CANADA

foreign trade

Established in 1904

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cover At mid-year 1955, Canada's total trade reached a record peacetime value, more than recovering from the slump in the latter half of 1953 and the early months of 1954. Our cover chart illustrates this change and introduces the article on page two which discusses export and import trade during the first six months of the current year.

M. LANDEY,
International Trade Division, Dominion Bureau of Statistics.

Recent Trends in Canadian trade

Value of total Canadian trade in the first half of 1955 set a new peacetime record and prospects are that it will continue at a high level during the remainder of the year. Some interesting changes in the pattern and direction of our imports and exports are discussed in this article.

CONTINUED RECOVERY was the outstanding feature of Canadian trade in the first half of 1955. Total trade reached a new peacetime peak made possible by the near record levels of both imports and exports. It is particularly interesting to note, moreover, that exports of commodities other than grains were also at their highest peacetime level.

This development took place against the background of a marked upswing in business activity at home and generally buoyant economic conditions abroad. Prosperity was particularly in evidence in the United States, the United Kingdom and Western Europe.

The cover chart, which takes into consideration the average seasonal variation influencing Canadian trade in the postwar years, illustrates these trends. The decline of Canadian trade from its previous postwar peak in the first half of 1953 was arrested in the early part of 1954. An upward movement which followed carried total foreign trade, at mid-year 1955, to its record peacetime value.

Both exports and imports reached in the first half of 1955 their second highest half-year values. Exports have continued the recovery from the low level of early 1954, to which they gradually declined from their previous peak in the first half of 1952, when sales of grain were exceptionally high. Imports have shown a similar movement, starting from their previous peak in the first half of 1953, and were again close to that level.

The chart on page 3 shows these trends in the movement of seasonally adjusted exports and imports for the most recent years in more detail on a quarterly basis. This movement corresponds quite closely to the pattern shown by the cover chart, indicating, in addition, that the increase of exports in the second quarter of 1955 over the same period in 1954 was not as pronounced as the gain in the first quarter of 1955 over the first quarter of 1954.

The recorded values of exports and imports indicate a substantial increase in the first half of 1955 as compared with the same period in 1954. As exports increased more than imports, the import balance was reduced by almost 20 per cent. However, when the adjustment for the change in import coding procedure in the second quarter of 1954 is taken into consideration, the import balance remained virtually unchanged in absolute terms as well as in proportion to total trade. In the case of exports, the value gains were due almost exclusively to larger volume and only to an insignificant degree to an increase in average prices; the increase in the value of imports was caused entirely by volume changes. It needs to be noted, however, that this overall stability of average export and import prices conceals important and distinct upward and downward movements for some of the main groups and major commodities.

Changes in Direction

As regards the direction of Canadian trade, the most significant development of the first six months of this year was the marked increase in the bilateral imbalance with the United Kingdom. For a number of reasons the rail and dock strikes affected British exports severely, particularly those to Canada, while seemingly influencing the import picture hardly at all. In addition, such British exports as automobiles and machinery were affected by stiff competition in the Canadian market from domestic and other sources. At the same time, sustained import demand for such Canadian products as grains, non-ferrous metals and forest products has prevailed in the United Kingdom. As a result of all these factors, Canada's export balance with the United Kingdom in the first half of 1955 stood at two and a half times that of the same period in 1954. Correspondingly, the United Kingdom's share of Canadian exports increased by over one-third to almost 19 per cent of the export total, while imports from the United Kingdom decreased from 10 per cent to about 8 per cent of total imports.

There was also an increase in exports to the United States. While only a slight gain was shown in newsprint paper, substantial increases were made in wood pulp, some of the non-ferrous metals, asbestos, fertilizers, and farm implements and machinery. A sharp upward movement took place in sales of lumber, iron ore and petroleum. However, the agricultural and vegetable products group suffered a pronounced decline, especially oats and barley. The animal products group also went down, though moderately. On the import side, Canada bought more from the United States in the first half of 1955 in every one of the nine major commodity groups except for non-ferrous metals and their products. The greatest increase occurred in the iron and products groups, mainly as a result of increased imports of automobile parts and a well maintained demand for non-farm machinery. The United States has continued to be Canada's most important trading partner. While still taking about 60 per cent of Canadian exports, the United States experienced a slight reduction of its share of the Canadian export total. Three-quarters of Canada's imports came from the United States, this country increasing its proportion of total imports by a small percentage.

