the Lufthansa will increase strongly in the inner-European air net which at present provides a turnover of about DM300 million for foreign operators in West Germany alone.

Financing of the Lufthansa has been done chiefly through federal funds. Of the DM50 million basic capital established in August 1954, 85 per cent has been taken over by the Federal Government. Other shareholders include the province of Northrhine-Westphalia, travel agencies, insurance companies, banks and other firms. Additional capital is provided by depreciation reserves (DM7·6 million), a Bundespost loan (DM15 million), and bank loans (about DM26·3 million), and eventually from operating revenues. Although private participation is encouraged the response has not been very great, chiefly because of the obscure dividend outlook. It is hoped that investors' interest will increase with the proposed rise in share capital by DM75-80 million. The eight planes which will be put into operation will require an expenditure of approximately DM69 million, including spare parts. The granting of long-term credits by the American suppliers, payment to continue until 1960, has simplified the financing of these purchases. A German financial institution, however, has been preparing to substitute a German internal credit for the American credit. Personnel costs alone will amount to more than DM10 million by the summer of 1955.

The re-establishment of the Lufthansa is partially a question of prestige and therefore not directly related to the present competitive situation in the industry. It will be the 29th airline to use the Frankfurt airport. Many observers believe that the economic problem—unnecessary duplication of services—could be solved by the establishment of a European air traffic pool under which traffic would be shared on an equitable basis which would bridge national boundaries.

West German insurance companies are looking forward to increased sales of passenger insurance and are co-operating closely with the new airline. A group of 49 insurance companies already holds shares in Lufthansa and the Convair aircraft already available are covered by German underwriters.●

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commodity notes

Brazil

COFFEE—The forthcoming Brazilian coffee crop has been estimated at 15,582,000 bags, of which 7,800,000 bags will be contributed by the State of São Paulo—São Paulo, April 12.

Chile

HEMP—In 1954, Chile's hemp harvest reached 37,100 quintals. Production of hemp fibre that same year totalled 37,140 quintals. Most of the hemp is used to make sacks, yarn and card—Santiago, April 6.

Cuba

WHEAT AND FLOUR—Flour imports have dropped appreciably since Cuba's first flour mill opened in 1952. Compared with flour imports of 467,893,836 pounds in 1945 and 335,123,957 pounds in 1951, the following figures indicate the drop in flour imports and the increasing volume of wheat imports for domestic milling: 1952—wheat flour, 264,423,912 lb.; wheat, 103,014,955 lb.; 1953—wheat flour, 182,022,243 lb., wheat, 136,483,600 lb.; 1954—wheat flour, 153,822,200 lb., wheat, 168,114,500 lb.—Havana, April 6.

Finland

WOOD—Finnish exports of sawn and planed wood in 1954 totalled 715 thousand standards, compared with 664 thousand standards in 1953. Of the 1954 total in round figures, 278 thousand standards were sold to Great Britain (310 thousand in 1953), 72,000 standards to the Netherlands (58,000), 67,000 standards to West Germany (56,000), 46,000 standards to Denmark (43,000), 39,000 standards to Belgium (24,000), 23,000 standards to France (20,000), and 61,000 standards to the Soviet Union (64,000). These figures show that Finnish exports to Britain have decreased by 10 per cent, while some of the other western European countries have increased their purchases considerably in comparison with 1953—Stockholm, April 6.

Greece

TOBACCO—The 1954 crop of Greece's most important export, tobacco, reached a high of 68,000 metric tons; the total area cultivated in tobacco by 157 thousand small growers was 262 thousand acres, 20 per cent greater than in 1953. Exports in 1954 amounted to 52·3 thousand metric tons, chiefly to the United States, West Germany and France, in that order, bringing in US$62·1 million in foreign exchange. Canada imported only 25 metric tons, all choice varieties for blending with domestic and other imported tobaccos—Athens, April 4.

Norway

FURS—The third Oslo fur auction, held from February 17 to 22, was the last important sale of minks this season. Both prices and demand remained firm. Of the 33,480 standard minks offered, 97 per cent were sold, the average prices being 143 kroner for males and 89 kroner for females. Mutation mink comprised 11,693 pastels, of which 91 per cent were sold at average prices of 206 and 127 kroner, respectively; 4,199 silverblues, of which 99 per cent were sold and fetched average prices of 151 and 89 kroner, respectively, and 318 sapphires, all sold at average prices of 290 and 182 kroner, respectively. The number of fox skins originally offered totalled some 10,500 blue and 7,000 silver, but most of the best quality blue and dark silver were withdrawn because of the high minimum prices stipulated by the producers. The next Oslo auction will begin on April 28—Oslo, March 29.

South Africa

URANIUM—Output of materials included under the Atomic Energy Act during 1954 were valued at £14·8 million, compared with £3·9 million during 1953. Capital expenditure on recovery units to the end of 1954 amounted to £46 million. At the end of February 1955 there were ten producing plants serving 16 mines, and five plants to serve seven mines still to be brought into operation—Johannesburg, April 6.

WOOL—Wool production is running at the highest rate in 22 years and the total clip when the season ends in July is almost certain to be the second highest in South African history. Estimated at 285 million pounds, it is still well below the record of 396·6 million pounds set in 1932-33—Cape Town, April 6.

Sweden

PAPER AND PAPERBOARD—Sweden had a record production of paper and paperboard in 1954 amounting to approximately 1·35 million tons, compared with 1·25 million in 1953 and 1·27 million in the previous record year 1951. Exports totalled 770,848 tons, exceeding the 1953 quantity of 713,632 by 8 per cent; the value was 692·7 million kronor against 613·3 million in 1953. This total figure was made up as follows: newsprint, 184,886; kraft paper, 299,814; sulphite wrapping paper, 59,463; other paper, 171,019, and cardboard, 55,666 tons. The corresponding figures for 1953 were 206,568, 264,784, 53,263, 152,450 and 36,567 tons—Stockholm, April 13.

Switzerland

WATCHES—The value of Swiss watch exports fell off to 1,040 million francs in 1954, 66 million less than in the preceding year. This is considered a moderate decline, much smaller than expected in view of American tariff and anti-trust action against the Swiss industry. Nevertheless, these measures were reflected in a 25 per cent drop in watch sales to the United States, Switzerland's principal outlet, and it is feared that exports to that country will continue to fall. Sales to European, Asian and African countries and to Australia increased. With the exception of the U.S. market, the future of the Swiss watch industry appears to be bright and greater export opportunities are expected in most other countries—Berne, April 12.

United Kingdom

BALL AND ROLLER BEARINGS—Value of anti-friction bearings produced in the United Kingdom has increased from £16·3 million to £35 million since 1948. This increase has largely been the result of rising demand from the automobile industry, not only because of higher production but also because of the greater use of ball and roller bearings in the design of modern cars. U.K. exports of ball and roller bearings in 1954 were valued at £3·86 million —London, April 15.

SHIPS—British shipyards launched 253 ships of 1,409,000 tons in 1954, 91,000 tons more than in 1953 and the highest figure recorded since 1930. Britain's share of world shipping output in 1954 was 26·8 per cent, up from 25·9 per cent in 1953. Orders for new ships held by U.K. shipyards at the end of 1954 totalled 4·3 million tons, representing over two years' work—London, April 15.

United States

STEEL—A report from Cleveland indicates that steel production in the United States in the first quarter of this year will reach a near record output. It is expected that 1955 production of ingots and castings will approximate some 105·6 million tons, approaching the record 1953 production of 111·6 million tons. The forecast is that production may be expected to rise in the second quarter of the year, turn downwards in the third quarter, and rise again in the fourth quarter for a total equal to 83·9 per cent of the United States capacity of 125·8 million tons—Detroit, April 18.

LEAD—The Bureau of Mines reports that domestic production of lead in 1954 amounted to 317 thousand tons, the smallest output since 1932-34 and 7 per cent below 1953. The Bureau blames the drop on production curtailments in 1952 and 1953 following price reductions in lead and zinc, which are usually a product of the same mines.

According to the Bureau, the supply of lead in 1954 totalled 1,240,000 tons, a decrease of 141 thousand tons from the previous year. This figure includes domestic production, secondary recovery of 480 thousand tons and imports of 443 thousand tons, the latter figure a 20 per cent reduction from the previous year. About 22 per cent of lead imports in 1954 originated in Canada. Consumption of lead, excluding purchases for the government stockpile, was estimated at 1,095,000 tons and exports were less than 1,000 tons. Consumption in 1953 amounted to 1,203,000 tons—Washington, April 16.

West Germany

CHEMICALS AND PHARMACEUTICALS—West Germany's chemical industries had a total turnover of DM12,300 million in 1954, 13 per cent above that of the previous year. Chemical exports increased from DM2,320 million in 1953 to DM2,980 million in 1954. At the same time, chemical imports rose by 44 per cent to DM892 million.

Pharmaceutical production, which amounted to DM536 million in 1950, increased considerably and reached a total of DM 1,150 million in 1955. Exports expanded even more conspicuously—from DM91 million to DM261 million; imports rose from DM27 million to DM65 million—Bonn, April 12.

