CANADA

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cover These intent buyers are attending the auctions at Melbourne, where wool from Australia's 130 million sheep is on sale. Note the gentleman in the front row placing his bid. For a review of the market for wool and for Australia's other important farm products, turn to page two.

R. W. BLAKE,
Commercial Secretary, Melbourne.

Australia as a Primary Producer

Introduction of improved techniques plus scientific advances has raised Australian agricultural production, which today supplies 80 per cent of exports of primary products. Wool and wheat in sound position, but other commodities handicapped in overseas markets by high production costs.

APPROXIMATELY 80 PER CENT of Australia's export income comes from the sale of a few primary products, with wool far in the lead. In fact, wool contributes about 50 per cent of the total export earnings, followed by wheat with about 10 per cent. Meat, dairy products, fruit and sugar make up the other 20 per cent. Fortunately, wool and wheat are still commanding satisfactory prices though the size of the wool cheque is smaller this year.

For the 1954-55 season, according to the Bureau of Agricultural Economics, the gross value of Australia's rural production will probably be 5 per cent below that of 1953-54, though it will reach £1,102 million. Export income from farm products is forecast at £624 million, a decline of 10 per cent from the previous year. This decline stems mainly from a fall in the price of wool and in the amount exported; income from sales abroad of barley, sugar, preserved milk and eggs will also shrink. Exports of lamb and butter, on the other hand, are expected to bring larger returns.

Wool and the Export Market

Australia is said to have about 130 million sheep which in 1954-55 will produce an estimated 1,280 million pounds of wool. This is an increase of 34 million pounds over last season and comes close to the record 1,281·1 million pounds of 1952-53. But the gross value will be considerably smaller—about £373·1 million, £38·1 million less than last year, because of a drop of about 10 per cent in prices.

Wool exports will also fall by about 7 per cent despite the fact that production is higher, says the Bureau of Agricultural Economics. They will decline in value by 15 per cent—from £422·7 million in 1953-54 to £361·5 million in 1954-55. Russia bought about £26 million worth of wool last season but so far this year has made only minor purchases. Sales to France, Italy and the United Kingdom also fell off during the ten months to April 30, 1955.

Marketing the Wheat Crop

Australia today devotes less land to growing wheat than she did in the early postwar years; over three million acres less are planted to wheat than in 1947-48. Production this year (1954-55), an estimated 166·6 million bushels, is some 31·4 million bushels less than last year; main reason for the drop is poor growing conditions in New South Wales.

The return to growers this year is expected to total about £117·5 million, compared with an estimated £138·5 million for the 1953-54 crop. Although the average export price during 1954-55 is expected to be below that of last year, total export income from wheat and flour will no doubt go up because the volume of exports has risen substantially.

The Bureau of Agricultural Economics forecasts exports valued at £64 million this year, compared with £61·6 million in 1953-54. This assumes an export volume of 90 million bushels compared with 71·3 million bushels in the previous financial year—but exports in the current season will not necessarily come from this year's crop. Australia expects to have a carryover of approximately 93 million bushels of wheat in November, the end of the wheat year, or about the same as in November 1954.

With keener competition in overseas markets, Australians are discussing the need for growing better quality wheats and cereal breeders are devoting their efforts to producing high-protein wheats which also yield well. Marketing wheat on an F.A.Q. (fair average quality) basis does not provide sufficient incentive to grow higher quality wheats, most of which are lower in yield. Wheat varieties also have to be adapted to different soil types; some soils are not good enough at present for strong wheats.

The Australian Wheat Board has rejected proposals for a grading system on the grounds that its vast handling system could not segregate the different grades. It has also stated that, with only a small proportion of top-grade wheat, the gross returns from all sales would be lower under a grading system.

Coarse Grains

In contrast to wheat, the acreage under coarse grains in Australia has increased since the war. Among the factors influencing this change are the uncertainties of wheat marketing, the greater emphasis upon balanced rations for livestock, and the storage of fodder reserves, in which oats as grain play a large part. Moreover, prices received for coarse grains shipped abroad have been good and crops have increased in size with proper soil management.

In 1952-53 the area seeded to barley, oats, maize and sorghum reached a peak of 4·6 million acres, more than double the prewar figure. This dropped to 4·2 million acres in 1954-55. The growing of more barley and oats in South Australia and Western Australia has been the main factor in this expansion. In South Australia, where in 1952-53 coarse grain acreage exceeded the area under wheat, the expansion has been to some extent at the expense of wheat. In Western Australia the areas under both wheat and coarse grains have increased and in Queensland, where maize and sorghum production has gone up, so has the wheat harvest.

In 1953-54 exports of coarse grains were valued at £17 million, about one-quarter of the value of wheat and flour exports and about equal to butter receipts. Barley ranks first among coarse grain exports, accounting for 83 per cent of these exports in 1953-54. Exports of oats are small and variable. Maize and sorghum, which are much smaller crops, last year accounted for 20 per cent and 5 per cent of coarse grain exports, respectively.

Estimated production of coarse grains in 1954-55 is:

Barley	24·5 million bushels
Oats	29 " "
Rice	47,000 tons (paddy)

The area under sugar cane has increased from 280 thousand acres in 1952-53 to 383 thousand acres in 1954-55. Production has grown proportionately and reached a record 1,330,000 tons of 94 n.t. sugar this year.

Sugar Cane Harvest Up

Some decline in export returns, plus the lower sugar content of this season's cane, will probably mean a lower unit return. However, the increased volume should raise the value of the crop from £37·0 million in 1953-54 to £38·4 million this year. The value of this season's sugar output is estimated at £55 million, compared with £53 million last year. The Bureau of Agricultural Economics says that the need to abide by quotas under the British Commonwealth and International Sugar Agreements will probably reduce exports to about 660 thousand tons in 1954-55 from 707 thousand tons last year. Because export prices have also declined, the value of sugar and sugar syrup exports is expected to fall from £31·6 million to £27·7 million.

Fruit Crops

Adverse weather conditions cut the crop of dried vine fruits by 7,500 tons from last season's 89,800 tons, but this is still above average. The quality is poorer than last year, however, because of hailstorms and poor drying weather at harvest time.

The dried fruit industry since March 31, 1955, has been selling on a trader-to-trader basis, without the help of support prices in the United Kingdom. With the added expense of harvesting and drying the crop and without a U.K. contract, the industry is facing a financial crisis and is appealing to the Federal Government to devise a stabilization plan. Discussions are now taking place between the Dried Fruits Association and government officials on a scheme to bring relief to the industry.

Meat Products

It is estimated that meat production in 1954-55 will rise by 50,000 tons over last year, with all classes showing gains. The output of beef and veal seems likely to reach 730 thousand tons (706,300 tons last year), and average returns for 1954-55 are expected to be appreciably above those of the previous year.

Beef Exports

Exports of beef and veal will probably be about 20,000 tons less than last year but will still be high compared with earlier years. Export prices were better during the first six months of this season, but subsequently declined because of the unusually heavy supplies of home-killed meat coming on the British market and the large stocks of frozen beef held by the Ministry of Food there.

The terms of the 15-year meat agreement require the United Kingdom to make deficiency payments to the Australian Government to bring the annual return for beef exported to the United Kingdom up to the minimum prices provided. In anticipation of a deficiency payment this year, the Federal Government has authorized the Australian Meat Board to pay Australian meat exporters 1½d. per pound on all chilled and frozen first and second quality ox, heifer and cow beef delivered into cold storage and exported to the United Kingdom between May 1 and July 31, 1955. It is expected that competition among exporters will ensure that this payment will be reflected in the price paid to producers for their cattle.

As a further aid, the United Kingdom has agreed to Australia shipping up to 12,000 tons of beef and 1,500 tons of mutton and lamb to countries other than the United Kingdom, in addition to the 3 per cent (approximately 5,300 tons) already provided for in the meat agreement. The United Kingdom has also consented to sell 6,000 tons of beef from stocks it has stored on the continent, wherever it can find a market.

Chilled Beef

Before the war Australia had a fairly substantial trade with Britain in chilled beef. Now that the U.K. market is demanding higher quality meat, Australia is anxious to resume shipments of chilled beef in order to compete with Argentina and other exporters who are nearer to the market. Among the more pressing problems to be tackled before any significant shipments can be made is ensuring a regular service of suitable fast ships, and a steady supply of chiller type cattle to fill them.

Frozen beef will probably form the bulk of Australia's meat exports for some time to come and experiments on the practicability of defrosting frozen beef to make it more acceptable to the consumer are proceeding.

A good trade in the export of beef cattle to the Philippines has opened up during the past year. It is estimated that there is a shortage of at least 400 thousand carabo (water buffalo) in that country and slaughter of these dual-purpose animals has been prohibited. The ban is likely to continue for some years and the need to import cattle and meat may be permanent. Present estimates are that the market could take at least 50,000 tons annually.

Mutton and Lamb

The output of lamb in 1954-55 is expected to be 16,400 tons above last year, with mutton production slightly lower. The volume of lamb exported will probably be double the amount exported last year; average returns will be substantially larger. Mutton has been difficult to move on the U.K. market and the volume and value of exports will be lower.

Dairy Products

The Bureau of Agricultural Economics estimates that total milk production in 1954-55 will probably exceed 1,300 million gallons, a postwar record. This increase is also partly the result of a rise of 2 per cent in the numbers of dairy cattle.

Butter production for 1954-55 is forecast at 180 thousand tons (including 4,000 tons of farm butter), compared with 160 thousand tons last year. Domestic consumption of butter is expected to reach 128 thousand tons, leaving 61,000 tons available for export compared with 40,500 tons sold abroad in 1953-54. Domestic prices remain the same as last year and although average export returns are lower, the total returns will be higher because of the greater output.

Australian exports of butter are sold at a price below the estimated cost of production which, in the case of the United Kingdom market, amounts to nearly 1/– per pound. Producers are protected by a consumer subsidy which has been costing £16·8 million a year. To protect the dairy industry the State Governments enforce a strict quota on the manufacture of margarine.

Problems and Progress

Australian rural production has now been placed on a sound basis and production has been stepped up. Among the measures taken to produce this result were:

- Large increase in the acreage of improved pastures, aided by fertilizers and trace elements.
- Reduction in the rabbit population, following the introduction of the virus disease, myxomatosis. This means more efficient use of pastures and crop land.
- Adoption of more scientific agricultural techniques, plus fodder conservation and control of plant and animal diseases.

A severe drought would mean lower production but the Commonwealth is now in a better position to withstand unfavourable seasons. Research on many phases of agricultural production and marketing is continuing.

The principal problem facing Australian farmers is high production costs, which make it difficult to sell certain primary products overseas at profitable prices. Wool and wheat are, fortunately, still bringing in good returns. Other farm commodities are facing stiff competition in export markets and, with the disappearance of bulk purchasing arrangements, it has become imperative to improve the quality and the packing of these products. The Government and all sections of agriculture are co-operating in this drive to maintain and expand sales abroad. ●

A New England fisherman inspects his nets before setting out on another trip to nearby fishing grounds. With more Americans eating fish, outlook for both the domestic catch and for imports is bright during the current year.

U.S. Fisheries in 1954

Despite a 240-million-pound increase in domestic fish landings last year, the U.S. continues to import annually nearly one billion pounds of fish. Government is placing increasing emphasis on fisheries research and market promotion.

H. A. GILBERT,
Commercial Secretary, Washington.

THE UNITED STATES has for several years ranked as the most important market for Canadian fisheries products. In 1954 alone, exports of Canadian fresh and frozen fish to the U.S. were valued at nearly $56 million, a 10½ per cent increase over 1953. But U.S. domestic production still continues to meet a large part of domestic needs.

In 1954 commercial fishermen in the United States and Alaska landed some 4·7 billion pounds of fish and shellfish which brought the fishermen about $345 million. To land this great harvest required 11,500 fishing craft of five net tons and over, manned by 153 thousand fishermen. Some 4,800 men were involved in transporting the catch and 103 thousand shore workers found employment in 3,843 plants preparing it for market.

Domestic Production Up

Compared with 1953, the catch increased by 240 million pounds and the value rose by $5 million, according to statistics provided by the Fish and Wildlife Service of the Department of the Interior. Food fish made up the greater part of this increase but fish for oil and meal constituted the larger part of the 1954 landings. The catch of menhaden, the principal species taken for reduction plants, stood at the top of the list with 1·75 billion pounds, or 37·2 per cent of the total catch. Next in order of importance came the food fish—salmon, tuna and tuna-like fishes, shrimp, ocean perch, sea herring, haddock, Pacific sardines, whiting, halibut and cod—followed by other species of fish too numerous to mention. About 32 per cent of the 1954 catch was processed in fresh and frozen form, 24 per cent was canned, 2 per cent cured, and the remaining 42 per cent used for by-products and bait.

The production of fresh and frozen fish in package form in continental U.S. in 1954 came to approximately 172 million pounds, nearly 12 million pounds more than in the preceding year. This increase was concentrated largely in ocean perch fillets, haddock and cod. The most spectacular rise came in the production of fishsticks, a comparatively new product, and an example of what can be done by ingenuity plus active sales promotion. In 1953 only 7·5 million pounds of fishsticks were produced; in 1954 this figure jumped to approximately 50 million pounds. Apparently the peak of production has not yet been reached because in the first quarter of 1955 alone, 18·1 million pounds were turned out. Preliminary statistics indicate that the pack of canned fisheries products in 1954 totalled about 865 million pounds. This was made up of a record pack of tuna of about 11 million cases, four million cases of salmon, four million cases of sardines and smaller quantities of other species such as mackerel, anchovies, oysters, and shrimp.