The Union of South Africa, India, Australia and New Zealand accounted for most of the increase in exports to the Commonwealth. The gain in exports to Europe was shared by all the major trading partners except Norway, and particularly by the Federal Republic of Germany and the Netherlands. A very sharp drop in sales to Brazil exceeded the decline in exports to Latin America as a whole. This drastic decline occurred in

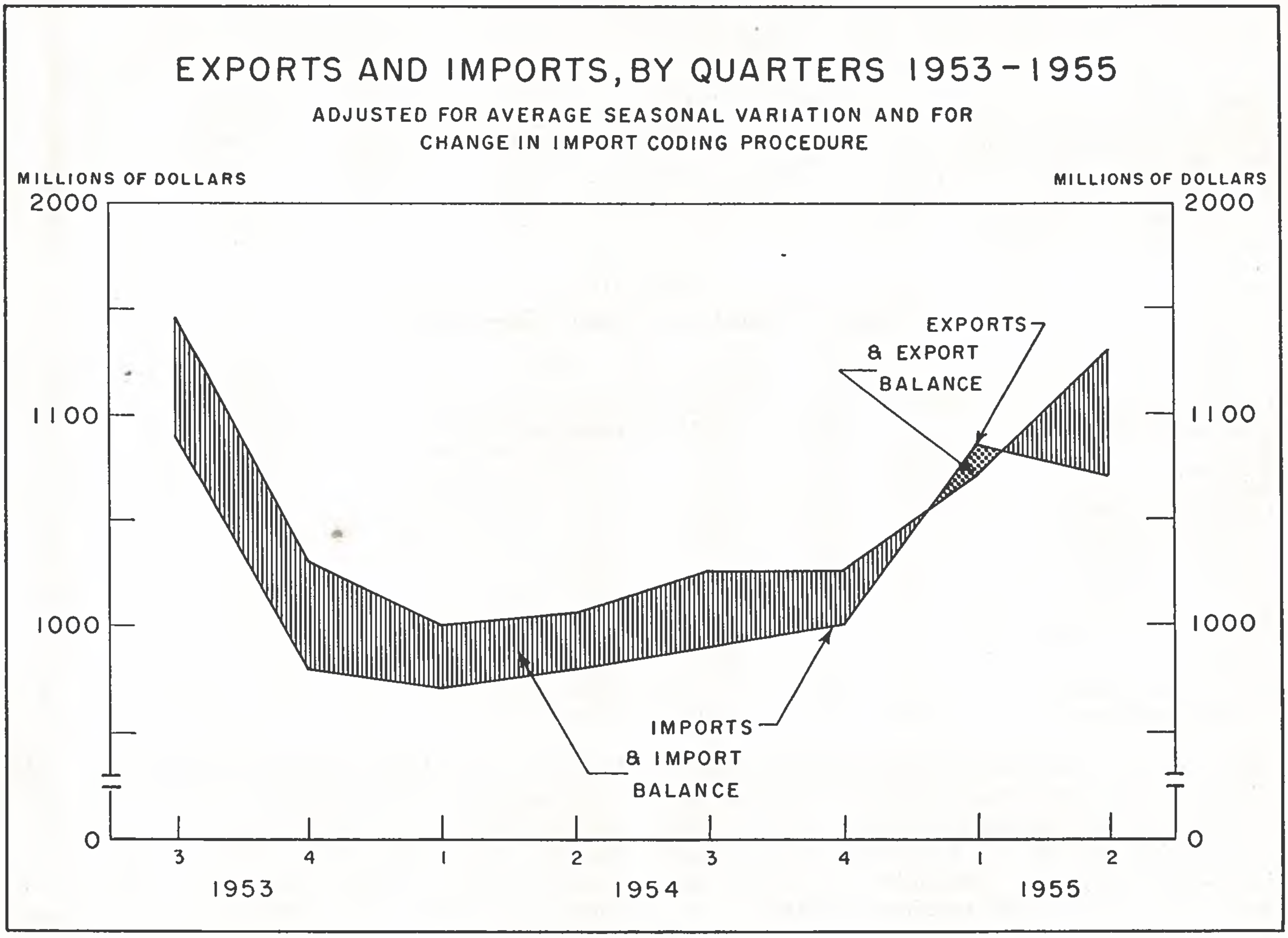

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Table I
Summary Statistics of Canadian Trade