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DETROIT *as a potential market*

Over 3·3 million people live in the Detroit standard metropolitan area; they represent a nearby market worth Canadian attention. Here are data on their way of living and spending habits, as an aid to would-be exporters.

M. J. VECHSLER, *Consul and Trade Commissioner, Detroit.*

CANADIAN EXPORTERS are showing increasing interest in the Detroit area. All too frequently, however, the average Canadian thinks of Detroit as the world centre of automobile production and does not visualize it as a potential market. It is true, of course, that not all Canadian goods will sell there but it is surprising how many do, despite some obstacles. This applies even to certain types of consumer goods when the Canadian product has sales features—styling, quality, price or some other aspect—which appeal to the American buyer.

For those Canadians who have not yet tried selling in this market, here are some facts and figures which give some idea of the potential. They may help the present or prospective Canadian exporter to decide whether his product will appeal to Detroit consumers.

Population Growing Rapidly

The growth of the Detroit region has been extremely rapid. The 1953 return indicates that 3·6 million people live in the six-county trading area—about 3·3 million of them in what is termed the Detroit "Standard Metropolitan Area". The rate of growth is shown in the following table:

1900	527,008	1930	2,314,632
1910	709,140	1940	2,537,622
1920	1,409,955	1950	3,253,194
		1953	3,620,000

In 1953 some 2,646,300 of the total were 14 years of age and over, and 2,341,400 were 21 years and over. Of the total, 3,204,068 were white, 411,000 negro, and the remainder, "other". Some 1·6 million were in the labour force. The 1950 census records racial origins as 65·6 per cent of English, Irish, Scotch or other British origin, 17·8 per cent German, 11·9 per cent Negro and 10·4 per cent Polish. Of the foreign-born population in 1950, 25 per cent were Canadian, 16 per cent Polish, 12 per cent British, 8 per cent Italian and 6 per cent German.

Some 82 per cent of Detroit's population live in single or two-family duplex houses, 12 per cent live in apartments, and 6 per cent in three or four-family dwellings. This is in contrast to many other large cities and creates a broader market for household appliances and other time-saving gadgets. In 1950, the total number of dwelling units was reported as 965,343. Of these, 107,316 were built between 1950 and 1953, 214,165 between 1940 and 1949, and 112,810 between 1930 and 1939. More than 64 per cent of families own their own homes; 57 per cent have automatic oil heating, and 40 per cent use coal. In 1953, 863 thousand homes had refrigeration, 923 thousand had radios, and 837 thousand television sets.

The Transportation Problem

In a city of this size, with no subway or overhead transportation system, getting from place to place is sometimes a problem. It is significant that 63 per cent of the workers use their own automobiles for getting to and from work. Here is how transportation works out:

No. of Non-Farm Workers	1,465,000
Type of Transport	
Automobile	933,200
Bus or street car	379,400
Walk	139,200
Train	4,400
Other	8,800
Distance to Work	
Under 2 miles	263,700
2- 4 miles	354,500
5- 9 "	488,300
10-14 "	187,500
15-19 "	93,800
20 miles and over	76,200

Occupations and Income

More than half the workers in the area are engaged in manufacturing, the majority in the automobile industry, but important numbers work in other manufacturing such as machinery, paper products, textiles and furniture. Nearly half are engaged in non-manufacturing activity, such as construction, transportation, utilities or government service, or are self-employed.

Family income is reported higher than in any other major market, at $6,500. Significant too is the analysis of these family incomes—12 per cent are in the

$10,000 and over class; 23 per cent in the $7,000-$9,999 group; 27 per cent between $5,000 and $6,999.99; 25 per cent between $3,000-$4,999 and 13 per cent under $3,000. The dominance of the $3,000 to $10,000 groups, 75 per cent of the total, is worth noting.

Retail Sales

The Detroit retail trading area accounts for 57 per cent of Michigan's total retail sales. The following table gives sales in the state and the proportion made in the Detroit area:

	(in millions of dollars)	*Detroit Area %*
Total	$9,167	57
Automotive	1,823	56
Gas stations	535	50
Apparel	465	63
Building materials	705	56
Eating and drinking	709	59
Food	2,118	55
Furniture	424	61
General merchandise	891	57
Drugs	297	61
Hardware	154	46
Jewellery	62	64

A recent survey of buying power made by *Sales Management* gives the following breakdown of annual retail sales per family in 1953:

Retail Sales per Family

Detroit	$4,523
Chicago	4,328
Philadelphia	3,891
New York	3,837
Los Angeles	3,826

Although Detroit ranks fifth in population, it is first in the U.S. in the number of persons per family, total retail sales per family, automotive sales per family, and drug store sales. It is second only to Chicago in general merchandise sales per family.

Food Sales High

Over $1,168,000,000 a year is spent on food items in the Detroit market, according to a survey made for the *Detroit News* in May 1954. Per family food sales are 19 per cent above the national average, and Detroit ranks second only to New York among the five big markets of the United States. Here is a breakdown of some of the items:

Item	*lb.*	*Item*	*lb.*
Butter	31,132,000	Apples	82,174,000
Cheese	27,150,000	Potatoes	369,240,000
Eggs (doz.)	12,248,000	Sugar	336,660,000
Margarine	27,874,000	Beef	221,544,000
Lard	44,164,000	Veal	25,702,000
Lamb	14,842,000	Chicken	98,825,000
Pork	259,192,000	Turkey	20,272,000
Fish	41,268,000	Fresh vegetables	872,420,000

Grocery store sales totalled $756 million in 1953, with sales by 322 chain stores reaching $362,300,000, and sales by 25 independent supermarkets $55,250,000. The remainder of the business ($338,450,000) was divided among 4,550 independent retail outlets. The chain store grocery outlets are important.

Regional Shopping Areas

Regional shopping areas owe their development to a number of factors, including the trend toward suburban living, traffic congestion in main business centres, parking difficulties and charges, and so on. Seven of these projects have been completed or are in course of construction in the Detroit area. In the main they consist of a dominant department-type store, one or two large supermarkets, and several apparel stores. Hudson's leads the way with two such projects. The first, "Northland", costing $20 million, occupies a space of 161 acres, with one million square feet of floor space, contains 80 stores and parking space for 7,500 cars. It was opened this year. The second, "Eastland", costing $15 million, will have 50 stores, occupy 102 acres with 650 thousand square feet, and have space for 5,500 cars. It is to be started this year and completed in 1956. The other five projects, some already opened, represent an investment varying from $4 million each to $6·5 million each. The number of stores in each varies from 21 to 29, acreage ranges from 10 to 36 acres, and footage from 220 thousand to 400 thousand square feet. Parking capacity ranges from 1,000 to 3,300 cars.

It must be borne in mind that the above brief review refers only to the metropolitan Detroit area and does not include the rest of the State of Michigan. But it does perhaps give some idea of why this region offers great sales possibilities. Canadian firms who wish advice about prospects for their product should write to the Consul and Trade Commissioner in Detroit.

New Printing Technique

A Detroit firm has developed a new super-speed printing process called electrographic recording. The machine produces a fade-proof and smudge-proof print by means of a pinpoint pattern of electrostatic charges which is placed on the surface of a low coated paper and then made visible by passing the paper through a dry ink bath and a drying process. The paper can pass through the machine at a steady rate up to 44 feet per second. Potential applications for the new printing technique include such commercial uses as high-speed labelling or strip printing, page printing, teletyping and telemeter applications, and certain display applications.

Selling South of Erie

Does your company have a salesman selling consumer products to wholesalers in southern Ontario? Why not include in his next trip a 350-mile swing along the south shore of Lake Erie, beginning at Detroit? Here is a suggestion for a sales trip covering six cities in this area and advice on how to make it pay.

J. H. BAILEY, *Vice Consul and Assistant Trade Commissioner, Detroit.*

ONE OF THE BIGGEST MARKETS for consumer goods in the United States lies along the shortest U.S. route between Detroit, Michigan, and Niagara Falls, New York. This fact presents Canadian companies whose salesmen are already calling on large wholesale establishments in southern Ontario with a worthwhile opportunity.

Here is the plan. Instead of having the salesman finish his trip at Windsor and retrace his steps, send him on a swing around the south shore of Lake Erie and back to head office by this route. By calling on the leading chain and department stores in this 350-mile stretch, he will be covering a region with a population of over 5½ million. The exact figures are:

Detroit, Mich.	3,016,000
Toledo, Ohio	282,000
Cleveland, Ohio	1,466,000
Erie, Pa.	117,000*
Buffalo, N.Y.	576,000*
Niagara Falls, N.Y.	85,000*
	5,542,000

* New York office area.

Most of the large retail stores in this area could give a Canadian manufacturer as much business as he receives from a medium-sized wholesale establishment his salesman is already calling upon in Ontario.