The taste for fish appears to be increasing: Americans ate one-third of a pound more per person in 1954 than in 1953. Total consumption of commercial fisheries products reached 1·8 billion pounds, or 11·1 pounds (edible weight basis) per capita in 1954, compared with 10·8 pounds per capita in 1953 when the civilian population was almost three million smaller. This increase in consumption was most marked for fresh and frozen fish—up 53 million pounds over 1953, reflecting in part the rapid growth of the domestic demand for fishsticks. On a per capita basis the consumption of fresh and frozen fish was 6·1 pounds, canned fish 4·4 pounds, and cured fish 0·6 pounds.

Imports and Exports

Since 1935, imports of fisheries products into the U.S. have more than doubled. Out of a total of approximately one billion pounds of fisheries products imported in 1954, groundfish fillets came first among the edible fish with approximately 137 million pounds. Canada supplied some 81 million pounds or 59 per cent of this, in competition with Iceland, Norway, West Germany and Denmark, in that order of importance. Because fish blocks, from which fishsticks are produced, are not separated from groundfish fillets in the trade statistics, it is not possible to say accurately what the percentage of this product is in the total imports of groundfish fillets. However, the figures for imports of groundfish fillets (including ocean perch) for the first quarter of 1955 show that imports of this type of fish are still increasing. For the first quarter of 1955 they totalled 35·2 million pounds, a gain of 21 per cent over the same period last year.

Second on the list of edible fish imported comes fresh or frozen tuna, with a total of some 124 million pounds, most of it from Japan and Peru. These Japanese imports have brewed trouble in the tuna industry. U.S. fishermen are again facing the familiar problem of trying to compete with Japanese tuna boats which are reported able to sell their catches at $50 to $100 per ton below the U.S. figures. In April of this year it was said that about 100 boats in the U.S. tuna fleet were tied up and idle because of this rapid increase in imports of Japanese tuna. The Government is being hard pressed by the industry to find a solution to this problem, which is said to be wrecking the West Coast fisheries.

Third among edible fish imported into the U.S. in 1954 were pickled or salted groundfish, 47·0 million pounds, which was less than half the amount of fresh or frozen groundfish fillets or tuna. Fresh or frozen fillets or steaks of Canadian whitefish, halibut, salmon and Japanese swordfish stood high on the list, followed by shrimps from Mexico, Ecuador and Panama, and lobsters, (including spiny lobsters) from Canada, Mexico, Barbados, Cuba and South Africa. Quantities of these species imported in 1954 ranged from 41 to 48 million pounds. Canned fish imports were not large compared with other types of fish, only some 112 million pounds. Among the more important were tuna in brine mainly from Japan, sardines in oil from Europe, sardines without oil from South Africa and Japan, and bonito and yellowtail from Peru.

Fish scrap and meal were imported in 1954 mostly from Canada. Imports of this non-edible by-product of the industry amounted to 291·5 million pounds.

The United States does a small export trade in fish. Among the more important fisheries exports in 1954 was inedible fish oil, approximately 141 million pounds valued at over $7 million. This, with edible fish oils and canned fish such as sardines, salmon and mackerel, made up the greater part of U.S. fisheries sales abroad which reached some $28 million in value.

Fisheries Research Important

The past twelve months have witnessed progress in many United States programs designed to strengthen the commercial fisheries. Most of these were undertaken under the Saltonstall-Kennedy Act, which covers the period from July 1, 1954, to June 30, 1957. Under this Act, 30 per cent of the customs duties collected on imports of fisheries products is to be spent by the Department of the Interior on such projects. Expenditures in any one year are not to exceed $3 million.

The programs already under way fall into six categories—exploratory fishing and gear development, technology, fish oil research, educational and market development, economic and co-operative marketing projects, and collection of statistics.

Of particular interest to Canadians are two of these programs. One is the exploring of the fisheries resources of the North Atlantic area and developing more effective fishing gear for use in that area. The second is a project to determine more fully the availability of herring in New England waters in order to smooth out the fluctuations in supply that have plagued the Maine sardine industry. In this latter project, the program has been laid out in co-operation with the Branch of Fishery Biology and the Canadian Department of Fisheries.

Canadian co-operation has also been sought in research on identification of the stocks of salmon in North Pacific waters. The University of British Columbia has received a contract for research on the identifying of salmon runs by means of scales.

At the first meeting of the American Fisheries Advisory Committee in April 1955 the programs of research, education and stimulation of domestic fishery markets authorized under the Saltonstall-Kennedy Act were reported off to a good start and making gratifying progress. ●

fairs and exhibitions

Canadian Crafts—Old and New

THE CURRENT DISPLAY in the Canadian Showroom in Rockefeller Center, New York, is devoted to Canadian handicrafts. One of its highlights, an old art recently rediscovered and now becoming very popular, is Eskimo carving. Three examples included in this display are a walrus carved from stone by Neepatuk of Nastopoki River in the Eastern Arctic; a man standing, by Ketsuk of Cape Dorset, and an Arctic hare by Isa, "The Smiler of Port Harrison". Another example of primitive art in the display is Canadian Indian leather, beading and basketwork. Included are a papoose doll in a hand-made costume, beaded moccasin slippers of caribou skin, and baskets made by British Columbia Indians from cedar roots worked under water.

The Eskimo and Indian art is part of the handicraft collection co-ordinated for the Showroom display by the Canadian Handicrafts Guild of Montreal. The collection includes examples of ceramics, wood carvings, copper and leather work, and weaving by artists in New Brunswick, Quebec, Ontario, and British Columbia, and colorful hooked and braided rugs and catalogne from Nova Scotia and Quebec.

Our photograph shows one section of the handicraft display in Rockefeller Center: French Canadian, Eskimo and Indian craft. Note the small Eskimo sculptures on the left of the picture.

A Canadian craft product that will probably be new to most U.S. buyers who visit the Showroom is crystalware. Two Canadian firms, Phillips Art Glass Co. Ltd., Montreal, and Clapperton & Sons Ltd., Toronto, have sent some of their delicate, glittering cut glass tableware, stemware, vases, etc., to the display.

Thirty miles from Montreal in the village of St. Cesaire, an old art is being practised in modern form. At à La Vielle Forge Enrg., artists are forging wrought iron furniture, mirrors, lamps, ashtrays and a variety of giftwares in the lightweight, modern designs which today's consumer prefers. Some of their silver-grey wrought iron creations can be seen now in the Canadian Showroom.

The handicrafts display opened on June 10 and closes on August 20.

Plastics at Olympia

THE BRITISH PLASTICS EXHIBITION this year was held at Olympia, London, from June 1-11. One hundred and twenty exhibitors took part, occupying a total of 55,000 square feet. The exhibits were classified in three main groups—finished products; plant equipment and machinery; plastic materials. Interest in the show was such that the organizers plan to hold it next year in a larger hall and to add "international" to its name.

Some of the more unusual products on display were:

- All-plastic kitchen, living room and nursery.
- Sequins of mirror-coated acetate foil which can be washed, ironed, dry-cleaned and even plunged into the sea without ill effects.
- Lustres for chandeliers made of polystyrene—much cheaper and lighter than traditional ones of glass.
- Plastic which can be used to replace diseased human bones.
- A replica of the plastic and metal radio fitted into Princess Margaret's new car.
- Polystyrene handles for coffins used in cremations. These decompose in the furnace.

• Enormous mantilla combs made in Spain from British plastic.

• Compression spring of resin glass laminate which has comparatively high compression strength and is completely non-corrosive.

• A bicycle with handlebars and fork of resin glass laminate tube, demonstrating how resin glass laminate can be bonded to metal, needs no finish and is non-rusting.

• PVC sheet—as upholstery for garden furniture and ventilated with holes smaller than pinpricks and made up into rainwear, baby pants and garment bags. It can also be made to look like astrakhan, persian lamb, broadtail and alpaca.

• An extruder assembled from component parts for which replacements are universally available.

Canadian Plastics Score in Britain

THE CANADIAN DISPLAY at the British Plastics Exhibition was an eye-opener to many of the manufacturers and technical people who visited it. From their reactions, it was apparent that the British generally do not realize what a variety of chemical products is produced in Canada. A number of manufacturers who missed the exhibition because of the railway strike later asked permission to go to the warehouses and see the Canadian products stored there to await shipment home. Attendants on the Canadian stand received a total of 145 active trade inquiries, not only from Britons but also from business visitors from Trinidad, Switzerland, Iraq, Italy, Sweden, West Germany, France, Norway, the Netherlands, Iran, South Africa, New Zealand, Nigeria, India, Cyprus, Australia, Denmark and French Morocco. Every item in the Canadian exhibit attracted attention.

The basic plastics and products made from them displayed on the attractive Canadian stand included synthetic rubber, synthetic iron oxide, plastic raincoats, terrazzo flooring, cold lacquer, folding plastic doors, moulded polythene products, plastic chairs, plastic desks, polyester fibreglas chairs, rubber adhesives, decorative and industrial laminate, saryn monofilament and vinyl film—embossed, printed, and fabric-backed.

The calibre of our design in plastic manufactures was recognized when one of the moulded products in the Canadian exhibit was chosen for the special "Design Display" showcase, sponsored by the Plastics Institute Design Committee. By the end of the Exhibition, there was no doubt that Canada's participation had been well worthwhile.

Frankfurt's Autumn Fair

IN GOLDEN SEPTEMBER the 1955 Frankfurt International Autumn Fair will open its doors on an international display of consumer and finished goods. And, within easy reach of Offenbach, the International Leather Goods Fair will take place at the same time.

The Frankfurt Fair, running this year from September 4 to 8, expects over 3,000 exhibitors from more than 30 countries. Their displays will cover a wide range—textiles and clothing of all kinds; handicrafts and applied art; office and business requisites and equipment; soap, perfume, cosmetics, fine brushes, chemical consumer goods; requisites for sport and camping; paper goods and cardboard boxes; packing materials; special book and art publishing; decoration articles and shop equipment; articles for smokers; musical instruments; foodstuffs and delicacies. These main categories of exhibits will be supplemented by a large number of further groups, such as jewellery, glass, china, ceramics, household requisites and toys.

Reduced fares on some railway and bus lines in Europe will be available for foreign visitors and exhibitors and their staffs. Details on transportation, accommodation and the facilities offered by the fair management can be obtained by writing to the German-Canadian Trade Promotion Office, 185 Bay Street, Toronto.

Atomic Energy and Industry

"MARKETING THE PRODUCTS OF ATOMIC ENERGY" will be the theme of the first Trade Fair of the Atomic Industry which will be held in the exhibition hall of the Sheraton-Park Hotel in Washington from September 26 to 30. The fair has been organized by the Atomic Industrial Forum and will be held in conjunction with its third annual fall meeting.

The fair has been planned to demonstrate advances in the development of peaceful uses of atomic energy and its associated products and services. Exhibits will include design engineering, package power, medical and research reactors, control systems, reactor materials, instrumentation, construction and fabrication techniques, isotope sources and applications, shielding materials and devices, and reactor components and auxiliaries. Consultant services will also be represented.

Invitations to visit the Fair have gone out to officials in organizations engaged in or considering participation in the development and use of atomic energy, to directors and staff members of research laboratories and educational institutions, and to representatives of foreign governments and of government agencies concerned with atomic energy. The papers and discussions

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Banking Abroad

CUBA

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

CUBA'S FIRST BANK was established in 1843 at Baracoa, in the eastern part of the island, and it is still in operation today. Some 13 years later came the Spanish Bank of Cuba (Banco Espanol de la Isla de Cuba) which, like many others, failed in the 1921 sugar crash. In the nineties, the North American Trust Company opened offices in Havana which were taken over by the Banco Nacional de Cuba, then a private organization, in 1901. The oldest foreign bank now operating in Cuba is the Royal Bank of Canada which opened its first Havana office in 1899.

Over the period 1900 to 1910, the system of branch banking developed and gave an impetus to the Cuban economy which had been severely handicapped, particularly in the interior, by lack of banking facilities.

The Commercial Banks

Commercial banking services are provided by the 50 Cuban and foreign-owned private banks which operate 223 branches throughout the island. The principal business of the larger ones is short-term loan and discount operations and, because of Cuba's heavy export-import trade, foreign facilities are particularly extensive.

Legislation formerly required Cuban banks to hold a minimum of 25 per cent of their deposit liabilities in cash reserves, up to four-fifths of which had to be centralized with the National Bank. Immediately before World War II, actual cash reserves reached 39 per cent, during the war they rose to over 50 per cent, and on December 31, 1954, were about 35 per cent. Recent legislation, however, permits the commercial banks to substitute approved government securities up to a value of 40 per cent of these centralized reserves.

One of the chief reasons for these high cash reserves is the fact that all commitments made in Cuba depend ultimately on the prices for sugar in the international market—a consideration which, after the sugar crises of the twenties and early thirties, both Cuban and foreign-owned banks keep well in mind.

Since September 1952, a deposit insurance system has been in force, providing insurance up to a maximum of $10,000 on all current and savings deposit accounts of the commercial banks.