(not seasonally adjusted)

	1953 2nd half	1954 1st half	1954 2nd half	1955 1st half	Change from 2nd half '53 to 2nd half '54	Change from 1st half '54 to 1st half '55
	($'000,000)				(per cent)	
Value of Trade						
Total exports	2,152·9	1,871·3	2,075·6	2,063·1	− 3·6	+10·2
Imports	2,166·3	2,050·1*	2,043·1	2,209·4	− 5·7	+ 7·8
Trade balance	− 13·4	−178·8*	+ 32·5	−146·3	....	....
	1948=100					
Price Indexes						
Export prices	117·7	115·8	114·7	116·7†	− 2·5	+ 0·8
Import prices	110·3	109·8	109·7	109·8†	− 0·5	0·0
Terms of trade	106·7	105·5	104·6	106·3†	− 2·0	+ 0·8
	1948=100					
Volume Indexes						
Export volume	117·3	103·4	115·8	113·2†	− 1·3	+ 9·5
Import volume	147·9	141·2	140·2	151·2†	− 5·2	+ 7·1

* A change in import coding procedure in June, 1954, increased the value of imports in the second quarter by an estimated $40 million, hence the trade balance by the same amount.
† Preliminary.

Table II
Direction of Canadian Trade

	Total Exports January-June 1954	Total Exports January-June 1955	Change percentage	Imports January-June 1954	Imports January-June 1955	Change percentage
	($'000,000)			($'000,000)		
United States	1,144·8	1,228·8	+ 7·3	1,502·8	1,649·2	+ 9·7
United Kingdom	287·0	386·4	+34·6	204·1	182·9	−10·4
Other Commonwealth and Ireland	96·4	119·0	+23·4	81·7	95·1	+16·4
Other Europe	143·8	165·9	+15·4	79·7	82·7	+ 3·8
Latin America	95·6	78·4	−18·0	144·9	147·3	+ 1·7
Other Countries	103·7	84·6	−18·4	36·9	52·2	+41·5

Table III
Selected Export and Import Commodities

Domestic Exports	1954 $'000,000	1955 $'000,000	Change per cent
Newsprint paper	305·4	321·9	+ 5·4
Planks and boards	132·7	189·4	+ 42·7
Wheat	166·5	165·6	− 0·5
Wood pulp	133·0	145·2	+ 9·2
Nickel	91·2	109·3	+ 19·8
Chemicals and products	77·5	106·2	+ 37·0
Aluminum and products	93·7	106·1	+ 13·2
Copper and products	63·5	74·6	+ 17·5
Asbestos and products	38·0	44·6	+ 17·4
Wheat flour	47·5	39·6	− 16·6
Zinc and products	25·0	35·3	+ 41·2
Primary and semi-finished steel	12·0	31·5	+162·5
Tobacco	13·6	22·6	+ 66·2
Iron ore	7·2	22·1	+206·9
Petroleum and products	3·7	13·5	+264·9
All other commodities	629·4	604·2	− 4·0