"Add-on" Sales

At this point, the manufacturer may raise the objection that, if the product which the salesman shows proves popular with these U.S. retail buyers, future chances to sell it at the wholesale level will be jeopardized. This might be true in a few rare instances. In the main, a Canadian firm could regard any sales to U.S. stores and chains as "add-on" sales—additional business. Possibly, if the company later decides upon national distribution in the United States, a local manufacturer's agent could handle the sales. And such an agent will undoubtedly push the product more energetically if he knows it is already well established in some of the larger retail outlets.

First Steps

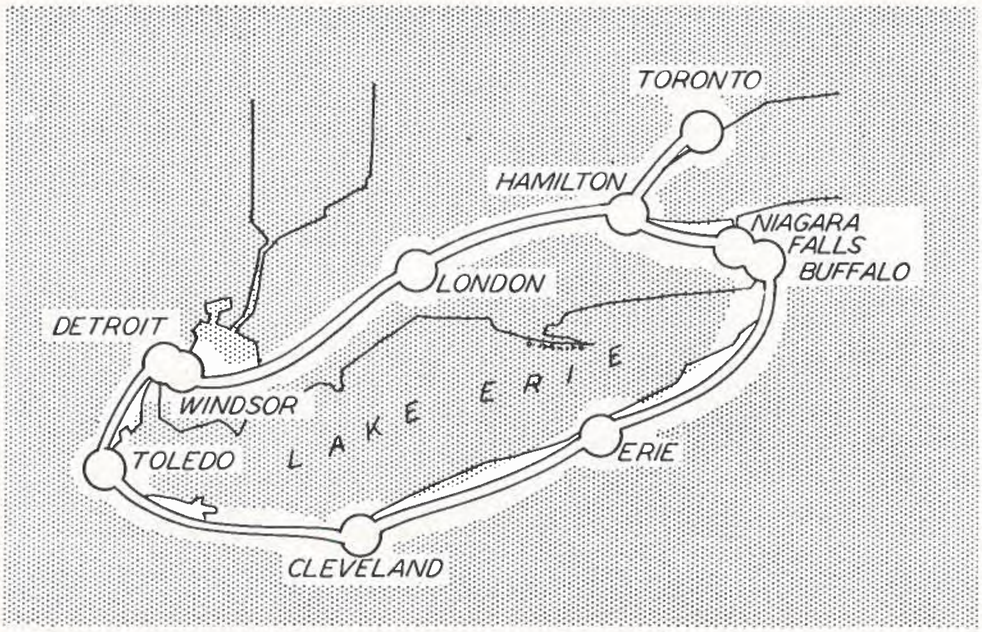
Let us see how the proposed itinerary would work out in practice. After he finished his calls in Windsor, the salesman would come through the tunnel into Detroit and make his first stop at the Canadian Trade Commissioner's office. We would then guide him to the nearby office of the U.S. Customs to obtain rates of duty and opinions on valuation.

By showing the customs appraisers actual samples of the product, with price lists giving the pricing structure in Canada, the salesman can usually obtain forthwith the necessary figures to calculate the laid-down price of his merchandise in the United States. Some of this work can, of course, be done beforehand by the salesman's head office, working in conjunction with the Trade Commissioner on rates of duty, suitable customs brokers, and so on. This will save the salesman time after his arrival in Detroit.

Conferring with the Customs before calling on buyers is most important. The first question that the U.S. buyer will ask as soon as he has seen the product is: "How much is it going to cost me to bring it into my store?" We have found from experience that U.S. buyers, on the initial contact, do not want to bother getting out a pencil and a slide rule and figuring out transportation costs and rates of duty. They want to be able to compare the Canadian product immediately with a similar product from U.S. sources which may already be on their shelves.

Meeting the Buyers

Once the price in the United States market has been established, the next step is for the salesman to call on the large retail outlets in each centre. In Detroit the three outstanding firms are the J. L. Hudson Com-



Our sketch map illustrates how practical and inexpensive this sales promotion trip can be. Total area covered is about 350 miles; time required, three days.

pany, the Cunningham Drug Store chain, and the S. S. Kresge Company. The latter operates 617 stores throughout the United States (72 in Canada) and the head buying office, including the offices of the import division, are located in downtown Detroit. After calling on the buyers at Hudson's, Cunningham's and Kresge's and doing a little "shopping" on his own, the salesman should be able to judge whether or not his product has a chance in the United States. If he feels there is some hope of breaking into the market there with the right product at the right price, he can continue on his tour.

After a day in Detroit, the salesman goes on to Toledo the next morning and spends most of the day calling on buyers there, including those in the three large retail stores—Lamson's Department Store, the B. R. Baker Company, and LaSalle and Kock Company. In the late afternoon he continues on to Cleveland. The next day is a busy one, with visits to the Bailey Company, the May Company, the Higbee Company, Halle Bros. Company, and Taylor's. The latter is part of the Mutual chain with main buying offices in New York.

The next morning he moves on to Erie, Pennsylvania, for one call and reaches Buffalo the same day. The last two days of his selling tour along the south shore of Lake Erie he spends in Buffalo and Niagara Falls, N.Y., calling on the large retail organizations in those cities. (The office of the Consul and Senior Trade Commissioner in New York will be glad to give advice about retail stores in Buffalo and Niagara Falls.) The cost of this trip, during which he calls on large merchandising centres in four states on his 350-mile drive, should not be any higher than travelling a comparable distance and visiting cities of a similar size in Canada.

Persistent Selling Needed

The salesman should not be discouraged by a turndown on his first few calls. As in Canada, the American buyer often must be visited several times before he will place even a trial order. For some reason or other, Canadian salesmen who call on firms in the United States often throw up their hands and give up altogether after their first refusal, though across the river in Windsor they continue to call on the same firm on each visit to the city if they think there is any hope of picking up an order. The same policy should be pursued in the United States and may mean increased sales and profits for the Canadian manufacturer.

If the salesman makes this circuit around the lake three times with no resulting trial orders, the manufacturer could drop, at least temporarily, the idea of selling in the United States. In many instances, we believe that the Canadian manufacturers will be pleasantly surprised at the returns obtained.

The Detroit office will be glad to help any company interested in planning such a trip. In addition to guidance on customs matters, it stands ready to advise on suitable hotel accommodation and to make reservations if needed; to supply detailed road maps and highway information on the area to be covered and information about suitable banking connections in each city, and to make appointments with buyers in the metropolitan area of Detroit. On occasion, a trade official from the Detroit office may be able to accompany the Canadian salesman on his calls in the Detroit downtown area. ●

ARGENTINA: the Business Picture

First eight months of 1954 saw exports rise in volume but money returns shrink. Import restrictions somewhat relaxed but soft currency suppliers largely benefited. No immediate change in marketing prospects expected.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

BUSINESS CONDITIONS in the Argentine continued to improve during the past six months. The consistent upward trend in the stock market reflected greater confidence in future prospects; so did industrial expansion and the contracts signed by a number of foreign companies, including Henry J. Kaiser, whereby useful amounts of capital will be invested in new industries. Substantial progress was also made in liquidating the commercial debt piled up during the drought years with foreign countries under the compensatory trade agreements. The year 1954 saw a favourable balance of trade in spite of a much less austere import policy than in 1953.

Contrasts in Trading Picture

A much larger export volume during the January-August period of 1954, as compared with the same period of the previous year, produced the paradox of a smaller money return. This resulted chiefly from the sharply reduced international prices for Argentina's chief exports. The 1953 volume of 3,934,500 tons increased by 55 per cent to 6,105,500 tons in 1954 but the total money return fell over 9 per cent—from 4,893 million pesos to 4,424 million. The average return per ton exported fell from 1,228 pesos to 725 pesos—a drastic decrease of 41 per cent in the common price level of all export products. However, this policy of rapid marketing against all price competition has left this country no bothersome surplus of any kind of cereal from the last crop year. This price relationship is expected to apply also to the exports of the last four months of 1954, as yet unreported.

The effect of the unfavourable international price movement was to shrink the economic benefits expected from the excellent 1953-54 crops. Nevertheless, although the drop in anticipated profit was substantial, the actual profit realized compared favourably with the average of the postwar decade. It also sufficed to enable the economy to maintain its drive towards normal conditions, although at a somewhat slower pace.

It permitted a marked relaxation in the policy of import austerity through a substantial rise in the foreign exchange permits for imports. These grants during this January-August period totalled almost as much, in fact, as did the foreign exchange earnings—4,424 million pesos versus 4,335 million. The latter was in marked contrast to the 3,432 million of the similar period of 1953. This fillip to the import trade, however, benefited chiefly those soft currency suppliers which have compensatory trade agreements with Argentina. Of Argentina's principal suppliers those which improved their position vis-à-vis that of a year ago were the United Kingdom, Brazil, Soviet Russia, the Netherlands, France, Japan, Belgium, Poland and Venezuela. The United States, Germany, Chile, Italy and India lost ground.

The trend of imports is still away from finished consumer goods to prime materials, machinery, fuels and lubricants—all for industry—and timber for building, plus drugs and chemical products.