The legal form of banking instruments in Cuba reflects foreign practices. For example, the trade acceptance reflects both American and British procedures and the use of the overdraft the influence of Canadian institutions. The 1955 legislation, however, prohibits further general use of the overdraft as a means of obtaining commercial bank credit.

The overwhelming proportion of total commercial bank loans are made to the sugar, tobacco and coffee industries and are usually secured by pledges of merchandise or hypothecation of warehouse receipts. For commercial interests, wholesalers, retailers, and the export-import trade, loans are secured against two-name trade paper with rates on the latter varying from 4 up to 10 per cent.

A recent interesting development in Cuban banking regulations, a law respecting the pledging of goods and chattels, can be compared with the provisions of Section 88 of the Bank Act in Canada wherein the security pledged may in certain cases remain in the possession of the borrower.

Protestable unaccepted and unpaid bills and unpaid promissory notes shall be protested within eight business days following that on which acceptance or payment was refused. Cuban law currently fixes eleven days throughout the year as legal holidays with the provision that when any of them falls on a Sunday, the following Monday is a legal holiday.

Documents in certain transactions and contracts, to be recognized by the courts, must pay a graduated stamp tax which applies to all kinds of bills of lading, insurance policies, invoices, lease contracts, private sales contracts, sureties, travel tickets, vouchers, etc., and to bills of exchange, drafts, exchange operations, payrolls, private receipts, promissory notes and public deeds. The revenue stamp tariff, of interest to banks corresponding with Cuba, ranges from two cents to $60 on amounts from $1 to $50,000 in respect of receipts and is doubled for bills of exchange.

Foreign Exchange Regulations

There are no foreign exchange restrictions at present covering allocations of dollars to pay for North American goods. Special authorization must be obtained

Banks Operating in Cuba

Name	Address	No. of Branches
The Royal Bank of Canada	Aguiar No. 367, Havana	18
The Trust Company of Cuba	Obispo No. 257, Havana	18
The National City Bank of New York	O'Reilly No. 402, Havana	10
Banco Gelats	Aguiar No. 456, Havana	1
Banco Nunez	Mercaderes No. 260, Havana	21
The First National Bank of Boston	Aguiar No. 411, Havana	6
The Bank of Nova Scotia	Cuba No. 225, Havana	7
The Chase National Bank of New York	Aguiar No. 310, Havana	3
Banco Continental Cubano	Amargura No. 53, Havana	44
Banco Agricola e Industrial	Oficios 176, Havana	25
Banco de los Colonos	Aguiar No. 360, Havana	6
Banco Agrícola y Mercantil	San Ignacio No. 4, Havana	5
Banco Popular	Cuba No. 405, Havana	1
Banco Pujol	Agramonte 353, Havana	9
Banco Pedroso	Aguiar y Empedrado, Havana	1
Banco Garrigo	O'Reilly No. 306, Havana	5
Banco de Fomento Comercial, S.A.	Obispo No. 252, Havana	1
Industrial Bank	Plaza de la Catedral, Havana	6
Banco González Hermanos	Martí No. 75 Artemisa, Pinar del Rio	4
Banco Hipotecario Mendoza	Amistad 510, Havana	1
Banco Castano	Martí No. 1, Cienfuegos, Las Villas	1
Banco de Puerto Padre	Ave. de la Libertad No. 17, Puerto Padre, Oriente	1
Banco Asturiano de Ahorros	Monserrate y San Martin, Havana	1
Banco Cortes	Segunda del Oeste No. 19 y 21, Placetas, Las Villas	In liquidation
Banco Crespo	Valle No. 44 Cabaiguan, Las Villas	1
Banco de China	Amistad 420, Havana	1
Banco Franco Cubano	Teniente Rey No. 405, Havana	1
Banco de San José	Independencia No. 121, San José de las Lajas, Havana	2
Banco Fernández de Nuevitas	Agramonte No. 28, Nuevitas, Camaguey	1
Banco Areces	Martí No. 75, Colon, Matanzas	1
Banco Hierro	Martí No. 28, San Juan de los Yeras, Las Villas	1
Banco Cacicedo	Arguelles No. 139 Cienfuegos, Las Villas	1
Banco de Crédito e Inversiones	Zulueta No. 208, Havana	2

from the Currency Stabilization Fund under the jurisdiction of the Banco Nacional de Cuba for payments to France and Spain, with which Cuba has payments agreements, and for transactions with China and North Korea. With these exceptions, banks in Cuba may carry out general operations in foreign exchange for their regular clients or for the account of other banks in the dollar area or elsewhere. Gold imports and exports are, of course, controlled.

Since 1925 a 2 per cent tax has been levied on payments, remittances of funds, transfers of credits, valuables and products and any other operations which directly or indirectly result in the export of money or its equivalent from Cuban territory to a foreign country.

The application of this tax is complicated by the interpretations given to the concept "indirect exportation of money or its equivalent". Cuban manufacturers who export their goods, however, may obtain a refund on proof that their value has been returned to Cuba. Payment of this tax caused by the maintenance of current accounts abroad by Cuban exporters, however, is one of its most complicated features.

Under recent law all exports of money are totally exempted from the 2 per cent tax if it was imported into Cuba for investment in industrial, agricultural or other productive enterprises currently or hereafter established in Cuba or if it is in securities issued by such enterprises or by the Cuban Government or its autonomous credit and banking agencies or other similar agencies chartered by law. This exemption also applies to the re-export of machinery, equipment, appliances and instruments imported within the provisions of the law.

Government Banking and Credit Institutions

Banco Nacional de Cuba—This was established by Law 13 of December 23, 1948, and began operations in April 1950. With an authorized capital of $10 million, its paid-up capital is $5 million. The controlling shares are held by the State and the remainder subscribed by Cuban and foreign banks operating in Cuba. An elected representative of each group sits on the five-man managing Council.

Sole bank of issue, the *Banco Nacional* acts as agent for the State. Its loans or advances to the State are limited in any financial year to 8 per cent of average state revenues over the previous five-year period. The Bank is also the trustee of the Currency Stabilization Fund.

The Bank of Agricultural and Industrial Development—The trade and credit pattern of the Cuban economy during the Spanish regime was characterized by a credit chain. This extended from strong European banking houses through large export-import merchant houses in Havana to wholesalers, retailers and farmers in the interior, where a reasonably satisfactory basis was established for financing crop expenditures and determining the length of credit. With the economy's rapid conversion in the years 1900-1925 to intense sugar specialization, and the corresponding rise of the great sugar *centrales* which imported direct from the United States, the position of the big Havana import houses was weakened. The credit facilities they had previously extended to wholesalers and retailers in the interior shrank rapidly.

Apart from a few relatively large-scale industrial enterprises such as those in the rum, cigar and cigarette businesses, most small industrial undertakings had no way to finance development expenses by credit and this development was not attractive to the commercial banks and other credit sources.

As a step toward meeting this need for specialized credit institutions to provide short-term crop production and marketing credit, medium and long-term farm and plant improvement and development credit, the *Banco de Fomento Agricola e Industrial de Cuba* (known as BANFAIC) was set up as an autonomous state institution by Law No. 5 of December 20, 1950.

Authorized to grant loans to rural credit associations and others for agricultural development, and long-term credit for industrial expansion, it has been active in financing rice, coffee, corn and potatoes, highway and air transport, and has under study a number of industrial projects.

BANFAIC, with its own working capital of $15 million and a $10 million reserve, issues its own bonds and securities and may obtain advances or rediscounts from the Banco Nacional or any other bank. Created in August 1953, a subsidiary of BANFAIC—the Fomento de Hipotecas Aseguradas, or FHA—acts as an insured mortgages division to encourage building construction.

Banco Cubano de Comercio Exterior—This opened its doors on June 28, 1954, and has as its principal object the maintenance and extension of export markets for Cuban products, notably sugar, in areas where exchange controls restrict dollar purchases. The Bank's operations to date have been directed towards finding export markets for all Cuban products, covering a wide range.

The National Financing Corporation—This institution, known as the Financiera Nacional was organized pursuant to Decree-Law No. 1015 of August 11, 1953, and is an autonomous credit agency with an authorized capital of $4 million subscribed to by the Banco Nacional, its commercial bank shareholders, the insurance companies operating in Cuba, and the capitalization banks.

The Financiera undertakes the financing, in whole or part, of public works projects of a productive and self-liquidating nature.

The Bank for Economic and Social Development—This bank, known as BANDES, stems by recent legislation from the 1954 law envisaging a $350 million fund for economic and social development. It is therefore designed as a credit institution complementary to the Banco Nacional. Under existing law, as a bank of issue and rediscount, the Banco Nacional cannot make loans or advances to entities other than the State nor for periods longer than one year. Confronted with the economy's structural problem and population increase greater than the growth in production and productivity, the Central Bank cannot by itself adequately direct national savings into development projects. This help BANDES now provides.

Notable also in the BANDES legislation is a provision modifying the National Bank Act to allow exchange control regulation not only for emergency operations in defence of the Currency Stabilization Funds' international reserves, but also for economic and social development.

B.W.I. Finance Conference

A scheme for reciprocal borrowing among the various colonies of the British West Indies and the creation of a regional stock exchange or money market were among matters discussed at a recent meeting of financial officers in Kingston, Jamaica. Delegates from all parts of the British Caribbean attended.

The conference considered means of encouraging local savings and the investment of private capital in local and regional loan issues. It also examined a plan for the use of government reserves and special funds in one colony to support loan issues in other colonies. Other matters discussed were improvement of the methods for sale, transfer and registration of securities, thus building up a favourable climate for the establishment of a regional stock exchange. Problems of double taxation were also considered.

In all these matters, the conference agreed on specific recommendations which will be forwarded to the participating governments and to the Regional Economic Committee for implementation.

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Branch Factories for British Industry

British firms wishing to extend their interests in Canada now receive a sympathetic hearing from the U.K. Treasury —in view of the concrete advantages such expansion brings.

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

ESTIMATES OF BRITISH INVESTMENT in Canada during 1954 have been placed as high as $135 million. This reflects the gradual improvement in the economic strength of the United Kingdom which has been accompanied by an easing of the strict controls over currency transfers to dollar countries and a steady increase in the volume of investment capital flowing to Canada. Today the United Kingdom authorities place virtually no obstacle in the path of *bona fide* British firms who wish to extend their interests in Canada by acquiring branch plants or subsidiaries. Despite this, there are a variety of hurdles to be surmounted and pitfalls to be avoided if aspirations for a Canadian plant are to become a reality.

Why a Branch Plant?

British industrialists derive the idea of a Canadian branch factory from a variety of sources. Frequently it springs from problems encountered in trying to export. For example, one company which hoped to sell weighing scales discovered that because of the weight of castings and difficulty in nesting them, ocean freights made landed costs too high. The answer was a small Canadian foundry to make the castings and an assembly plant to incorporate balances made in England. When a United Kingdom exporter encounters difficulties on the Canadian market which local assembly, production, or service might solve, a branch factory prospect is born.

Others are attracted by the opportunities which they see in Canada to use the skills which they possess. Typical of this group are the many large British engineering and construction companies and the petroleum interests that have moved into the oil fields. Still others may go to Canada to ensure the supply of an essential raw material. British publishers have established newsprint mills in Canada for this purpose and British users of asbestos have developed asbestos properties to ensure adequate supplies of their basic raw material. An additional motive is a desire to share in what is believed to be one of the most promising areas for investment in the world today. Whatever the impulse may be which turns attention to Canada, much remains to be done before the idea is translated in reality.

A thorough understanding of the Canadian market is a first essential. Where a manufacturing subsidiary is contemplated, information will be needed on the size of the market. Is the volume likely to be large enough to justify an economic unit? How is the demand now being met? What protection is there against imports? What are the "standards" requirements? How is incorporation effected? What is the position on taxation, remission of profits and so on? Are essential raw materials available at competitive prices? Is the proper labour at hand? Are transportation facilities adequate? If preliminary answers to these questions are promising, a more detailed survey is called for. Such a survey is invariably the responsibility of the senior officials in the British company and can only be carried out adequately by a trip to Canada and an on-the-spot study.

Sources of Information

A number of government and private agencies in the United Kingdom are equipped to help British firms in their preliminary inquiries and to provide general guidance for the detailed Canadian survey. The Trade Commissioner Service through the Industrial Development Branch of the Department of Trade and Commerce in Ottawa can give much useful information. Five of the Canadian provinces, six of the banks, and the Canadian Pacific and Canadian National railways maintain offices in London with active industrial development sections. A comprehensive selection of literature on many aspects of the problem is available, ranging from Dominion Bureau of Statistics reports on various industries to detailed accounts of the location and other advantages of scores of Canadian municipalities. There are pamphlets on incorporation procedures, money-raising agencies, transportation facilities, building and engineering services, and a host of other topics associated with a venture of the kind contemplated.

Choosing a Site

The location of the planned Canadian operation requires careful study. Once committed to a district it is not easy to withdraw. In many cases market surveys suggest certain broad areas for location. In other cases it may be cheap and abundant power, year-round navigation, fresh water supplies, or some other factor which will influence or limit the choice. A decision on this important point cannot really be made in advance of a personal survey of prospective sites by qualified officials of the parent company. The provinces and municipalities are anxious to attract new industries and place all their facilities at the disposal of prospects. Data on almost every possible industrial site in Canada can be obtained from one or more of the Canadian agencies in the United Kingdom, but the final decision on plant location must rest with the principals themselves after a visit to various areas.