Imports	1954 $'000,000	1955 $'000,000	Change per cent
Machinery, non-farm	206·6	207·7	+ 0·5
Fibres and textiles	168·2	190·6	+ 13·3
Petroleum and products	158·6	162·2	+ 2·3
Automobile parts	114·2	144·4	+ 26·4
Chemicals and products	109·4	121·5	+ 11·1
Electrical apparatus, n.o.p.	94·0	103·9	+ 10·5
Primary and semi-finished steel	98·0	90·7	− 7·4
Farm implements	91·4	88·8	− 2·8
Aircraft and parts	49·6	65·8	+ 32·7
Engines, internal combustion	48·7	57·9	+ 18·9
Automobiles and trucks	49·8	53·6	+ 7·6
Coal	46·6	47·2	+ 1·3
Rubber and products	22·8	35·6	+ 56·1
Vegetables	25·2	33·1	+ 31·3
Coffee	34·9	27·4	− 21·5
All other commodities	732·1	777·0	+ 6·1

all of Canada's main exports to Brazil in 1954, namely wheat, cod, farm and other machinery, aluminum and copper. However, important gains were made in sales to Colombia and Mexico. Similarly, a marked drop in exports to Japan was responsible for most of the decrease in exports to the remaining countries.

Except for the United Kingdom, imports from all areas increased in the first half of 1955. On an individual country basis, there was a very substantial increase in imports from Japan. Nevertheless, Canada's export balance with that country still amounted to over half of total trade with it. There were also large increases in imports from the Netherlands Antilles, Malaya, India, and Western Germany. On the other hand, substantial declines took place in imports from Brazil and Colombia, caused in the former case mainly by a reduction in coffee and raw cotton imports and in the latter almost entirely by a drop in coffee purchases.

Exports by Commodities

An analysis of export changes in the first half of 1955 on a commodity basis shows gains in all the main groups, with the exception of animal products and miscellaneous commodities. The drop in these two groups was accounted for mainly by a decline in meats in the former case and of aircraft and parts in the latter. It is interesting to note in this connection that, whereas the prices of bacon and ham went down considerably, those of beef and veal registered a sharp increase. The agricultural and vegetable products group showed a very slight increase only. However, the total figure does not reveal either the substantial drop in exports of this group to the United States, nor the 75 per cent increase to the United Kingdom, especially in wheat and barley. The prices of barley, oats and rye all moved upward; but the price of wheat declined as compared with the first part of 1954. The most significant increases occurred in wood and paper, non-ferrous metals and chemicals. These groups, with the exception of chemicals, also showed marked upward price changes, particularly for lumber, copper and nickel.

As far as individual commodities are concerned, the following major trends can be discerned. Grains and motor vehicles, which so heavily contributed to the low level of exports at mid 1954, showed little change and did not exercise any marked depressing influence in the first six months of 1955, even though they did not participate in the overall upward movement.

The three industries in which there has been especially large investment and expansion in recent years—chemicals, iron ore and petroleum—reflected this general development in no uncertain terms in the export field. Exports of many kinds of chemicals, and particularly of fertilizers and cellulose, have accelerated the rate of increase which has characterized this industry in recent years. Exports of both petroleum and iron ore shot up by over 260 per cent and 200 per cent, respectively, from the relatively low levels of the first half of 1954.

Newsprint paper remained Canada's largest export at mid-year 1955, a position it has consistently occupied for the first six months period since 1950. During the same time, newsprint also showed a continuous upward movement. This trend has also been apparent in nickel and aluminum and, with the exception of the first part of 1951 and 1953, respectively, in fertilizers and wood pulp.

Planks and boards registered the greatest rise in value, most of which occurred in exports to the United States, reflecting record building activity in that country in the period under discussion. Also, iron ore and petroleum excepted, planks and boards had the largest upward percentage change. This item displaced wheat as Canada's second largest export commodity and together with such other major exports as copper, asbestos, zinc, primary and semi-finished steel and whisky recovered from the dip in sales abroad in the first half of 1954.

Other changes in rank among Canada's leading exports were minor. Wood pulp moved down from third to fourth place; nickel exchanged places with aluminum, and asbestos with wheat flour, for sixth and seventh and ninth and tenth places respectively. Farm implements, the only fully manufactured commodity among the first ten, stayed in eighth place.