This period showed a favourable balance of trade. It is expected this will be carried through to the end of the year by holding the value of the import permits issued within that of the foreign exchange earned.

Foreign Investment

The Minister of Economic Affairs announced recently that agreements have been made with foreign investors, under the terms of the Foreign Capital Investment Law, to establish a number of new industries in the country. The principal ones mentioned were industrial and automotive gears, pistons and piston rings, abrasives, polystyrene, polyethylene, plough discs, storage batteries, optical glass, antibiotics, motorcycles, motor scooters, diesel motors, tractors, farm machinery, fish canneries and seamless steel piping. It was later announced that the Kaiser interests from the United States would definitely establish an industry to produce 40,000 jeeps, trucks and passenger cars a year combined. Expansion of the steel industry is under way but recent weeks seem to have witnessed no progress in closing with foreign capital for the development of petroleum resources.

At the end of December 1954 (the comparative figures for December 1953 follow in parentheses) the gold held both in the vaults of the Argentine Central

Bank and abroad totalled 1,623 million (1,623) pesos; exchange held abroad was 2,345 (2,232) million; rediscounts were 44,341 (36,817) million; national bonds C held were 3,653 (3,556) million; demand deposits totalled 375 (454) million. (Source: First National Bank of Boston.) Attention is drawn to the startling increase in the last figure compared with its counterpart of a year previous—a 20 per cent increase not justified by any corresponding expansion of basic economic activity.

National revenue collected during the first half of the year increased by about 8 per cent to 6,718 (6,214) million pesos. The categories which showed increased returns were customs duties, excise duties, port dues, stamp tax, land tax, capital gains, sales tax and "other" revenue.

The national public debt is now wholly internal; all external debt has been paid off. The latest available figures are for December 1953; according to *Business Conditions in Argentina* the total at that date had increased by one-third to 35,282 million pesos from 26,418 million a year previous.

Bankruptcies increased by 75 per cent to a total of about 565 million pesos compared with 1953's total of 326 million. The past year has seen persistent and substantial increases in almost all quotations of securities on the stock exchange. The cost of living has once again started to rise.

Prospects for 1955

A moderately prosperous year is in prospect because of the abundant 1954-55 crops. The wheat crop, now harvested, totalled some seven million metric tons, or 257 million bushels. However the hot, dry weather that ensured the rapid trouble-free harvesting of the wheat caught the maize crop in the milk stage and much of it did not fill. Probably not more than three million tons of maize will be harvested. The dry weather also affected pastures adversely but the short drought is now definitely broken throughout the whole of the country and producers feel that a moderately profitable year is in store. Nevertheless, the import trade does not expect 1955 to be any better than 1954. There will be somewhat less purchasing power but less commercial debt to liquidate—the legacy of the drought years 1950-52. No expansion is anticipated either in the list of goods eligible for import from the dollar area nor in their permitted value. As of now, imports will continue to be confined mainly to prime materials and capital goods. Consumer goods, except those highly essential to the economy such as complex pharmaceutical specialties, are not likely to find a market in this country in 1955.●

India's Railway Budget

When India's railway budget for 1955-56 was introduced into Parliament recently, the figures reflected the improvement brought about by an increase in rolling stock. So far, of 1,702 locomotives, 62,500 freight cars and 4,900 passenger coaches ordered under the first Five Year Plan, 928 locomotives, 38,500 freight cars and 3,560 passenger coaches have already been delivered. Some of the locomotives are being built in Canada under the Colombo Plan.

Receipts and Expenses

The new budget estimates gross traffic receipts for 1955-56 at 2,925 million rupees, compared with the revised estimate for 1954-55 of 2,828 million. Working expenses are put at 2,068 million rupees (2,029·5 million in 1954-55) and net miscellaneous expenditures at 74·9 million compared with 83·2 million in 1954-55. The net surplus has improved steadily in the last few years: in 1953-54 it was 25·6 million rupees; the estimate for 1955-56 is 71·4 million. This reflects the fact that expenditures have not risen at the same rate as receipts.

Most important change in the budget was the re-introduction of what is known as the "telescopic" structure for passenger fares. These fares have been classified in three legs: first, up to 150 miles; second, from 151 to 300 miles; third, over 300 miles. On the first leg, fares have been raised slightly, on the second they remain unchanged, and on the third they have been reduced. Thus the passenger travelling long distances receives some relief. Since 1948, the rate has ranged from just under ½ cent a mile for ordinary third-class travel to approximately three cents a mile for air-conditioned travel.

Rates Raised

The budget includes also certain changes in freight rates. For distances of over 300 miles the rise is 10 per cent, from 301 to 600 miles the present rate is unchanged, and from 600 miles up, the rates are lowered by 15 per cent. In addition, lower rates for food grains and chemical fertilizers are proposed. A surcharge has been placed on all consignments weighing less than 1,640 lb. and the minimum charge on such consignments increased by ten cents.

RICHARD GREW,
Commercial Counsellor, New Delhi.

Egypt Looks to the Future

Ambitious plans for raising agricultural output, expanding industry, exploiting mineral resources, and improving communications are moving forward in Egypt today. This outline of some of the projects may suggest trade opportunities to Canadian businessmen.

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

TWO YEARS AGO, Egypt took the first steps towards working out a development plan. This plan was a fourfold one, looking towards expansion in both agriculture and industry, the exploitation of mineral resources, and the improvement of communications. At the same time a Permanent Council for the Development of National Production was set up to administer the plan. This year, the Council has been given a direct voice in the Cabinet and in the Council for the Revolutionary Command by the creation of a Minister of State for Production Affairs.

Agriculture Emphasized

Primarily, the program forms part of the Government's campaign to provide a better standard of living for a growing population. Most important is a larger food supply and agriculture is receiving particular emphasis. Mechanization of agriculture is stressed, to reduce the need for draft animals and release additional land for dairy herds, and also to step up output. Plans also call for a greater cultivated area through increased irrigation and land reclamation. Among the major agricultural projects already under way are the following:

- The reclamation of 260 thousand feddans* of land and the conversion to perennial irrigation of 52,000 feddans through the use of wells. The Government has devoted to this project £E11·7 million. The Point Four Administration is contributing £E3·5 million for the reclamation of the Abis area and the west of Fayoum province.

- The provision and supply of selected wheat, maize and rice seeds at a cost of £E8·7 million over a period of three years. An estimated increase in annual yield of 20 per cent for wheat and rice and of 25 per cent of maize is expected.

- The Aswan hydro-electric scheme, which was begun before 1953, will cost a total of £E27·5 million, and will provide electric power for industrial expansion, some of which will be used for a plant to turn out 370 thousand tons of nitrates of ammonia a year for farm fertilizers.

Within the next three or four years, several other agricultural projects will be started. They will include the construction of two silos (cost, £E1·3 million) with a total capacity of 70,000 tons; the cultivation of sugar beets on 30,000 feddans of reclaimed land

These young Egyptians helping to harvest the cotton crop will have a better life if present government plans to raise the peasants' low standard of living are carried out.

* One feddan=1·038 acres.

and the building of a sugar factory (cost, £E5 million), and an increase in jute production from 2,500 to 20,000 tons.

Industrial Expansion Planned

As agriculture becomes mechanized, fewer Egyptians will be employed on the land and other work must be found for them. The development plan therefore looks towards industrial expansion and exploitation of mineral resources. The following industrial projects are already progressing:

- Processing of iron ore from upper Egypt in a new plant south of Helwan which a commercial organization, sponsored by the Government, the Production Council, Demag (a German company) and a few local bodies, will build near Cairo. The cost of the project is estimated at £E15 million and the Government's share is £E3 million. Estimated yearly output of steel, to begin in 1958, is 230 thousand tons. The red hematite to be processed contains about 50 per cent of iron.
- The creation of an industry to turn out 400 thousand tires a year. Most of the machinery for this factory has been ordered from the United States and American experts will supervise operations.
- Construction of the Nile Hilton hotel at an estimated cost of £E500 thousand. The Government gave the necessary land at a nominal rent for a period of 75 years and guaranteed shareholders a minimum dividend.

Within three or four years a start may be made on a paper industry using agricultural residues. The manufacturing of pharmaceuticals, batteries, and cotton and rayon products will also be encouraged. Raw materials for these and other industries will be exempt from customs duties and a protective policy will be followed.

Exploiting Mineral Wealth

The exploitation of Egypt's mineral resources has called for new legislation. Foreign companies have been authorized to extend their search for oil. An agreement was reached with the Anglo-Egyptian Oilfields Co. for the exploitation of leases in the Sinai area, untouched since 1948. The National Petroleum Co. has begun the exploitation of the Wadi Feiran (ex ESSO) wells and has also obtained prospecting licences in the western desert. The Egyptian American Oil Co. also is prospecting in that area and the German Vereinigte Geverkschaft Co. in the eastern desert and Sinai.