Formalities in the United Kingdom

Assuming that the decision has been taken to establish in Canada, the United Kingdom company must then obtain a release of the necessary dollars from the United Kingdom Treasury. Since the last war the United Kingdom has had difficulty in acquiring sufficient dollars to pay for her needs from dollar countries and has therefore exercised controls over dollars leaving the country for any purpose. These controls have varied in severity but have become steadily more lenient as the economic health of the country has improved. There are no similar controls on transfers to the sterling area Commonwealth and this may have deflected certain investments from Canada in the past. But there is no serious reason today why British industry should not expand into Canada if it wishes to do so and can satisfy the British fiscal authorities that opportunities for successful trading exist and that the project is sound. It is generally assumed that no British company wants to lose money by opening up in Canada and that they are the best judges of their own interests.

If the authorities are satisfied that the proposed transfer is a genuine business venture and not a flight of capital, and if certain safeguards are provided, approval is virtually automatic. In assessing the value to the United Kingdom of the proposed investment, Treasury is influenced by any increase in British exports that might result, by the possibility of profits being earned or of raw material supplies assured. In general they prefer the control of the Canadian venture to remain in the United Kingdom. It is a condition of British approval of dollar investments that the share certificates covering the investment be lodged with a nominee of the Bank of England.

Pitfalls Remain

Once a location has been chosen and United Kingdom and Canadian legal and fiscal requirements satisfied, a number of problems remain. British companies despite the most careful preparations, occasionally overlook some apparently trivial but frequently vital detail. The classic illustration is the British firm that approved plans for a Canadian factory which provided bicycle storage for employees but no parking lot. Differences in advertising techniques are often overlooked. In some cases difficulties arise because management is recruited entirely from the United Kingdom and lacks experience in Canadian methods and principles. In one case, United Kingdom professional ethics forbade a procedure which was standard practice in North America. The employment of qualified Canadians to run an essentially Canadian operation has generally proved the most successful, so British companies are turning more and more to the acquisition of established Canadian businesses as a means of getting a foothold in the Canadian market. This means that they acquire know-how and administrative and sales techniques at the same time as they acquire a going concern and the goodwill it has built up.

British Participation Growing

Residents of the United Kingdom are estimated to have invested about $280 million outside the United Kingdom in 1954. Almost half of this went to Canada. In 1953 similar United Kingdom investments in Canada amounted to about $67 million, or about 10 per cent of the amount invested by residents of the United States in Canada in the same period. Though this is still below the U.S. investment, the United Kingdom has been steadily increasing its share of the capital inflow into Canada and there is every reason to believe the trend will continue.

The establishment of a branch plant in Canada is a challenge to any company. No successful organization is established without hard work, but the growing Canadian market is a strong attraction to British firms and in almost every case the reward of having a Canadian subsidiary is worth the effort.

World Trade Centre in Boston

A World Trade Centre is to be established in Boston, following the lines of the International House and International Trade Mart in New Orleans. It will be a non-profit association. Plans have passed the organizational stage and the project is expected to be in operation before the end of the year. A location has been selected in the Sheraton Building in downtown Boston, overlooking the harbour. Facilities will include a club and dining room, multilingual secretaries, translators and interpreters, and greeting, guide and travel reservation services for foreign visitors. A library of world trade information will be established. The facilities and services of this World Trade Centre will be available to all American and foreign businessmen and to members of foreign embassies, consulates and trade missions.

The Tea Grower's Troubles

Steep decline in price of tea has meant anxious times for Ceylonese growers, though signs of recovery have lately appeared. Successive cuts in export duties by the Ceylon authorities have marked the last few months.

J. J. HURLEY, *High Commissioner for Canada, Colombo.*

THE LAST THREE MONTHS OF 1954 and the first three of 1955 saw an unprecedented rise and fall in Ceylon's tea trade. Total tea production during 1954 reached an all-time record of 366·73 million pounds which, according to statistics, is nearly 24 million pounds more than the total output for 1953. Exports reached 361·2 million pounds, with the United Kingdom (137 million), Australia (52 million) and the United States (30 million) the leading markets. Canada bought 16·5 million pounds of Ceylon tea last year.

The following table shows the volume and value of exports for the first three months of 1955.

	Bulk		*Packeted*	
	Volume lb.	*Value Rs.*	*Volume lb.*	*Value Rs.*
January, 1955	24,973,691	105,747,035	229,073	1,116,070
February, 1955	27,673,947	123,595,712	213,153	970,062
March, 1955	30,405,535	125,033,249	419,048	2,115,674

The principal buyers were:

	First Three Months—1955	
Country	*Volume lb.*	*Value Rs.*
United Kingdom	27,132,174	108,800,526
Australia	15,529,259	63,110,627
United States	8,956,017	39,358,189
Egypt	4,539,154	20,346,773
Union of South Africa	3,672,983	16,285,823
Iraq	4,822,241	23,048,664
Canada	5,180,987	22,127,978
New Zealand	5,339,996	22,914,873

Fluctuations in Price

The recent declines in tea prices in Ceylon have attracted a great deal of attention. The following table compares the monthly averages of tea prices registered at the local auctions during the six-month period under review for the years 1953-54 and 1954-55:

	1953	*1954* *(in rupees per lb.)*	*1955*
January	....	Rs.2.21	Rs.3.27
February	....	2.33	3.03
March	....	2.51	2.01
October	Rs.1.90	3.07	....
November	1.92	3.29	....
December	2.02	3.33	....

As the prices increased, the Government in gradual stages stepped up the export duty on tea, which was –/45 cents per pound at the beginning of 1954, to Rs.1/30 per pound in January 1955. The tea industry protested but the Government reaped a record revenue which helped Ceylon to improve its external assets.

The rise in tea prices in late 1954 and early 1955 drew a good deal of adverse comment in the British press. The governments of the producing countries, mainly Ceylon, were blamed for this situation. It was stated that the gradual increase in the export duty on tea was a principal cause of the rise. This has, of course, been contradicted by the authorities, who point out that factors contributing to the rising prices have been the London dock strike and the floods in India, which meant late deliveries and the depletion of consumer stocks. When the British purchaser of tea started to voice his protest, Sir John Kotelawala, Prime Minister of Ceylon, who was in London at the time, made some widely publicized statements that tea should not be so expensive. These remarks were highlighted in almost all the leading British newspapers with the result that buyers, who had by then built up reserve stocks against possible further price increases, were rather hesitant to make additional purchases at the ruling prices. This was the beginning of the declining prices and the fall in the demand for tea.

Pressure on Export Duties

The industry naturally reacted and began clamouring for a reduction in the export duty as the tea trade stood stockstill. Expecting some favourable action by the Government, the purchaser as well as the seller waited. One withdrew his tea from the sales while the other offered lower prices. In April 1955 the Government again brought down the duty from Rs.1/30 to Re.1/– per pound, but by that time the Colombo auction prices, especially for high and medium-grown teas, reached a level below the cost of production. The tea producers considered the action of the Government inadequate to meet the situation and asked for further substantial assistance in the way of a reduction in the export duty. The Government refused to cut it below Re.1/– per pound but agreed to release, for three months, unrestricted quantities of tea for the London auctions and limit the Colombo sales to four million pounds a week. As a further step the Government entered the tea market to buy the stock of the small producer for whose product there is less demand because of the rather low quality. The outcome of this decision is being watched with interest.

Labour Problems

With the favourable prices, the workers demanded increased wages and the Tea Wages Board's recommendation for an all-round increase of –/15 cents per head per day in the basic wage received the approval of the Minister of Labour. It became effective on August 1, 1954. As prices reached higher levels during the latter part of the year, the workers asked for a further increase and the Tea Wage Board suggested another all-round one of –/25 cents per head per day. This, however, was not approved by the Minister of Labour because prices by then were declining. It is understood that a move for a wage cut by the Estate Employers Federation is under consideration.

Because of further agitation calling for immediate relief if the tea industry is to survive this difficult period, the Government announced a temporary subsidizing scheme rather than cut the export duty still further. This scheme was that all teas catalogued and sold at the auction as first-hand tea at a price below Rs.1/50 a pound would receive as an export subsidy the difference between Rs.1/50 per pound and the price fetched, subject to a maximum of –/50 cents per pound. If any teas remained unsold at the auction because of want of bids and not because of withdrawals, the Tea Commissioner would buy such teas at his discretion and on a valuation in the understanding that no poor teas would be purchased. This subsidy scheme was decided upon by the Government in the conviction that manufacturers of "bought-leaf"* will pay a minimum of –/20 cents per pound for green leaf.

Decision Reconsidered

Early in June, however, the Government was forced to reconsider its decision and to announce that the export duty on teas shipped after midnight on June 7th would be slashed to –/50 cents per pound. The cost of the export duties, naturally, is borne by the producers.

Many of the tea growers feel that this will help the marginal growers to survive. As the price of tea fell, the Ceylon papers reported that some of the up-country estates had been compelled to dump their manufactured tea into the tea bushes to serve as manure. Others, which had temporarily stopped selling their tea, ran short of storage facilities and had no alternative but to dump surplus stocks in the fields. These reports may be exaggerated but the seriousness of the slump can be gauged by the declining prices and the accumulation of stocks.

The consensus seems to be that the tea industry is going through a troubled time but there are some indications that recovery has already begun. The future seems to depend on efficient estate management, on maintaining the quality of the tea, and on ploughing back some of the profits into estate improvement.

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* There are small tea factories in Ceylon operating on their own, but not connected to any producing estates. These factories, commonly known as "bought-leaf" factories, obtain their requirements of green leaf from the small holder in villages and manufacture their own blends. The Government is aware of the exploitation of these small holders and has threatened to introduce legislation in the event of their not being paid at least 20 cents a pound for their produce.

Fairs and Exhibitions

—continued from page 8

during the annual meeting will be keyed to the main theme and leading atomic energy authorities in industry, education, labour and government will have a place on the program.

Canadian scientific, technical and industrial personnel will be welcome at the Fair and can obtain tickets by writing to the Atomic Industrial Forum, 260 Madison Avenue, New York 16, N.Y. Atomic Energy of Canada, Ltd., will be exhibiting.

The Atomic Industrial Forum is "a non-profit membership organization providing industry, government, labour, research and education with a forum for the discussion and resolution of technical, legal, economic and management problems of atomic energy, and for the exchange of ideas which will contribute to the maximum development and application of this energy form for constructive purposes".

Fair in Djakarta

EMPHASIS at the International Trade Fair in Djakarta will be on the products used in the development of the Indonesian economy. However, all types of products have been accepted for exhibit. This year the fair is being held from August 18 to September 18. Last year its feature attraction was an international motor exhibition which included automobiles, trucks, motorcycles, tractors and agricultural equipment.

Information on the fair can be obtained from the Indonesian Embassy, 160 Metcalfe Street, Ottawa, or from the Central Indonesian Exhibition Organization, Djalan Kunir 2, Djakarta.

commodity notes

Argentina

TYPEWRITERS—Expansion of production of Olivetti typewriters is planned and an additional factory is to be erected at Merlo, Province of Buenos Aires. Present production is 1,200 typewriters per month—Buenos Aires, June 30.

Australia

NAVAL PROPULSION GEAR CASES—The first all-Australian naval propulsion gear cases were successfully produced recently. Made at the Commonwealth Government ordnance factory, Bendigo, Victoria, they passed all tests at Cockatoo Island, Sydney. They are to be used in future to power *Daring* class destroyers for the Royal Australian Navy—Melbourne, June 25.

British Guiana

BACON AND HAM—It is reported from Georgetown that a meat processing and curing plant, initiated by the Government under the Colony Development Program, has started operations. As this is the first time that bacon or ham has been produced in British Guiana, capacity is being limited to about 100 hogs a week for the present—Port-of-Spain, June 20.

Chile

COPPER—An increase in copper production of roughly 30 per cent over last year's figures is anticipated. This is the result of the new Copper Law and improved conditions in the international market—Santiago, June 18.

Hong Kong

SLIDE FASTENERS—A new industry has made its debut in this colony, producing "Clipper" brand slide fasteners in aluminum, brass, and enamelled surfaces for use in clothing, leather goods, luggage, etc. Automatic precision machinery of American pattern has been installed and by agreement, technical advice and assistance will be available from a New York company. The product should merit acceptance from consumers in Hong Kong and in adjacent Asian countries but the company also plans to export to other Commonwealth markets. It is taking care that all raw materials are of British origin, so that the fasteners will qualify for British preference—Hong Kong, June 18.

India

NEWSPRINT—The Government of Madhya Pradesh has adopted a scheme to guarantee a continuing supply of raw materials for the newsprint factory soon to come into production at Nepanagar. For this purpose, "salai" and "maharukh" trees will be planted in areas close to the mills, whose annual requirements will total about 30,000 tons—Bombay, June 21.

MICA INSULATING BRICKS—A new process of manufacturing insulating bricks from waste mica has been developed at the Central Glass and Ceramic Research Institute, Calcutta. These bricks, used as backing material in furnaces, compare favourably in properties and performance with vermiculite bricks, of which about 500 tons a year are imported at a cost of nearly Rs.500 per ton. India is one of the world's largest producers of mica and huge quantities of mica waste, the disposal of which was formerly a problem, can now be used as raw material—New Delhi, June 22.