The government refinery at Suez is to be expanded to a capacity of 1·3 million tons a year, about four times the present one, and pipelines built between Suez and Cairo, and between the refinery and the port. The Production Council has also recommended that a mining research centre, equipped with the necessary instruments and apparatus, be set up.

Improving Communications

The blueprint for improved communications puts primary stress on the building of better roads and the renewal of railway equipment. Within three to four years, the plan is to pave 500 kilometres of present roads, widen certain roads in lower and upper Egypt, and improve some 1,000 kilometres along the Red Sea. Estimated cost is £E9 million, £E3 million of which will come from the U.S. grant.

The railway renovation program will be carried out over five years and will cost £E14·25 million, about £E6·5 million of which represents a U.S. grant. Additional programs are projected at a cost of £E6·25 million. The telephone and telegraph network will also be extended over a period of six years.

Financial Problems

The plan in its entirety, as originally conceived, will cost more than £E400 million. New problems are constantly arising and it will be many years before some of the projects can be completed. The Government is naturally anxious about the problem of financing these projects in such a way as to prevent or at least limit any inflationary effect. It is apparent that they cannot be financed out of the country's normal revenue. The Government has already obtained money through a local bond issue, but additional assistance from foreign companies and the World Bank will be required.

The most ambitious project in the development plan is the High Dam to be built—within ten years if possible—six kilometres south of the present Aswan Dam, at an estimated cost of £E200 million. When it is completed, it should expand cultivated land by about two million feddans and transform the Upper Egypt basins into a permanent irrigation system. It would also generate electric power to a maximum of 4·1 million kilowatt hours a year. Preliminary geological and other studies have already been carried out by Egyptian and foreign experts and financial discussions held with the International Bank and with French and German companies.

Trade Commissioners on Tour

J. L. MUTTER, Commercial Counsellor in Oslo, Norway, begins his Canadian tour in Vancouver from May 16 to 20; the remainder of his itinerary will be published in subsequent issues. Businessmen in Vancouver may get in touch with Mr. Mutter through the Department of Trade and Commerce, 355 Burrard Street.

General notes

Australia

CIGARETTE FACTORY AND BOND STORE—It is reported that the British Tobacco Co. (Australia) Ltd., whose assets total over £32 million, will build a bond store and cigarette factory at Ormond, Victoria. An appreciable expansion in production is planned by the company, which will involve construction of a large bond store for leaf within 12 months and a cigarette factory within two years. The company says that the factory, when completed, will be the largest cigarette factory in Australia.
According to the company, the Government has increased the allocation of dollar exchange for the purchase of leaf tobacco, and with a greater supply of American leaf, larger purchases of Southern Rhodesian leaf and slightly more usable leaf from the larger 1954 Australian crop, it has been possible to increase factory output to a marked degree. The price of tobacco leaf grown in Australia is now the highest in the world, almost double that of the American leaf—Melbourne, April 7.

Brazil

CUBATAO REFINERY PRODUCING—Refining operations have begun at the Cubatao refinery. The plant is producing 20,000 barrels daily, to be increased shortly to 45,000 barrels, and within six months to about 60,000 barrels—São Paulo, April 7.

EXPORTS—Brazilian export trade in 1954 totalled 4,289,556 tons valued at Cr.$42,967,571,000 (US$1,-561,836,000). Compared with 1953, this represents a decrease in volume of 88,252 tons but an increase in value of Cr.$10·9 billion. However, the increase in value results from the inclusion of export subsidies in 1954; in 1953, these were only included in the figures for the last two months. Therefore, a comparison of the dollar value of these exports shows an increase of only $22·5 million, or 1·5 per cent, as compared with 34 per cent in cruzeiros. As usual, coffee was Brazil's principal export commodity, bringing in Cr.$24,013,436,000 or 57·7 per cent of the overall total. Cotton and cocoa earned Cr.$6·5 and Cr.$4·1 billion, respectively, or 15·1 and 9·6 per cent. Principal export market was the United States with Cr.$15,827,661,000 or 36·8 per cent of the overall total, followed by Germany with 12·1 per cent—São Paulo, April 5.

British East Africa

WORLD BANK LOAN—The nine-year plan announced in 1949 for the modernization and expansion of rail, road and harbour facilities in Kenya, Uganda and Tanganyika has been aided by a $24 million loan from the World Bank, according to a recent announcement. The advance will be used in part payment for imported equipment for which £34 million will be required during the period 1954-1957. In general, the equipment will be bought in the United Kingdom for sterling against purchases made in the United States and paid for in United States funds from the World Bank loan—Johannesburg, April 7.

Chile

IRON INDUSTRY—The Chilean Association of the Metallurgic Industries has received notification from the Ministry of Economy that all organizations belonging to or under the control of the State will in future purchase their requirements from the locally manufactured industries, even though the foreign article may be cheaper. This ruling will affect the Chilean State Railways which for many years has been a large-scale importer from the United States, the United Kingdom, Germany and France—Santiago, April 4.

Cuba

NUCLEAR ENERGY—The National Economic Council, official economic advisory board to the Administration, has appointed a Working Committee on Nuclear Energy. The Committee will study and prepare a report on the possibilities of atomic fission for utilization of thermal energy, steam and radioactivity in industry and agriculture. Advantage would be taken of the offer of the Government of the United States to make these facilities available to friendly countries both prepared and willing to make use of them—Havana, April 11.

Federation of Rhodesia and Nyasaland

HYDRO-ELECTRIC DEVELOPMENTS—The Federation Government will proceed with the Kariba Gorge hydro-electric development at an overall cost of £86 million. The alternative project at Kafue, favoured earlier, has been set aside on the grounds that power available by 1961 would be below the power requirements of the Northern Rhodesia Copperbelt. A further hydro-electric scheme in the Federation calls for a development on the Shire River in Nyasaland at a cost of £77 million. This project will eventually provide energy for the eastern area of the Federation and will irrigate a large area of the Lower Shire Valley. Portuguese East Africa will benefit largely from the project and the Portuguese Government is underwriting one-third of the cost of the detailed survey—Johannesburg, April 5.

TRADE BALANCE—With imports valued at £93·4 million and exports, including re-exports and gold, amounting to £112·1 million, the Federation had a favourable balance of trade for the first nine months of 1954. The United Kingdom was the best customer (£61 million) as well as the largest supplier (£41 million). South Africa took second place, importing £10 million from and exporting £30 million to the Federation. Copper at nearly £60 million was the largest export, followed by tobacco at £21 million —Cape Town, April 7.

South Africa

DEFICIT BALANCE OF PAYMENTS—The Union's balance of payments during 1954 showed a deficit of £25 million. Exports totalled £328 million when increased by an estimated gold production of £160 million, and balance against imports of £440 million, supplied a visible surplus of some £50 million. After provision of a traditional amount of £75 million for invisible disbursement, there will be an overall deficit in balance of payments—Johannesburg, April 5.

Switzerland

GOLD COINS ON SALE—After an interruption of over seven years, the Swiss National Bank began again in February to sell gold coins to the public. As the new 25 and 50 franc coins implemented in the new currency law are not yet ready, the National Bank is now offering the old "Vreneli" coin which has a face value of 20 francs. Since the devaluation of the Swiss franc in 1936, the gold content of the "Vreneli" has a parity value of approximately Swiss francs 28.60; the selling price to the public exceeds this amount slightly—Berne, March 9.

United Kingdom

PRESS ADVERTISING—Spending on press advertising in the United Kingdom in 1954 broke all records at £72 million. The increase was 20 per cent over 1953 and 51 per cent over 1952. This increase was a direct reflection of substantially higher consumer spending during the year combined with fewer manufacturing and marketing restrictions. For example, the return to the sale of margarine under private brand names resulted in spending of over £500 thousand by two of the largest margarine manufacturers—London, April 15.

INDUSTRIAL CONSTRUCTION—In 1954, the Board of Trade approved 2,704 schemes for new industrial building in the United Kingdom, covering 70·7 million square feet; this is 83 per cent more than the volume approved in 1953. These figures refer to new buildings and extensions to existing buildings over 5,000 square feet in manufacturing industry. The best previous year in the postwar period was 1950 when building was begun on 1,558 projects covering 36·8 million square feet—London, April 15.

United States

GIANT PLASTIC PRESSES—An Ohio firm has installed a series of huge presses ranging in size from 100 to 700 tons and designed to produce a wide variety of plastic items, ranging from small trays to automobile bodies. The largest unit has begun commercial production of one-piece hulls for outboard motor boats. Other items to be produced by a single operation of the press are fibre glass fuel tanks, packaging cases, missile and other complex aircraft components, farm implements and miscellaneous parts for the automotive industry—Detroit, April 14.

BUSINESS IN PHILADELPHIA—Reports from Philadelphia indicate that business diversification in the metropolitan district was a principal factor in keeping commercial conditions there fairly stable during 1954. A better balance now exists between inventories and sales and recent increases in new orders are making businessmen more optimistic than they have been for some time. Commercial and residential construction is expected to reach new peaks but industrial expansion may not equal the past two years. During 1954 employment dropped about 4 per cent, but average weekly and hourly wages increased fractionally—New York, April 1.

Venezuela

FLOUR MILL—A recently organized flour milling company has announced it will soon begin construction of the first flour mill in Venezuela; the machinery has been purchased in Switzerland. Details are not available but capacity has been estimated at 100-125 tons daily and the mill may be in operation by the end of the year—Caracas, April 7.

South Africa's New Budget

Budget presented last month provided foreign exchange allocations to cover gradual removal of import control; emphasized spending on railways and communications; contained only minor tax concessions.

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

THE SOUTH AFRICAN BUDGET, presented late last month, contained much of interest to Canadian businessmen on the alert for new opportunities in the Union market.

The new Minister of Finance, Mr. Eric Louw, who was formerly Minister of Commerce and Industry, reiterated the Government's policy of gradual removal of import control and announced that an extra £35 million in foreign exchange has been allotted to cover the relaxations already made public. He again said that the Government will not proceed hastily because it has no desire to be forced to re-impose control measures at a later date because they were removed too rapidly.

The improvement in the foreign exchange reserves stems mainly from two factors—increased exports and a large inflow of capital. Exports of gold and uranium particularly should show a substantial increase this year but other exports may also rise as a result of strenuous efforts to improve the internal transportation system. The inflow of capital is expected to remain at a satisfactory level. However, heavy expenditures on railway and communications equipment will bring some drop in the total of reserves, perhaps £20 million or more.

Protecting Home Industry

The Budget speech also discussed the protection of the Union's secondary industries following the removal of import control. The Minister warned that manufacturers must expect an increasing amount of competition from imported products. He stated, however, that the Government would continue its previous policy of promoting the establishment and furthering the expansion of secondary industries which are based on a sound economic foundation. Thorough studies to be made before considering a protective tariff would take into account all economic factors. It was mentioned that, in considering this problem, the Government was well aware of two factors—first, that in general the Union's secondary industries have yielded satisfactory and sometimes large profits, and second, that the cost of production appeared to have increased proportionately more than the cost of raw materials and machinery. This led to a questioning of the efficiency of manufacturing operations. Finally, tariff protection would have to be considered against its effect on the cost of living, now double that of 1939.

Discount Rate Maintained

The generally prosperous condition of the economy and the seven per cent rise in the national income for the year ended June 30, 1954, helped to lead to a rise in the amount of money in circulation by £27 million to a total of £471 million. The main reason for the increase, however, was the rise of £43 million in the Reserve Bank's holdings of gold and foreign exchange which was countered to some extent by the increase of £27 million in time deposits. Greater savings by the public continue to be one of the most powerful factors against inflation. Credit continued to expand because, although the cash and liquid reserves of the commercial banks rose by ten per cent during the year, the ratio of these to the banks' liabilities to the public did not change appreciably from the beginning of 1954 when they were already considerably lower than in previous years. The Reserve Bank is exercising restraint on the expansion of credit by maintaining its discount rate as a stabilizing influence on the economy.

Spending on Public Projects

Large capital expenditures necessary for the efficient functioning of the economy continue to put a heavy strain on the budget. Railways, telephones, telegraphs, housing and irrigation all account for large sums. This year, as last, over one-third of the approximate £90 million to be spent will be paid for out of revenue and the £10 million surplus of the previous year will also go to such projects. As a result of the budgetary policy, the net public debt will amount to only about 70 per cent of the net national income, a very favourable ratio.

This conservative approach to financial problems will leave the capital market free for private enterprise and for the provincial authorities, who will be able to obtain funds for essential public works.

The Budget contained no major tax reductions but made several minor concessions. These included a slight increase in dependents' allowances, a deduction for medical expenses and a special allowance for the handicapped. The inheritance taxes were altered by doing away with succession duties and changing the inheritance taxes to produce about the same amount of revenue. The only concession was an allowance for the death of an heir shortly after inheriting. The regulations on gifts were made extremely stringent, even to eliminating the provision that gifts made more than five years before the donor's death would not fall into his estate for inheritance taxes. An undistributed profits tax was introduced; so was a tax on all dividends received from abroad.

In presenting his Budget, Mr. Louw emphasized the attaining of financial stability by pruning government expenditures as well as by using revenues to finance capital expenditure. Among the few increases were small ones in pensions and the raising of salaries of civil servants in grades where shortages exist and a provision to assist them in paying medical expenses. On the other hand, the cost-of-living allowance is to be maintained at its present level in spite of a ten-point rise in living costs over the past year.

The budget certainly reflects the prosperity of the Union and the conditions of full employment. It has received a mixed reception, but the general opinion is that it is a sound and conservative one.

Indonesia Tries Industrialization

Government efforts to industrialize the country have succeeded to a limited extent, but ambitious development programs have not yet been fully realized. Some difficult problems persist.

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

INDUSTRIAL DEVELOPMENT in Indonesia is still in its very early stages and the Government has not been able to achieve the objectives set four years ago. The chief reasons are:

- Inexperienced management and organization coupled with labour shortages, lack of technical personnel, and not enough research and training programs.
- Import and foreign exchange policies not co-ordinated with industrial development. This has resulted in shortages of raw materials and lack of equipment.
- Inexperience in marketing and distribution which has hindered the development of small industries, particularly cottage industries.
- Difficulties arising from government regulation of industry.
- Inadequate supply of cheap power. This has been a great hindrance to both private and government plans.

Nevertheless, a number of projects planned in 1951 have been completed and work is going forward on others.

Foreign companies provided most of the initial investment in industry in this country before World War II, but their chief interest lay in the estate system of agricultural production. What little industry did spring up was established more as a safeguard against isolation in case of war than to advance the economic development of the country.

Imports for Industry Increase

No industrial production statistics are available, but during the past three years imports of raw materials for industry have increased steadily. Moreover, the licensed capacity of such enterprises as printing works, rice mills, spinning mills, knitting mills, cigarette factories, iron works and rubber remilling plants has shown a substantial growth over the past few years. There are now, for example, 69 textile plants in operation compared with 46 in 1951. Private investment has been directed towards those industries making products to replace imports. There is a ready market for goods which are restricted and domestic production of them saves foreign exchange.

Other long-term projects in the plan cover the following industries: caustic soda, fertilizers, aluminum, plywood, paper, glassware, knitting, spinning, tannic acid, desiccated coconut, and a scrap iron smelter. So far a desiccated coconut factory in the Celebes has been completed and a start made on a caustic soda plant in Surabaya.

Central Production and Processing Units

In rural areas the Government has established a number of central units or "induks" which handle agricultural products and other more or less basic materials and at the same time serve as experimental stations. They help to teach modern management and production techniques and assist in marketing goods. The program called for the following induks: two woodworking, three ceramics, and five iron works; three leather works; two umbrella factories; two bronze smelters and one textile central. So far, eight of these have been completed.

A loan program begun in 1952 and later linked with FOA aid has provided mechanical equipment for small individual enterprises throughout Java. Tapioca mills, leather works, ceramic works, rope factories, rice mills and cooking utensil plants have all received attention under the plan. There has been some dissatisfaction among the cottage industry operators, partly because the concept of mechanization is new, and partly because of delays in implementing the program.

Making Consumer Goods

Indonesia is gradually expanding the output of many consumer goods. Today, the country supplies 90 per cent or more of its needs of margarine, frying oil, washing soap, face soap, carbonic acid, chocolate products, woven sarongs, cycle tubes and tires, beer, and cigarettes (kretek, a domestic clove-flavoured type). It supplies 50 to 90 per cent of its consumption of toothpaste, towels, radios, glass jars, electric bulbs, paints, and automobile tubes and tires, and 25 to 50 per cent of its consumption of cement, ink, and yarn. Other articles produced in important quantities are dry batteries, cocoa butter, beer bottles, paper, socks, matches, singlets, handkerchiefs, drinking glasses, copper sulphate, wash basins and food containers.

In 1951 an "Economic Urgency Program" was drawn up as part of a national policy to develop a sound Indonesian economy. The plan was directed at the production of consumer goods and the processing of Indonesian raw materials. Among its objectives are the improvement and expansion of the research and training institutes of the Department of Industries; extension of loans and credits to small-scale industries; establishment of "induks" (central units for processing agricultural products and instructing the people), and of large industrial plants.

Large-scale industries under the program were classified as short-term or long-term projects. It was intended by the end of 1952 to have completed a spinning mill, a tire factory, printing plants, rubber remilling plants, a cement factory, a gunny sack factory and a knitting factory (tricotage). The tire factory, the knitting factory and the gunny sack factory have not yet been started, but seven printing plants have been built in various parts of the country at a cost of 14·3 million rupiahs. These have been sold to private Indonesian interests on credit.

Two of the seven projected rubber remilling plants have been completed and another two were expected to be ready before the end of 1954. Exploration and survey work for a 200-million-rupiah cement factory near Surabaya has been finished, financed in part by a $14 million loan authorization from the Export-Import Bank. A spinning factory of 30,000 spindles with an annual production of 3,900 tons of thread a year is under construction at Tjilatjap and $1·4 million already has been spent on equipment from Japan. The plant will be operated by a separate corporation financed by the Government.