Ireland

FISHMEAL—It is understood that the Government of the Republic of Ireland is planning to develop the herring industry to produce enough fishmeal and fish oil for export as well as the home market. A fish plant is to be erected in Galway at a cost of £55,100. Imports of fishmeal, including meat and bone meal, reached 131,454 cwt. (112 lb.) in 1954 valued at £325,621, of which 28,453 cwt. (£51,833) came from Great Britain and 78,366 cwt. (£220,229) from Iceland—Dublin, June 30.

Mexico

TRANSPARENT CELLULOSE FILM—Production of transparent cellulose film will begin in Monterrey early next year, at the rate of 1,800 metric tons a year. One-third of the investment of 18 million pesos will be made by Nacional Financiera, a government agency. Mexican imports of this film amounted to 1,434 tons in 1953 and 2,166 tons last year. Sixty per cent of purchases were made in the United States; the rest were shared by Canada, Sweden and France —Mexico, D.F., June 28.

South Africa

WOOL—The wool clip for the year ended May 31 totalled 1,006,621 bales, an increase of 7 per cent in tonnage over the previous year and the second million-bale clip in the history of the industry. The only previous clip of over one million bales was in 1933. Despite record volume, prices in international markets were lower and the return will be about £60 million, compared with £64 million last season. Great Britain continues to be the principal buyer (27,700 tons of grease wool) followed by Germany, 18,200 tons, and France, 18,100 tons. Other important buyers were the United States, Italy, Belgium, Japan and Russia—Johannesburg, June 29.

DIAMONDS—Controlled marketing of gem stones for the further six years to 1960 has been ensured by renewal of the agreement between the Diamond Producers' Association and the Diamond Purchasing and Trading Company Limited which centralizes sales. New quotas for gem stones have been apportioned among the members of the Diamond Producers' Association on the following basis: Union Government 10 per cent, South West African Administration 26 per cent, De Beers Consolidated Mines Limited 25 per cent, the Diamond Corporation Limited 35 per cent, Premier (Transvaal) Diamond Mining Company Limited, 4 per cent.

The demand for gem and industrial stones has been strong during the first five months of this year. Gem sales amounted to £23·5 million (£20 million during the same period of 1954); industrial sales totalled £9·1 million (£6·6 million)—Johannesburg, June 20.

Spain

PAPER—The output of paper rose considerably last year in Spain in comparison with 1953. Last year's production reached 226,704 tons compared with 44,592 tons the previous year. Of this, almost half was used in the printing industry—Madrid, June 26.

United Kingdom

CARPETS AND RUGS—Carpet and rug production in the United Kingdom has increased steadily since the setback which the industry suffered in the general textile recession of 1951-52. The 1954 output of 55·1 million square yards was an all-time record and 11 per cent higher than in 1953. The more expensive types of carpeting showed the largest increases; production of Wilton carpets, for example, was 24 per cent higher than in 1953.

British carpet exports have increased steadily in the last three years and in 1954 amounted to 9·2 million square yards valued at £13·5 million. This figure was, however, still below the peak postwar export figure in 1951 of 14·8 million square yards worth £23 million—London, July 8.

OFFICE EQUIPMENT—In the first four months of 1955 United Kingdom exports of office equipment totalled nearly £6 million, over £1 million higher than in the same period last year. In the period January to April, exports of office equipment by groups were as follows: typewriters £1,275,000, office machinery £3,529,000, steel cabinets £444,000, and other metal furniture £739,000—London, June 26.

United States

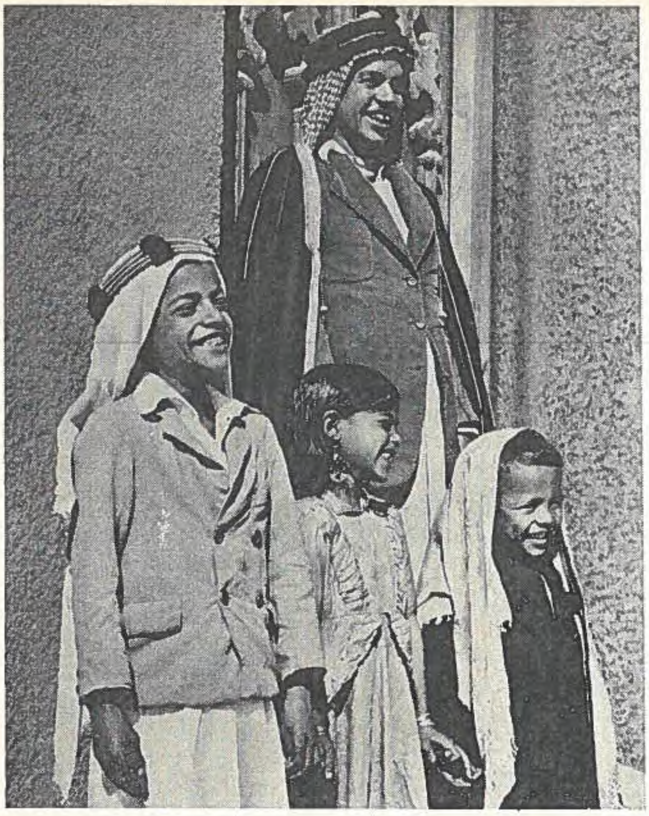
STEEL PRESS—One of the world's largest steel presses has just been completed by a Chicago corporation. It weighs 1½ million lb. and is the only one of its kind. The new press has a movable head with a capacity of 5,000 tons pressure. The press can flatten plate weighing more than 50 tons easily, yet the sensitivity of the controls permits the straightening of a steel plate 20 inches thick, 50 inches wide and 14 feet long to within one-half inch tolerance. The unit, about the height of a two-storey building, covers a 400-foot area of floor space. The press is electrically controlled by a man from a "pulpit" or control panel, and derives its pressure from a hydraulic system—Chicago, July 11.

Venezuela

POWDERED MILK—Supplies of whole milk powder produced in Venezuela's newest milk powder factory have now reached the Caracas market. The new plant, the second of its kind in Venezuela, is located in Quebrada Arriba in the State of Lara and produces under the trade name of LAVENCA. Construction of the plant was made possible through a loan of Bs.1,500,000 from the Venezuelan Development Corporation. Capacity is 250 thousand pounds of fresh milk per day but operations are not expected to reach this rate for some time—Caracas, June 29.

West Germany

INDUSTRIAL GAS TURBINE—It is reported from Duisburg that West Germany's first industrial gas turbine has been placed in operation in a wire rolling plant. The turbine has a capacity of 6,000 kw. It is understood that a second 12,000 kw. unit will be installed in a steel plant—Bonn, July 5.



—*Photo by Aramco*

An Arabian employee of a U.S. oil company operating in Saudi Arabia poses with his children. He is but one of 20,000 local employees who represent a market worth catering to.

Markets on

In this second instalment of a series on sales possibilities in the Persian Gulf area, the author discusses the market in the oil-rich territories of Arabia and indicates the goods most in demand.

THE MAP which accompanied the first of this series of articles in the issue of *Foreign Trade* dated July 9 shows that the first Persian Gulf ports which I visited in the course of a tour last February and March were Dhahran, El Khobar and Damman.

This article will deal in addition with Bahrain and Kuwait, and will give some indication of the situation in Qatar, on the Trucial Coast, and Oman.

The first three centres mentioned are in eastern Saudi Arabia and this area—which is linked to the capital, Riyadh, by rail—is for the moment the sole source of the country's oil revenues. The Arabian American Oil Company (Aramco), originally owned by Caltex (the ownership has now been extended to include Standard of New Jersey and Socony Vacuum), started commercial production in 1945. It has now reached the significant total of nearly one million barrels a day, of which about 250 thousand barrels are refined at Ras Tanura in the country itself, roughly one-third goes by pipeline to Sidon on the Mediterranean, and the remainder either goes to a Caltex refinery in nearby Bahrain or is exported by tanker.

Spending Oil Revenues

Saudi Arabian revenues from this operation amount to about $250 million a year, in addition to the salaries of some 20,000 local employees. The company itself also imports $62 million worth of goods for its own use and has established remarkable social services in its zone of influence, including Dhahran, its headquarters —a totally American town of some 13,000 people, centrally air-conditioned, with adequate water and electricity—and the outlying camps. These social services are so well known that even nearby Damman, the capital of the Eastern Provinces, is now setting up similar schools and hospitals, and is rapidly becoming a centre of technical know-how.

The country is still predominantly paternalistic and little capital has yet gone into projects of communal interest. However, the principal towns now have enough electricity (usually produced by 5,000 to 10,000 k.w. diesel generators), and water supplies have improved considerably. There is also growing use of diesel pumps for deep-well irrigation. The hope is to produce commercial quantities of cotton and exportable surpluses of hides and skins in the foreseeable future.

Selling Opportunities

This area has in the past depended almost entirely on imports through agents in the transit ports of Bahrain and Kuwait. Restrictions are now being placed on such trade in an effort to create a merchant class in the new port of El Khobar.

For the moment it would be premature to place agencies in the hands of such merchants because their performance is unknown unless they happen to be Saudi branches of Bahrain firms. The movement should nevertheless be watched with close attention.

Canada has opportunities in the fields of air-conditioning, refrigeration, and in electric equipment, fixtures, and appliances in general. Some wheat and flour is imported through Bahrain firms and there will be growing interest in agricultural machinery. The 450-mile railway to the capital requires replacement ties and a proposed 800-mile extension would provide a vast market. The railway is convinced about the utility of creosoted Douglas fir ties, and one bid for 250

the Arabian Peninsula

J. P. MANION, *Assistant Director,*
Economic Planning and Co-ordination, Trade Commissioner Service.

thousand ties (exporter unknown) had just been accepted at the time of this survey.

Apart from such development goods, there is widespread demand for construction materials of all types, including reinforcing bars; for office equipment and steel furniture; and for consumer goods of every description (Cadillacs are as common here as Chevrolets and General Motors has practically a monopoly of the market). Perhaps it would be desirable to try first with luxury goods; there are tales of a Sheik who bought 300 TV sets and of another who stocked his treasure house with electric blankets.

At any rate, both because its development has barely begun and because of conspicuous consumption on the part of the leisure class, the market is well worth frequent investigation.

Bahrain as Distribution Point

Bahrain is a British protected state and is the seat of the British Political Resident, Persian Gulf, who also supervises Kuwait, Qatar and the Trucial States through local Political Agents.

It is a small island immediately off the coast of Saudi Arabia with a population of about 130 thousand. As a free port with a free exchange market, it has a trade far greater than this figure would indicate. Imports for 1954 reached about $40 million, excluding purchases for the account of the Bahrain Petroleum Co. or the Government. Of these, about $5 million worth came from the United States and only $45,000 from Canada.

Official re-exports totalled $20 million, of which $12 million went to Saudi Arabia. This does not include oil, of which 12 million barrels were produced and 75 million barrels were refined (85 per cent of the latter is piped over as crude oil from Aramco in Saudi Arabia). The local company, a Caltex subsidiary, first struck oil in 1932 after a British consortium had failed. It thereby in a sense performed an historic mission because all later concessions in Arabia have derived from this original strike and all are in American hands.

So far, Bahrain has proved to be an excellent distribution point, particularly for consumer durables, since agents and importers are able to keep stocks in customs warehouses for six months for a charge of only 2 per cent. If the re-export trade to Saudi Arabia should suffer as a result of efforts to encourage direct imports, Bahrain's influence may wane; in the meantime, it remains a good place to have an agent. The town of Manama, principal centre of Bahrain, is incidentally going to have 30,000 k.w. of electricity, generated from waste oil well gases, within the near future and should provide a good market for electrical appliances.

Markets South of Bahrain

Other areas south of Bahrain which it was not possible to visit, include:

Qatar (pronounced "gutter"), with a population of only 18,000, is nevertheless starting to produce oil in volume—31 million barrels in 1954, or over one-third of Canadian production.

Abu Dhabi and *Dubai* are important because of transit trade with Iran and Pakistan. The latter imported $15 million worth of merchandise in 1954. Further down the coast are *Sharja* and *Muscat*. All these independent and semi-independent Sheikdoms have nominal customs duties, are ports of transit and are being actively explored for oil. They would deserve occasional visits but in the meantime agencies could probably be arranged through the British Bank of the Middle East, affiliated with the Mercantile Bank of Canada, which could undertake preliminary investigations.

Turning now toward the north, we come to the fabulously rich British-protected Sheikdom of *Kuwait*. This is an arid desert of trifling size—6,000 square miles, or about 75 miles square, with a population of 200 thousand—which yet manages to produce one million barrels of oil a day and gain a revenue of about $200 million. (The royalties are slightly less than those in Saudi Arabia and are now being renegotiated.) One-third of revenues are held in trust by the Bank of England, but there is still so much money left over that they have built the largest high school in the world; a university (unused) which sprawls over two miles; a technical school resembling the Canadair factory; 32 primary schools (with free meals, uniforms and textbooks); excellent hospitals and free medical, pharmaceutical, and hospital care for all, whether resident or not.

Air conditioning is becoming a "must" and one dealer alone had 4,000 window units in stock, with others following suit to create a slowdown in imports because of surplus inventories. There is a 40,000 k.w. power plant, with an additional 60,000 k.w. unit almost completed, both fueled by waste gases. High-pressure steam from the power plant is passed through retorts in the process of condensation to produce two million gallons of distilled sea water per day and Sir Alexander Gibbs Associates have completed a favourable report on a 50-inch pipeline to bring water from the mouth of the Shatt-el-Arab in Iraq for irrigation.