United States Produces More Newsprint

Newsprint production in the United States rose sharply in 1954 to reach a record unequalled since 1931, but it did not keep pace with the increase in consumption. In 1954, 1,092,000 tons of newsprint were produced, 23,000 more than in 1953. But at the same time, 1954 consumption totalled 6,082,000 tons, only 8,000 tons less than the record 1953 consumption. U.S. newspapers therefore had to import more than two-thirds of the paper they needed. The great bulk of the 4,992,000 tons imported last year came from Canada.

According to Russell C. Flom, assistant administrator of the Business Service of the Department of Commerce, expanding domestic production will more than offset expected increases in consumption. It is his opinion that supply and demand are currently in good balance in the U.S., and that this condition should prevail through 1955 and 1956. He predicts that by the end of 1957 projects for expanded production should boost the annual total to 1,885,000 tons. He expects to see an increase in imports from Canada, but believes these will represent a smaller percentage of the total U.S. consumption.

trade and tariff regulations

Australia

REPRESENTATIONS RESPECTING THE TARIFF —The Australian Minister for Trade and Customs has requested the Tariff Board to inquire into and report on the following:

What rate of duty should be imposed on fish preserved in tins or other air-tight vessels (the present tariff items and rates of duty are shown below):

Tariff item 51(C)1—Canned salmon.

Rates of duty:	British Preferential	1 d. per lb.
	New Zealand	free
	Most-Favoured-Nation ..	2½d. per lb.
	General	4 d. per lb.

Tariff item 51(C)(4)—Canned fish other than salmon, crustaceans, sardines, slid, brisling and similar small immature fish.

Rates of duty:	British Preferential	1 d. per lb.
	New Zealand	free
	Most-Favoured-Nation ..	3 d. per lb.
	General	3 d. per lb.

Canada, the United Kingdom and other British countries, except New Zealand, are subject to the British Preferential tariff on the items shown above. The United States and most other countries, including the Union of Soviet Socialist Republics, are subject to the most-favoured-nation tariff. Japan is under the general tariff.

Canadian firms who are exporting any of the products listed above to Australia who wish to have their views on these tariff questions placed before the Tariff Board should request their Australian agents to act on their behalf. Action should be taken as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

Indonesia

IMPORTS OF INDUSTRIAL RAW MATERIALS— A new procedure for imports of certain industrial goods into Indonesia came into force on March 1st. This procedure applies at present to imports of flour; certain grades of paper, including newsprint; tinplate; caustic soda; cement, and weaving yarns.

Indonesian enterprises wishing to import such goods valued at less than Rp.250,000 are required to submit to the Department of Industry offers from two importers for the same quantities. Following screening by that Department, the offers will be forwarded to the Import Control Office which will allocate the order to one of the importers on the basis of the price, exchange and time of delivery. Goods valued at more than Rp.250,000 may be imported under this procedure by certain enterprises provided they submit offers from five importers.

Orders by small enterprises which are not able to import under this procedure independently will be co-ordinated with the assistance of regional offices of the Industrial Department.

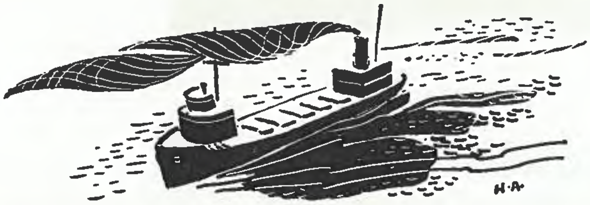
South Africa

REPRESENTATIONS RESPECTING THE TARIFF —It was announced on March 25, 1955, that the South African Board of Trade and Industries had received the following representations respecting the tariff:

Increase in duty on:

1. Straw hats for men and boys, from 15 per cent ad valorem (intermediate rate) to 60 per cent ad valorem or 24s. per dozen, whichever is the greater.
2. (*a*) Domestic wireless receiving sets including public address units and amplifiers, from 5 per cent ad valorem (minimum rate) and 15 per cent ad valorem (intermediate rate) to 20 per cent and 30 per cent ad valorem, respectively; and
(*b*) electronic inter-communication units, from 5 per cent ad valorem to 25 per cent ad valorem.
3. Domestic electric irons from 15 per cent ad valorem (minimum rate) and 20 per cent ad valorem (intermediate rate) to 30 per cent and 35 per cent ad valorem, respectively.
4. Lightweight blankets, including Pondo sheets, weighing 12 ounces or less each, from free of duty to 15 per cent ad valorem plus a suspended duty of 10 per cent ad valorem.
5. Imitation jewellery from 20 per cent ad valorem to 100 per cent ad valorem.
6. Compressor valves, from free (minimum rate) and 3 per cent ad valorem (intermediate rate) to 20 per cent and 23 per cent ad valorem, respectively.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective way to do so is to request their representatives in South Africa to act on their behalf before the Board. Since these inquiries are normally reviewed soon after the announcements are made, it is advisable to take action as soon as possible.



transportation notes

Canada

NEW SERVICE TO AUSTRALIA—A new monthly service between Vancouver and Fremantle, Western Australia, has been established by the Knutsen Lines. Outbound voyages call at United States Pacific ports and proceed to Fremantle via Manila, Hong Kong, Singapore and other far eastern ports. Time to Fremantle is approximately 55 days. Northbound voyages call at Singapore, Hong Kong and Japan and are scheduled to arrive at Vancouver within approximately 34 days after Fremantle departure. All vessels have refrigerated, freezer and ventilated cargo space.

SHIPPING SERVICE TO CUBA—Flota Mercante Grancolombiana S.A. has begun a new service direct from Canada to Havana, Vera Cruz, Tampico, Tampa and return. First sailing was by the S.S. *Beate Bolten* from Montreal on April 21st. In addition to Montreal, the service includes calls at the Canadian ports of Three Rivers, Quebec and Port Alfred, and also Saint John and Halifax if there is sufficient inducement. Vessels of 14 knots are being used, with sailings from Montreal about every 15 days.

Federation of Rhodesia and Nyasaland

RAIL LINK—The rail link between Lourenço Marques and Bannockburn on the Southern Rhodesia railways, which will be completed by July 1955, will give the Federation direct access to the port of Lourenço Marques and will greatly reduce the continuing congestion at the alternative Portuguese East African port of Beira—Johannesburg, April 3.

Israel

NEW GRAIN TERMINAL—The Dagon grain terminal at Haifa port has just been completed after 28 months uninterrupted construction, and will eliminate the country's grain storage problems. The silo section is capable of storing 20,000 tons of grain in 45 sections. The 185-foot tower, housing most of the modern mechanical plant, is the highest commercial structure in the country. The silo is connected to the quay by a conveyor bridge on which the mobile grain elevator has been erected, thus facilitating the speedy unloading of grain ships. The mechanical equipment, of Swiss manufacture, can unload at the rate of 200 tons an hour and load, weigh, sort, separate, mix, gas, clean and bag the grain. Special roads and rail tracks have been built on each side of the silo providing direct and quick communication links with all main centres of the country—Athens, March 30.

Japan

NEW AIRPORT TERMINAL—The new International Airport terminal building located in Haneda, Tokyo, is expected to be completed this May. Costing over $2 million, the terminal will have 42,000 feet of floor space to house civil airlines and a customs office and other facilities. Baggage will be handled by an underground conveyor system—Tokyo, April 4.

South Africa

NEW COASTAL SERVICE—Since the South African Railways abolished the "sea competitive rates" a few months ago, an increasing volume of freight is being moved by sea. Indicative of the trend was a highly successful first voyage by a coaster of about 500 tons chartered by a new company for a scheduled service between Cape Town and Durban with intermediate stops. The head of the line has stated that if enough freight is offered more ships will be put on the run—Cape Town, April 7.