Although the local market will always be limited by exiguity of space and population, Kuwait is an important transit centre, with duties of 4 per cent and a free exchange market. Its imports in 1953 came to $66 million, most of which were re-exported to Iran, Iraq and Saudi Arabia. It is a good centre for agencies covering consumer goods and consumer durables.

Iron Ore from French Mines

Situated near several of Europe's major steel-producing areas, the large French iron ore deposits have great value. About 40 per cent of total production goes to foreign buyers.

J. BESNARD, *Office of the Commercial Counsellor, Paris.*

FRANCE RANKS SECOND among world producers of iron ore, with an average annual production of 42 to 43 million tons over the last few years. Though this is only 44 per cent of United States production, it is ahead of the USSR and well ahead of Sweden, the United Kingdom, Germany, Luxembourg and all other large producing countries. In addition, Algeria, a department of Metropolitan France, turns out four to five million tons of iron ore each year.

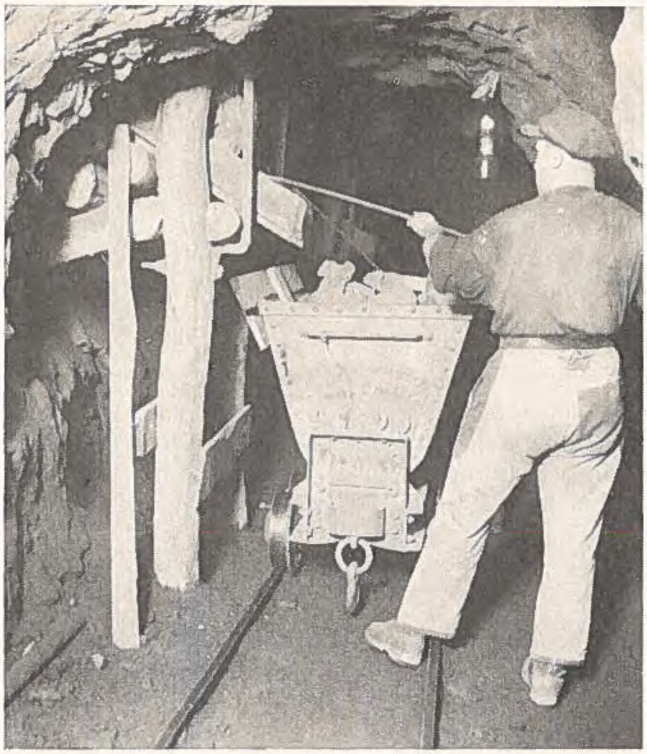
Production and Reserves

Known iron ore reserves in France are estimated at some seven to eight billion tons, the second largest in the world and believed to be exceeded only by those of Brazil. Canadian reserves have not been fully determined and are therefore not considered in this rating. Algerian reserves are put at several hundred million tons. Extensive deposits have also been discovered in Mauretania, French West Africa—approximately 50 million tons of high-grade ore (62 to 68 per cent pure metal), with a yearly production capacity of some 4 million tons. The Mauretanian deposits have been leased to a financial group in which Canadian investors own 34 per cent of the capital. However, exploitation can only begin after the construction of a 300-mile railway line to carry the ore from the Fort Gouraud area to the sea at Port Etienne.

Ninety-four per cent of the iron ore production of Metropolitan France comes from the Lorraine deposits, and consists of low-grade ore (32 to 36 per cent) with a high phosphorous content. This explains why the Lorraine basin production did not get into full swing until the year 1878, when the open-hearth (Thomas) process was discovered.

The ores of Normandy and lower Britanny (Caen and Nantes areas) are substantially richer in metal (45 per cent) but generally speaking, the metal content of French ores is greatly inferior to that of Swedish and American, although it is better than English, Luxembourg or German ores.

The outstanding position France occupies in the European market is largely due to the ideal location of the



In an iron mine in northern France a worker fills his truck with ore. French mines produce over 40 million tons of ore a year, the majority of it in the Lorraine basin.

Lorraine basin deposits along the Moselle Valley from Nancy to the Saar border, and close to the major industrial areas of Western Europe such as the Ruhr, the Saar and Benelux.

Domestic and Foreign Users

Although the better part of French production of iron ore is used on the home market, principally by the Lorraine basin steel industry, France is also a large exporter. In 1953, exports totalled 16·5 million tons, 40 per cent of total production. The Lorraine basin alone accounted for 15 million tons, of which 6·4 million were exported to the Saar, 4·6 million to Belgium and 4 million to Luxembourg. About 1·5 million tons of Normandy ore were shipped to the United Kingdom, Belgium, the Netherlands and Germany. Substantial tonnages of Algerian ore were shipped to the United Kingdom in 1953.

New Investment Expands Output

The mining companies have spent large sums on equipment to modernize and mechanize their operations and to restore properties after the destruction of World War II and the German occupation. Such investments amounted to over 44 billion francs ($125 million) in the period 1944-52. The French Government assisted to the extent of 1·5 billion francs. The results have been extremely satisfactory, with an increase of 150 per cent in yearly production and 60 per cent in the output per man-hour.

Because of its vast resources in iron ore, France enjoys a privileged position within the European Coal and Steel Community. Present plans provide for a further increase in yearly production to a minimum of 50 million tons within the next few years.

Depletion Feared

However, French business leaders have repeatedly expressed fears that at the present rate of production, the resources of the Lorraine basin will be completely exhausted in less than one hundred years. This estimate may even be substantially reduced by the ever-increasing demand for French iron ore from the other ECSC members.

It is also said that if ECSC credits continue to be mainly devoted to developing production of Lorraine ore and German coal, the increased output of French iron ore will mainly benefit the other ECSC steel producers. For this reason, certain French interests argue that the French steel industry has a far greater need for financial assistance than the iron mining industry, if it is to meet the competition of German, Belgian and Luxembourg steel producers.

An article discussing the problems of the French iron and steel industry will appear in our next issue—Editor.

Data for Exporters

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

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

New England

Recession and Recovery

Improvement which began in third quarter of '54 has continued into '55. Market for lumber and construction materials, food products, fishsticks, strong and spells opportunities for Canadian suppliers.

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

LIKE MOST AREAS of the United States in 1954, New England inherited a trend towards recession from the previous year and these influences persisted until late in the third quarter. Reduction of inventories and smaller defence expenditures contributed to a generally lower volume of business activity.

During the first part of the year production and employment fell. By March some improvement in the volume of orders received by manufacturers appeared but reduction of stocks to fill orders held back output throughout the spring and summer. In the fall, business activity gained momentum rapidly and the outlook brightened.

Construction Boom

In contrast to the general picture, residential and non-residential construction boomed during the year and helped to ease the effects of adverse trends in some manufacturing industries. Total value of all contracts awarded was 28 per cent above 1953. Awards for public works, utilities, hospitals, churches and schools increased substantially. Contracts for industrial buildings were up about 34 per cent; residential building contracts showed a moderate increase of 9 per cent.

The high construction levels were supported by an ample supply of funds and a liberalized mortgage insurance program. Demand for lumber from Canada was heavy—in fact, ahead of supply, particularly for eastern spruce.

General Business Indicators

Prices of most goods and services were stable during the year and averages for wholesale and consumer prices held to within one per cent of 1953 levels. Food prices continued to fall and transportation prices also dropped below 1953 levels. Rents and services rose.

New England's industries received less support from defence contracts than they did in 1953. The transportation equipment industry benefited most. Ordnance contracts were spotty but showed most strength toward the end of the year. The textile industry fared badly except in the third quarter.

Freight carloading on New England's railroads reflected the decline in business and industrial activity and remained below 1953 levels for each month except September. Business failures also increased but were not as numerous as for the U.S. as a whole. Electrical energy production ran below 1953 levels in a number of months, contrary to the general U.S. experience.

Credit expanded during the year as banks increased loans and investments and business loans, particularly to public utilities, rose during the first half. Later in the year trade, textile, food, chemical and rubber companies increased their borrowings; metal manufacturers made net reductions. Following a policy of easier money the Federal Reserve Bank reduced the discount rate and the commercial banks also cut their rates on prime business loans.

Employment Picture

Total non-agricultural employment slumped during the early months and then stabilized at levels some 3 per cent below those of 1953. Reductions in employment were most severe in the durable goods manufacturing industries. Primary and fabricated metals, machinery and textiles were the most severely affected as employment levels ran from 10 to 20 per cent below those of 1953. Conditions improved in the third quarter and this continued in the autumn.

On the other hand, non-manufacturing employment was higher than in any previous year.

Earning and Spending

Average weekly hours worked and earnings continued the decline begun in late 1953 until the second quarter. By mid-year some improvement had appeared and by year's end they had climbed to an all-time high. The overall gain over 1953 was relatively small, however. Savings increased in terms of bank deposits and life insurance sales but gains were smaller than in 1953. Consumer credit outstanding showed only slight expansion.

Retail trade fared rather better than most other segments of the New England economy during 1954.

Automobile sales advanced moderately in contrast to a decline in the country as a whole. Department stores showed a gain of 2 per cent in sales over 1953, with bargain counters in the lead.

Agriculture Suffers

Three hurricanes in August and September caused severe damage to coastal areas and agricultural crops throughout most of the region. The apple crop was one of the most severely affected and losses were estimated at $6 million. In general, abnormal weather conditions throughout the growing season and low prices for poultry products and potatoes reduced gross agricultural income. Farm costs also fell, thus offsetting lower prices received for farm products.

Fish Imports Up

The most significant development in New England's fishing industry for many years was the great 1954 expansion in the production of cooked and uncooked fishsticks. Output reached 50 million pounds. Several of the principal fishing ports witnessed new factory and storage buildings and a welcome expansion in employment in these fishstick plants. At the same time, Canada found an increasing market for frozen groundfish blocks and slabs, the raw material for fishsticks. Our closest competitor in this market is Iceland. Indications were, however, that Canadian producers were gaining as they improved their facilities and became geared to serve this specialized market.

Other types of fisheries products, such as fresh and frozen fillets, did not fare as well. Cold storage supplies (principally of scrod haddock) ran several millions of pounds above the previous year. Wholesale prices remained fairly stable. A concerted effort was made by the Fish and Wildlife Service, restaurants and the press to move the large surplus accumulating during the heavy production season. This produced fairly satisfactory results but holdings at the year's end were still substantially above 1953.

Imports of fisheries products continued to expand to about 50 per cent by volume over 1953. Much of the increase stemmed from the demand for frozen blocks and slabs by the fishstick manufacturers.

Industrial Picture

The textile industry was depressed during most of the year and all segments were affected by the decline in activity which carried over from 1953. Employment was below 1953. In the final quarter, some improvement appeared with an increase in demand for certain cotton and synthetic fabrics. Finishing plants reported a good volume of orders for the spring and summer of 1955. During the year, industry spokesmen made repeated appeals for more tariff protection against imported fabrics.

Leather prices were weak throughout the year and buying was cautious. Business picked up in the final quarter as shoe manufacturers placed orders for the new season.

Shoe production was about 4 per cent above 1953 and, at 190 million pairs, the highest in history. Most gains were made in Massachusetts which retained its position as the nation's largest shoe manufacturer. Producers of women's shoes experienced the greatest improvement.

Metals and Metal-Working Industries

The primary group faced a slowing-up during the first three quarters. Foundry business was poor and fabricated metals also suffered a gradual decline. Electrical machinery lost ground during the first half as a result of fewer defence contracts, lack of new orders, and high inventories of radio and television sets. Conditions improved during the second half of the year and employment increased. Production of heavy electrical machinery was slow.

Non-electrical machinery (including machine tools and textile machinery) had a poor year, with declining production and employment. The large textile machinery makers are diversifying their production by adding new items not related to the textile industry.

Manufacturing Suffered Most

It is now clear that the 1953-54 decline was principally a manufacturing recession. Measured by manufacturing employment, New England suffered a decline of 12·5 per cent from the 1953 peak to the 1954 trough. In terms of man-hours of production workers, the decline measured 18 per cent. Signs of recovery were apparent by February 1955 when factory employment was running 2·3 per cent ahead of the 1954 low and man-hours had risen by 4 per cent. Non-manufacturing employment was ahead of the previous year throughout 1954 and one per cent ahead of 1954 levels by February 1955.

A Look at 1955

During the first quarter of this year, most industries were picking up. Rebuilding of inventories began and production increased to meet a rising volume of orders. At first the higher production was achieved mainly through longer hours and was reflected in larger weekly earnings, but by the end of the quarter employment was also strengthening.

Activity in construction continued strong and retail trade was enjoying satisfactory conditions. The chemical, pulp and paper, shoe, apparel and jewellery industries recorded advances. The textile industry experienced the first indications of improvement in almost two years. The trend was upward also in the machinery, primary metals, electronics and furniture industries.

Output of electrical energy was above last year's levels during the first quarter; bank deposits were up some 12 per cent; freight carloadings of New England's railroads were slightly above 1954. Purchasing agents reported rising raw material inventories and buying policy generally became more liberal. January sales figures for New England's department stores were 7 per cent above a year ago and new car sales increased 43 per cent.