Turkey

FREIGHT RATES—The suspension of the 20 per cent surcharge on freight rates and charges on shipments to Istanbul has been announced by the North Atlantic-Mediterranean Freight Conference. Reduced congestion at Turkey's busiest port was given as the reason, and this in turn is primarily the result of the lower import and export volume moving through Turkish ports in recent months. A similar 20 per cent surcharge for the port of Izmir was cancelled by the Conference in June 1953, for similar reasons—Athens, March 29.

foreign trade service abroad

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

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada C. M. Forsyth-Smith, Commercial Secretary	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania) New Zealand	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. J. Van Tighem, Commercial Secretary H. M. Maddick, Assistant Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	M. P. Carson, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road, Cinnamon Garden, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	A. P. Savard, Acting Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Haiti, Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor I. V. Macdonald, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner M. B. Blackwood, Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada. 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	D. M. Holton, Canadian Government Trade Commissioner W. P. Birmingham, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor M. S. Strong, Commercial Secretary (Fisheries) W. R. Van, Assistant Commercial Secretary	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner R. R. Parlour, Assistant Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858

Territory	Officer	City Address	Mail and Cables, Office Telephone
Japan Korea	J. C. Britton, Commercial Counsellor R. F. Renwick, Assistant Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
Japan	Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 48966
Lebanon Iraq, Jordan, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
Netherlands Belgium, Luxembourg	C. J. Small, Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. L. Mutter, Commercial Counsellor	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D , LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Federation of Rhodesia and Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	K. F. Noble, Canadian Government Trade Commissioner Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628

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

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	F. H. Palmer, Consul General R. V. N. Gordon, Consul and Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner J. H. Bailey, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul General and Trade Commissioner A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States (Northern California. Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul Genera	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, Caja Nacional de Ahorro Postal Calle Colonia 1013, 7° Piso, MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor F. B. Clark, Assistant Commercial Secretary A. V. Kniewasser, Assistant Commercial Secretary D. B. Laughton, Acting Agricultural Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 59571

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 1·01298.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 15	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying	·1316	7·60	
		Basic buying	·1974	5·07	
		Preferential selling	·1974	5·07	(1)
		Basic selling	·1316	7·60	
		Free	·07106	14·07	
Australia	Pound		2·2100	0·452	
Austria	Schilling		·03797	26·34	
Belgium-Luxembourg	Franc		·01971	50·74	
Belgian Congo	Franc		·01971	50·74	
Bolivia	Boliviano	Official	·00520	192·46	
British West Indies	Dollar		·5755	1·74	(3)
	Pound		2·7625	0·362	(4)
	Dollar	British Honduras	·6906	1·45	
Brazil	Cruzeiro	Effective selling			
		Category I	·01251*	79·96*	tax 10% (2)
		Category V	·00332*	301·11*	*Mar. 29
		Official buying	·05377	18·60	(5)
Burma	Kyat		·2073	4·82	
Ceylon	Rupee		·2072	4·83	
Chile	Peso	Official	·00494	202·59	(1)
Colombia	Peso		·3949	2·53	(6)
Costa Rica	Colon	Official	·1758	5·69	
		Controlled free	·1487	6·73	
Cuba	Peso		·9872	1·013	tax 2% (2)
Czechoslovakia	Koruna		·1371	7·29	
Denmark	Krone		·1429	7·00	
Dominican Republic	Peso		·9872	1·013	
Ecuador	Sucre	Official	·06582	15·19	
		Free	·05706	17·53	
Egypt	Pound	Official	2·8348	0·353	(7)
Fiji	Pound		2·4887	0·402	
Finland	Markka		·00429	232·99	
France	Franc		·00282	354·23	(8)
French Africa	Franc		·00565	177·11	(9)
French Pacific	Franc		·01553	64·39	(10)
Germany	D Mark		·2346	4·26	
Greece	Drachma		·03290	30·40	
Guatemala	Quetzal		·9872	1·013	
Haiti	Gourde		·1974	5·07	
Honduras	Lempira		·4936	2·03	
Hong Kong	Dollar	Free	·1692	5·91	*April 7
Iceland	Krona	Official	·06062	16·50	
		Special buying	·04778	20·93	
		Special selling	·03775	26·49	(11)
India	Rupee		·2072	4·83	
Indonesia	Rupiah	Basic	·08660	11·55	(12)
Iran	Rial	Certificate	·01303	76·76	
Iraq	Dinar		2·7641	0·362	
Ireland	Pound		2·7625	0·362	
Israel	Pound		·5494	1·82	
Italy	Lira		·00158	631·31	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 15	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00274	364·70	
Lebanon	Pound	Free	·3058	3·27	
Mexico	Peso		·07898	12·66	
Netherlands	Guilder		·2598	3·85	
Netherlands Antilles	Guilder		·5235	1·91	
New Zealand	Pound		2·7625	0·362	
Nicaragua	Cordoba	Effective buying	·1496	6·68	
		Official selling	·1400	7·14	
		With Surcharge I	·1226	8·15	
		With Surcharge II	·09823	10·18	
Norway	Krone		·1382	7·24	
Pakistan	Rupee		·2984	3·35	
Panama	Balboa		·9872	1·013	
Paraguay	Guarani	Basic	·04701	21·27	(1)
		With Surcharge I	·03656	27·35	
		With Surcharge II	·2742	36·47	(13)
Peru	Sol	Certificate	·05196	19·25	
Philippines	Peso		·4936	2·03	tax 17% (2)
Portugal	Escudo		·03445	29·03	(14)
El Salvador	Colon		·3949	2·53	
Singapore & Malaya	Straits dollar		·3223	3·10	
South Africa (Union of)	Pound		2·7625	0·362	
Spain & Dependencies	Peseta	Basic buying	·04508	22·18	
		Basic commercial selling	·06010	16·64	(1)
		Free	·02534	39·46	
Sweden	Krona		·1908	5·24	
Switzerland	Franc		·2304	4·34	
Syria	Pound	Free	·2750	3·64	*Mar. 10
Thailand	Baht	Free	·04805	20·81	*Mar. 4 (1)
Turkey	Lira		·3526	2·84	
United Kingdom	Pound		2·7625	0·362	
United States	Dollar		·9872	1·013	
Uruguay	Peso	Official	·6499	1·54	tax 6% (2)
		Basic buying	·5546	1·80	(1)
		Special buying	·4201	2·38	
		Basic selling	·5196	1·92	
		Special selling	·4029	2·48	
Venezuela	Bolivar		·2947	3·39	
Yugoslavia	Dinar		·00329	303·95	

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality.
7. Egypt: Exporters receiving payment in dollars are granted Entitlements authorizing purchase of exchange for dollar imports. Effective selling (import) rate is official plus premium (average of 10·168 per cent in January) on Entitlements.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: Basic rate applies to all exports and essential imports. Purchase of exchange for other imports is subject to exchange surcharges of 33⅓, 100 or 200 per cent depending on product.
13. Paraguay: Basic rate applies to most Paraguayan exports.
14. Portugal: Approximately same rate for Portuguese Territories in Africa.

businessman's bookshelf

Prospect of Canada

By Ernest Watkins. 259 pages. $4.25. British Book Service (Canada) Ltd.

MOST CANADIANS will open this book impelled by an urge to discover how they and their country impress an intelligent, sympathetic British visitor. Ernest Watkins—an assistant editor of *The Economist* and a BBC commentator—brought to his Canadian travels in 1953 a reporter's trained eye, the economist's respect for facts and the conclusions to be drawn from them, and his own keen sense of humour. It's a sound combination.

Naturally he writes with British readers in mind but the average Canadian can both enjoy and learn from his portrayal. The first five chapters chronicle his journey across the country section by section. The second half of the book delves into the economic and political forces in Canadian life and the kind of people they are producing. "I should be a happy man if I were able to die a Canadian citizen", the author says in his introduction. The book explains that statement, but it remains free of lyrical writing about Canada's future and looks clear-eyed at our lurking problems. Despite a few minor errors, we think you'll enjoy this latest in a spate of books about Canada.

Published by: British Book Service (Canada) Ltd., 1068 Broadview Avenue, Toronto.

The Why and Where of Exports
The Mechanics of Export

Crawfords International Advertising Service. 28 pages and 10 pages respectively. Free.

THE FOREWORD to the first of these two booklets explains the vital importance of international trade to the United Kingdom. This is followed by a brief historical sketch, which in turn leads to the present tangle of debits and credits, artificial currency values, and trade restrictions. A discussion of world trade between 1938 and 1953 serves as a starting point for the author's presentation of the current problems of multilateral trade and convertibility. Trade liberalization policies, balance of payments, and terms of trade are discussed in their relation to the dollar area, the sterling area, the European Payments Union and Eastern Europe. A useful appendix lists the individual countries belonging to these areas.

The second booklet explains the methods and channels of export trade to the man who is just thinking of entering export markets or who is dissatisfied with his present methods. It deals in turn with export channels, (such as the export commission house), packaging, export procedure, transport, risks and regulations, trade restrictions and export advertising. Some of the information given applies specifically to the United Kingdom, but most of it will be useful to the Canadian businessman.

Order from: Crawfords International Advertising Service, 233 High Holborne, London, W.C. 1, England.

Cyprus 1953

Public Information Office, Government of Cyprus. 135 pages. $1.00.

THE LONG AND STORMY HISTORY of the Island of Cyprus, one of the homes of early civilization, has kept it in the "news" for most of its known existence and it is again in the headlines today. This report gives a picture of modern Cyprus with particular and statistical reference to 1953. There are sections on the racial groups, their work, health and living conditions; on production, trade (with import and export tables), currency and banking, public finance and taxation; on administration, social services, police and prisons, public utilities and public works and communications. On the whole, 1953 appears to have been a good, progressive year for Cyprus, despite a serious earthquake.

The archaeological activities section of the report is particularly interesting, especially when read in conjunction with the chapter on the Island's history which has been traced back to the early neolithic age, about 3700 B.C. The report includes a map of the Island and a bibliography of reliable reference books.

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