Outlook for Canadian Exporters

With New England business and industry showing greater strength and consumers spending more, prospects for Canadian exports are definitely better than in most of 1954. A strong market for lumber and construction materials, fresh fruits and vegetables, and other food products may be expected. The growing production of fishsticks will also provide a larger market for Canadian exporters of frozen groundfish blocks and slabs. Lobster and other shellfish are also in demand.

Manufactured consumer goods should also find a good market in New England. Large numbers of highly paid workers with plenty of leisure time have provided a tremendous sales outlet for sporting boats and equipment and several Canadian boat builders are already well established in the New England market and report excellent sales.

Department and specialty stores are always interested in new and distinctive lines from Canada. A Canadian ceramic pottery line is newly established here and results are encouraging. New England's multitude of winter sports enthusiasts are avid buyers of quality sportswear for skiing and casual wear. This region, with its high per capita income and standard of living and its dense population, offers an attractive market for enterprising Canadian exporters. ●

trade commissioners on tour

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

H. W. RICHARDSON, Commercial Secretary in Athens, Greece, began his Canadian tour in Ottawa on April 25th. His itinerary is:

Ottawa—Aug. 8 (p.m.)-13
Quebec—Aug. 15
Grand Falls: Perth, N.B.—Aug. 17
East Florenceville: Millville—Aug. 18
Fredericton—Aug. 19
Saint John—Aug. 22
Halifax—Aug. 24
St. John's, Nfld.—Aug. 26
Montreal—Aug. 30-Sept. 7

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

Fredericton—July 27
Saint John—July 28

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

Board of Trade—Grand Falls, Halifax, Montreal, Quebec, Saint John.

Department of Industry and Development—Fredericton.

Department of Trade and Commerce—Ottawa, St. John's (Stott Bldg.).

General notes

Australia

RETAIL TRADE—Retail sales have run at an all-time high for the period July 1954-March 1955 and with expectations of a high level of sales for April, May and June, it appears that this financial year, ending June 30, will be a record-breaker. Part of the recent improvement in retail sales results from increases in wages. There are, however, indications that the retail boom will stabilize at a steadier level when the full weight of import restrictions is felt—Sydney, June 25.

Chile

TYPEWRITER FACTORY—A press release from Syracuse, New York, indicates that the well-known typewriter and office equipment firm, Smith-Corona, will invest US$200 thousand in a factory for assembling typewriters in Santiago. The report adds that the principal object of this step is to protect the firm's interest in Chile, where imports of its products have fallen off because of import restrictions and shortage of dollars—Santiago, June 15.

Denmark

LIBERALIZATION MEASURES—Press reports indicate that agreement has been reached on a further 2·4 per cent liberalization of Danish imports from OEEC countries, bringing Denmark's percentage to 78·4. This will affect imports valued at just over kr.50 million on the basis of private OEEC imports in 1948 and represents a 10 per cent reduction in Denmark's current OEEC restrictions. The measure is expected to take effect from July 1, 1955. The Minister of Commerce has indicated that further liberalization of Danish imports on October 1 is under consideration and has stated also that the increase in imports from the OEEC area resulting from the present measure is expected to be modest —Copenhagen, July 2.

India

DDT OUTPUT—A second state-owned DDT factory is to be erected in Travancore-Cochin State. It is estimated that the factory, which will have a capacity of about 1,400 tons of DDT per year, will cost about Rs.7·5 million. The Government of India has also decided to double the capacity of the factory which has been set up near Delhi. This factory has already gone into production and by the end of 1955 is expected to reach a capacity of 700 tons per year. DDT is an important weapon in the Government's country-wide campaign against malaria. At its peak, the campaign will require about 8,000 tons of insecticides a year—New Delhi, June 11.

NEW SODA ASH PLANT—A $10-million project for the production of soda ash at Porbander in Saurashtra State has been approved by the Indian Government. Capacity is expected to be 200 tons a day, half of which will be used to make caustic soda—Bombay, June 29.

Northern Ireland

GOVERNMENT ADVERTISING TO ATTRACT INDUSTRY—The Northern Ireland Ministry of Commerce has been allocated £20,000 for a regular advertising campaign in suitable publications to draw attention to the industrial facilities which the country has to offer. This campaign, which will be undertaken in the coming year for an experimental twelve-month period, will supplement the personal contacts of the industrial development division of the Ministry. This division has already interviewed about 200 prominent British industrialists and has also surveyed areas where, because of an acute labour shortage, industries were most likely to be seeking other fields for expansion. Negotiations with several firms, which include at least one new line of industry, are already well advanced. These prospects do not include the expansion of existing industries which is being undertaken or is contemplated—Belfast, July 8.

South Africa

DECLINE IN RESERVES—Decline in the Union's foreign exchange reserves is causing concern. As of June 10, foreign exchange reserves were £29 million below those of January 1. Almost £11 million has been lost in the six weeks previous to this date and £1·7 million in the previous seven days. By comparison, reserves increased by over £14 million during the similar period last year. Effective June 1, the Treasury raised its short-term discount rate to approximate the British bill rates to retain short-term investment funds in the country—Johannesburg, June 28.

Who Owns Germany's Steel and Coal Industries?

Postwar Allied legislation forced the breaking up of large-scale holdings in the German steel and coal industries, and opened the way for foreign capital to participate. Investors in many countries have seized the opportunity to buy shares put on market.

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

FOREIGN OWNERSHIP of the West German coal and steel industries has grown significantly since the war, partly as a result of opportunities presented by the Allied deconcentration measures. Under Occupation Laws Nos. 75 and 27, former owners of large-scale holdings in these industries were forced either to dispose of their total group of shares or to concentrate their ownership in one of the successor companies. The postwar inability of the German capital market to absorb the large offers of shares resulting from this Allied legislation has brought about a broadening of foreign influence in the Ruhr. It is estimated that at the end of the steel and coal reorganization program, about 27 per cent of German basic steel production, almost 20 per cent of the hard-coal production, and slightly more of the coke production will be under foreign control. The average share in 1930 was no more than 10 per cent.

Compensation for Former Holders

The present situation in the Ruhr differs markedly from that foreseen by the planners during the early Allied occupation. Originally the former British Military Government envisaged a nationalized German coal and steel industry. This plan was later altered by the Allied High Commission who directed that the decisions on ownership by the former shareholders be left to the German Federal Government. Any shareholder in a coal or steel trust subject to deconcentration was entitled to share-certificates in the successor companies, according to a scale established by legislation.

This compensation, which was largely completed by the end of 1954, in some cases was lucrative on the basis of both nominal and market stock values, and some former shareholders have received compensation in a ratio of three to one or even more. The large increase in capitalization of the successor companies compared with that of the former combines is a consequence of the relatively low Reichsmark capitalization of prewar assets, the small amount of wartime damage, postwar investment and increased values before the assessment period 1951-53, and the desire to maximize capital in order to claim highest possible depreciation allowances. The new capitalization also reflects the depreciation of the Germany currency compared with the prewar Reichsmark.

Major shareholders in the former large industrial undertakings—that is, those shareholders representing more than 5 per cent of the total capital stock—became subject to special regulations set forth by the Allied High Commission. Messrs. Alfred Krupp and Friedrich Flick were obliged to agree to disposal of their complete holdings of shares in the iron and coal industries within a stipulated period. Others—for example the Thyssen inheritors—were instructed to concentrate their former shares in one of the successor companies, possibly through exchange with other major shareholders in the industrial complexes under regulation. Paradoxically, one result of these deconcentration measures has been that the coal and steel successor companies will be dominated in some cases by one major shareholder, either German or foreign. Only the Hoesch, Mannesmann and Rheinische Stahlwerke successors will be under the influence of the smaller and medium shareholders.

Foreign Interest in Steel Industry

Three of the most important German steel producers have already come under foreign influence. The Dutch

Kgl. Hoogovens en Staalfabrikken Ymuiden, which owned only 4·45 per cent or Reichsmark 20·5 million of the 460 million Reichsmark capital of the former Vereinigte Stahlwerke, concentrated its interest in the largest of the German steel plants, the Dortmund-Hoerder-Huetten-Union which has a nominal capital of Deutsche Marks 184 million. With the recent additional purchase of shares worth DM14·0 million, the Dutch interest will be the largest and will amount to DM75·8 million. The steel production of this plant during the business year 1951-52 totalled 2·2 million tons.

The N.V. Handelsmaatschappij Montan, another Dutch firm, owned 30·88 per cent of the former Kloeckner-Werke A.G. As a result of the latter's deconcentration, the N.V. Montan has obtained a new group of shares amounting to DM101·6 million in the Nordwestdeutscher Huetten-und Bergwerksverein which has a nominal capital of DM210 million. The steel production of the German firm reached 1·2 million tons during 1951-52 and 1·3 million tons during 1952-53. During the same period, coal production by mines owned by the Nordwestdeutscher Huetten-und Bergwerksverein amounted to 2·2 million and 2·3 million tons respectively

Swedish interest in the German steel industry is concentrated in the Gusstahlwerk Bochumer Verein, capitalized at DM69 million. It is one of the Vereinigte Stahlwerke successor companies. The Rheinische Stahlwerke, which for a time held a share of 40 per cent in the Bochumer Verein, has sold shares to the value of DM29 million to the well-known Swedish industrialist Mr. Axel Wenner-Gren. Mr. Wenner-Gren subsequently may have obtained a majority share in the Bochumer Verein through purchases of outstanding securities in the German market.

French Holdings in Coal Industry

French investors are the most important foreign factor in the German coal-mining industry. About 20 per cent of the industry is controlled by foreign interests and 12 per cent is influenced by French financial groups alone. Even before the Second World War, the French de Wendel trust, which accounted for about 20 per cent of total French steel production, held a controlling interest in four German coal mines in the Aachen and Ruhr districts with an annual production of over five million tons. These mines included the Friedrich Heinrich A.G., Kamp-Lintfort, which was founded in 1906 and now has a nominal capital of DM44 million (French share 98 per cent), the Heinrich Robert AG near Hamm (French share 100 per cent), and the mining firms Carolus Manus (100 per cent), and Carl Alexander (50 per cent). Indirectly, French interests control the most important mining company in the Aachen district, the Eschweiler Bergwerksverein (capital: DM60 million) which produces about 4 million tons.

The purchase of a majority share in the Harpener Berbau A.G., Dortmund, by Sidechar, a French consortium including Sidelor, Chaantillon-Commentry, de Wendel and others, attracted considerable attention in Germany. Friedrich Flick, obliged to dispose of his share in the German Montane industries, was unable to locate German buyers for his 60·2 per cent majority share in the Harpener Bargbau with its total capital of DM127·6 million and was therefore ready to consider offers from France. Coal production of the Harpen mines totalled 4·5 million tons in 1953. The share of these mines in German foundry coke production is even higher, reaching 5·2 million tons during 1952, or 15 per cent of a total of 34·1 million tons.

France has thus made a successful bid to ensure a sufficient and continued flow of coal from West Germany. It has been suggested that Flick will in turn invest in the French chemical industry and the right to do so has been included in his sale contracts. Other foreign participation in German coal mining firms includes Dutch control of a mine in the Aachen district, with an annual production of 925 thousand tons. The Dutch also own a share of 52 per cent in the Steinkohlenwerke Viktor-Ickern A.G. which is capitalized at DM55 million and turns out 2·25 million tons. (This is a subsidiary company of the Nordwestdeutsche Huetten-und Bergwerksverein mentioned above.)

United States investors control 4,650,000 tons of German coal output and hold 100 per cent shares in the following coal mines which were a former part of the Hugo Stinnes trust: one, Steinkohlenbergwerke Matthias Stinnes A.G. (capital DM60 million); two, Muelheimer Bergwerksverein (capital DM28·75 million) and three, Bergbau AG Diergardt-Mevissen (capital DM24 million). The nominal capital of the Bergwerksgesellschaft Dahlbusch of DM18 million is owned 58 per cent by the Belgian group Solvey-Concern who thus control its total coal production of 980 thousand tons.

Disposal of Assets to Continue

Thus the ownership of German coal production capacity by foreign capital amounts to 17 per cent. Foreign influence, however, is even greater because foreign interests hold a majority share in some of the large coal mining companies. The percentage will likely become larger because there are still parcels of shares outstanding which are subject to the Allied negotiated agreement to sell. Recently, negotiations have taken place with U.S. industrialists and other interested foreigners regarding the disposal of shares held by the Thyssen heirs and the Rheinische Stahlwerke in the Gelsenkirchener Bergwerks A.G., the largest German hard-coal mining company, with 14 per cent of total Ruhr coal output.

Another important successor company is the August-Thyssen-Huette, the capital of which is also in the hands of the Rheinische Stahlwerke A.G. and the Thyssen heirs, to the extent of 42 per cent. This plant is rapidly becoming the most modern and most efficient of the German steel works and it is anticipated that interest by foreign syndicates will be very strong.

Holders of interim shares in these additional successor companies are similarly subject to the obligation to sell: Erin Bergbau A.G. (50 per cent share of Thyssen heirs), Rheinische Stahlwerke "Rheinstahl", Ruhrstahl AG (majority share held by Rheinstahl), Gusstahlwerk Witten A.G. (majority share by Rheinstahl), Handels-Union AG (50 per cent by Rheinstahl and Thyssen heirs).

If the proposed disposal of Krupp investments is to be realized, the total capital share of Huettenwerk Rheinhausen AG and the Bergwerke Essen-Rossenray AG, the Steinkohlenbergwerke Hannover-Hannibal AG (capital DM35 million) and a 51 per cent share in the Bergbau AG Konstantin der Grosse must be sold. Negotiations with the Italian State Railways for the sale of the Konstantin der Grosse have already taken place but are not expected to reach the final stage in the near future. The holdings by Friedrich Flick in Essener Steinkohle (capital DM79 million) of which his share amounts to DM44·4 million, is also a prospect for disposal on the capital market. It is estimated that the total return by Krupp on the sale of his coal and steel interests will amount to DM215 million of which DM150 million arises from the coal sector and DM65 million from steel.

German Reaction

The reaction of German public opinion towards this "selling off" of traditional German industry has been liberal. Some commentators emphasize that increased participation of foreign capital in the national industries can only serve the useful purpose of supporting efforts towards an economic integration of Western Europe on the foundation of the European Coal and Steel Community. On the other hand, German industrialists are giving increasing attention to foreign investment opportunities and, although no large-scale German engagements in foreign countries have become known so far, German capital has been flowing abroad in volume, chiefly in the form of unrequited German exports under bilateral trade agreements. Direct German investment has taken place in South America, the Middle East and India by such well-known firms as Krupp, Mannesmann and Hoesch, and in Canada by Krupp, Rheinische Roehrenwerke, and Ernst Leitz, among others.●

trade and tariff regulations

British Guiana

SPECIAL LICENCE REQUIRED FOR POULTRY MEAT IMPORTS—Commodity control authorities in British Guiana advise that, for a period of three months beginning June 17, imports of poultry meats will require a special licence. This product has been imported freely under Open General Licence since February 13, 1954. No reason is given for the sudden change—Port-of-Spain, June 30.

Denmark

FURTHER DOLLAR IMPORTS LIBERALIZED—Effective June 27, Denmark added a limited number of items to the list of dollar imports which are admitted free from import licences and restrictions. Among these items, flaxseed appears to be of greatest interest to Canada. Other dollar items affected by this measure include fresh, chilled or frozen haddock; fish livers; oyster spat; battery separators other than of wood; steel balls; metalworking machinery, including machine tools—Copenhagen, June 30.

This step was taken in conjunction with the liberalization of additional imports into Denmark from OEEC countries (see page 25 of this issue). The original list of liberalized dollar imports into Denmark was reported in "Foreign Trade" of March 19, 1955.

Indonesia

INDUCEMENT SCHEME ABOLISHED—Effective June 1, inducement certificates are no longer issued to exporters of certain Indonesian products. Under this scheme, which has been in force since October 1953, the inducement certificates could be used for importing such products as processed food items, refrigerators, radios, certain automobiles and other semi-luxury products. The scope of imports under this scheme was reduced by various changes which have been made since the beginning of this year. The latest changes were reported in *Foreign Trade* of May 14—Djakarta, June 3.

Jamaica

LICENSING ANNOUNCEMENT—The Jamaican Trade Board advised importers on July 2, 1955, that it is prepared to consider the release of dollars for imports of industrial air conditioning units of over 3 h.p. Dollars will continue to be released for specific requirements of self-contained window type air conditioning units up to 3 h.p.

New Zealand

DOLLAR IMPORT LICENCES—The New Zealand Department of Customs has announced that applications will be considered from regular traders for licences to import further quantities of barbed fencing wire during 1955 from dollar and soft currency countries. Further, clothing manufacturers in New Zealand who hold licences for the import of buttons from soft currency countries may use up to 25 per cent of those licences for imports from the dollar area.

United States

QUOTA ANNOUNCED FOR IMPORTS OF RYE—The President announced on June 30 that imports of rye into the United States will be limited to 186 million pounds during the twelve-month period beginning on July 1, 1955, and that a similar limitation will be set for the twelve-month period beginning on July 1, 1956.

In setting the rye quota, which is the same as that which has applied for the last twelve months, the President stipulated that up to 182·2 million pounds may come from Canada. It is also stipulated that not more than 15,000 pounds may be in the form of rye flour or rye meal.

TARIFF QUOTA ANNOUNCED FOR IMPORTS OF ALSIKE CLOVER SEED—The President announced on June 30 that the first 2·5 million pounds of alsike clover seed to be imported into the United States during the twelve-month period beginning on July 1, 1955, will be granted a rate of duty of two cents per pound, and that all imports in excess of the quota will be subject to a rate of six cents per pound. A similar rate limitation will also apply for the twelve-month period beginning on July 1, 1956.

The above quota is an increase over the quota of last year, when the low rate of two cents per pound applied to the first 1·5 million pounds to be imported and the rate of six cents applied to all in excess of that figure.

DUTY SUSPENSION ON COPPER IMPORTS EXTENDED—President Eisenhower signed H.R. 5695 on June 21, extending the suspension of the import duties on copper to June 30, 1958.

The new Act, Public Law 91, 84th Congress, continues the provision of the preceding act that the President shall revoke the suspension if the average price of electrolytic copper for any calendar month falls below 24 cents per pound.

CONGRESS RENEWS PRESIDENT'S AUTHORITY TO NEGOTIATE TRADE AGREEMENTS—The United States Congress has passed the Trade Agreements Extension Act of 1955, thus extending for three more years the authority of the President to enter into trade agreements with foreign governments. This act permits the President to reduce rates of duty by up to 15 per cent of the rates existing on January 1, 1955. Reductions of no more than 5 per cent of the January 1, 1955, rate may be made in any one year.)

Under this law, a United States rate of duty which was 20 per cent ad valorem on January 1, 1955, may be reduced by the President over a period of three years to 17 per cent ad valorem.

Cheddar Cheese for Britain

The Department's London office advises that the United Kingdom will permit imports of cheddar cheese from North America up to a total value of £1·5 million during the year beginning July 1, 1955. A similar quota was established last year by the United Kingdom authorities for the year ended June 30, 1955.

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 1·01458.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 8	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying	·1314	7·61	
		Basic buying	·1971	5·07	
		Preferential selling	·1971	5·07	(1)
		Basic selling	·1314	7·61	
		Free	·07072	14·14	
Australia	Pound		2·1958	·455	
Austria	Schilling		·03791	26·38	
Belgium-Luxembourg	Franc		·01961	50·99	
Belgian Congo	Franc		·01961	50·99	
Bolivia	Boliviano	Official	·00519	192·79	
British West Indies	Dollar		·5718	1·75	(3)
	Pound		2·7447	·364	(4)
	Dollar	British Honduras	·6862	1·46	
Brazil	Cruzeiro	Effective selling			
		Category I	·01161*	86·16*	tax 10% (2)
		Category V	·00334*	299·42*	*June 14
		Official buying	·05368	18·63	(5)
Burma	Kyat		·2070	4·83	
Ceylon	Rupee		·2059	4·86	
Chile	Peso	Official	·00493	202·92	(1)
Colombia	Peso	Basic	·3943	2·54	(6)
		Free	·2463*	4·06*	*July 7
Costa Rica	Colon	Official	·1755	5·70	
		Controlled free	·1484	6·74	
Cuba	Peso		·9856	1·015	tax 2% (2)
Czechoslovakia	Koruna		·1369	7·30	
Denmark	Krone		·1427	7·01	
Dominican Republic	Peso		·9856	1·015	
Ecuador	Sucre	Official	·06571	15·22	
		Free	·05681	17·60	
Egypt	Pound	Official	2·8303	·353	(7)
Fiji	Pound		2·4727	·404	
Finland	Markka		·00429	233·37	
France	Franc		·00282	355·12	(8)
French Africa	Franc		·00563	177·56	(9)
French Pacific	Franc		·01549	64·56	(10)
Germany	D Mark		·2340	4·27	
Greece	Drachma		·03285	30·44	
Guatemala	Quetzal		·9856	1·015	
Haiti	Gourde		·1971	5·07	
Honduras	Lempira		·4928	2·03	
Hong Kong	Dollar	Free	·1695	5·90	*June 20
Iceland	Krona	Official	·06052	16·52	
		Special buying	·04771	20·96	
		Special selling	·03769	26·53	(11)
India	Rupee		·2059	4·86	
Indonesia	Rupiah	Basic	·08634	11·58	(12)
Iran	Rial	Certificate	·01301	76·85	
Iraq	Dinar		2·7598	·362	
Ireland	Pound		2·7447	·364	
Israel	Pound		·5476	1·83	
Italy	Lira		·00158	632·11	

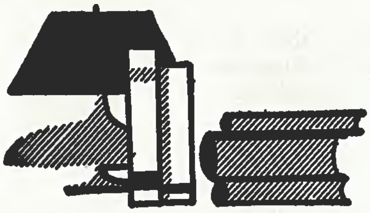
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 8	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00274	365·23	
Lebanon	Pound	Free	·3042	3·29	
Mexico	Peso		·07885	12·68	
Netherlands	Guilder		·2579	3·88	
Netherlands Antilles	Guilder		·5197	1·92	
New Zealand	Pound		2·7447	·364	
Nicaragua	Cordoba	Effective buying	·1493	6·70	
		Official selling	·1398	7·15	
Norway	Krone		·1380	7·25	
Pakistan	Rupee		·2979	3·36	
Panama	Balboa		·9856	1·015	
Paraguay	Guarani	Basic	·04693	21·31	(1)
		With Surcharge I	·03650	27·39	
		With Surcharge II	·02738	36·53	(13)
Peru	Sol	Certificate	·05187	19·28	
Philippines	Peso		·4928	2·03	tax 17% (2)
Portugal	Escudo		·03440	29·07	(14)
El Salvador	Colon		·3943	2·54	
Singapore & Malaya	Straits dollar		·3202	3·12	
South Africa (Union of)	Pound		2·7447	·364	
Spain & Dependencies	Peseta	Basic buying	·04501	22·22	
		Basic commercial selling	·06001	16·66	(1)
		Free	·02530	38·96	
Sweden	Krona		·1905	5·25	
Switzerland	Franc		·2300	4·35	
Syria	Pound	Free			
Thailand	Baht	Free	·04397	22·74	*May 27 (1)
Turkey	Lira		·3520	2·84	
United Kingdom	Pound		2·7447	·364	
United States	Dollar		·9856	1·015	
Uruguay	Peso	Official	·6489	1·54	tax 6% (2)
		Basic buying	·5537	1·81	(1)
		Special buying	·4194	2·38	
		Basic selling	·5188	1·93	
		Special selling	·4023	2·49	
Venezuela	Bolivar		·2942	3·40	
Yugoslavia	Dinar		·00329	304·41	

* Latest available quotation date.

notes

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



businessman's bookshelf

The Dictionary of Business and Industry

Compiled and Edited by Robert J. Schwartz. 561 pages. $7.95 (regular edition). $8.95 (with thumb index).

WHEN MR. SCHWARTZ, a practising attorney in New York City, began to look for a book that would define business and trade terms not usually found in a dictionary, his search proved fruitless. Convinced of the usefulness of such a book, he set to work to compile one. He enlisted the aid of over 1,100 business and trade associations in the United States, government agencies, companies and individuals and, after three years of solid work, produced this volume.

The 45,000 terms listed cover business, trade, industry and (to some extent) the law. In the last few days we ourselves have looked up "kentlage", "blister copper", "foul bill of lading", "hurricane cloth" and "monomer"—and found them clearly explained. Preliminary tables cover foreign coins and notes, weights and measures, foreign trade definitions, and so on.

Order from: B. C. Forbes & Sons Publishing Co., Inc., 80 Fifth Avenue, New York.

Britain: an Official Handbook. 1955 Edition

Central Office of Information, London. 438 pages. Cloth bound, $2.00; paper bound, $1.40.

SUCCINCT YET THOROUGH, this handbook was designed primarily to answer the questions which people in other countries ask about the British people, their economy and their institutions. It succeeds admirably in its purpose. The main chapter headings give some idea of the coverage—The British Isles (physical and demographic background), Government and Administration, Defence, the National Economy, Industry, Transport and Communications, Labour and Management, Trade, Social Welfare, Housing and Planning, Religion, Science and the Arts, Sound and Television Broacasting, and the Press. Appendix I lists British currency, weights and measures and gives conversion tables for them; Appendix II gives the dates of important events from November 1953 to December 1954.

The handbook also includes an extensive bibliography and an index, a fold-in map of England, Wales, Scotland and Northern Ireland, and maps showing the main Commonwealth air routes, the disposition of Britain's defence forces, the internal airways, and new towns, national parks and nature reserves.

Generously illustrated with good photographs, this is a book that almost everyone will find useful. It should prove invaluable to businessmen with interests in the United Kingdom, and to those who plan to visit Britain.

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

Vegetable Oils and Oilseeds

Commonwealth Economic Committee. 176 pages. 75 cents.

THIS PUBLICATION gives a comprehensive survey of the world vegetable oil situation and the thorough treatment maintains the high standard of similar studies published by the Committee. Not only does it deal with sources and volume of supply, it covers admirably trends in the industry and provides detailed information on prices, import regulations, harvest times and other facts.

The survey begins by dealing with the various types of oil individually. The greater part of the space is devoted to detailed information on the main sources of extraction—peanuts, coconut palm, soya beans and cottonseed, etc. Nevertheless the treatment of the lesser-known varieties—such as babassu kernels, cohune nuts, illipé, mafurra seed, etc.—is especially well done. The publishers take care to mention new developments and experiments in the uses of these various extractions.

Order from: Her Majesty's Stationery Office, London, England.