Imports by Commodities

The increase in imports in the first half of 1955 was spread fairly evenly over the main commodity groups, showing, however, important variations for individual commodities. Import values as well as prices of vegetables went up sharply; so did those of rubber and products. There was a substantial increase in imports of fibres and textiles which was shared by the raw cotton, raw wool, and cotton products sub-groups, but not by wool products which went down. Imports of many types of electrical apparatus and chemicals also went up considerably. The increase in purchases of internal combustion engines, including diesel and other automobile and truck engines, reflects the record rate of motor vehicle production in Canada during the first half of 1955. This was also evidenced by the large increase in imports of automobile parts. Imports of coal and petroleum went up very moderately. So did those of non-farm machinery, which remained the largest import category.

The most significant import declines occurred in coffee, the price of which also went down. Primary and semi-finished steel products including rolling mill products declined, the decrease seeming to be associated with increased domestic production capacity in this field. Imports of some farm implements dropped moderately, but this decline was offset by a rise in purchases of tractors in about the same proportion.

By the middle of 1955 some of the trends discussed above had begun to moderate. Both exports and imports remained well above the somewhat depressed levels of 1954, but their gains were no longer as great as in earlier months. However, there were no signs that the high level of trade reached in the first half-year would be reduced in the later months of 1955.●

—Bermuda News Bureau

This aerial photograph of Hamilton, capital of Bermuda, illustrates how the main shops and business establishments are concentrated in a few city blocks, shown in the centre of the picture. Tourists do most of their shopping in this area.

WHAT BERMUDA BUYS

C. R. GALLOW,
Consul and Trade Commissioner, New York.

This old-established market for many types of Canadian goods is quality-conscious and competitive; most merchants prefer exclusive contracts for branded products.

IN THE WINTER OF 1952 a consumer survey of the Bermuda market was made by the *Royal Gazette,* the leading morning and weekend newspaper in the Colony. The survey was not exhaustive and several years have gone by since it was completed, but it is still the only survey undertaken and it provides interesting data on what is frequently called one of the most prosperous markets in the world. The survey uncovered such interesting facts as:

- About 50 per cent of Bermuda families use gas for cooking, one-third use electricity, and the remainder use oil.
- About one-half of the households have telephones.
- All households surveyed had electric current: A.C. 110 volts for lighting and small appliances and 220 volts for larger motors.
- During the past few years the number of the labour-saving devices used in the home has increased steadily.
- Over 60 per cent of the households had refrigerators.
- Over 50 per cent of the households owned one or more fountain pens, wrist-watches, cameras and cigarette lighters.
- Over 75 per cent of the households had radios.
- There is a substantial market for personal items such as razor blades, deodorants, mouthwash, face and hand cream and lotions, hair preparations, cologne, lipstick and nail polish. All of these were in everyday use in most households.
- About 40 per cent of the people make regular use of vitamin products.

Shopping Habits

The survey also brought out some information on buying habits. The shopping, for example, is done mainly by the women; men assisted in about 25 per cent of the cases. Bermudians are definitely brand-conscious; a substantial percentage of the families questioned bought branded products and were familiar with many of the popular ones. They also reacted favourably to the use of premiums in advertising.

Only a small percentage of Bermuda buyers purchase goods through mail order houses. This lack of interest, however, is probably the result of the formalities that surround the import of goods bought abroad in this way.

What Kind of a Market?

Too often businessmen think of the Bermuda market in terms of the British West Indies, but that is not correct. Bermuda is not a part of the BWI and the market should not be confused with that area.

Generally, the Bermuda market is a quality one which favours goods well made from good materials. For all practical purposes, the market from a physical point of view is confined to a few blocks in the city of Hamilton where the principal stores are located and which is the hub of tourist buying. Lobby shops in the principal hotels are branches of these stores. In common with the shopping centres of other countries, Bermuda has changed from a seller's to a buyer's market and the competition has become very keen. The need to get out and sell in competition seems to have caught some of the smaller firms a bit off balance and they will either have to change their approach to one of selling rather than order-taking or suffer the consequences. A few new and modern retail stores have opened. Others have made renovations or are in the process of modernizing and expanding. It all means harder sledding for the less aggressive merchants, and possibly a few casualties.

During World War II the U.S. Service bases provided an adequate substitute for the tourist traffic that was temporarily cut off. Since the war the bases have been maintained and there are now a substantial number of U.S. servicemen and their families living in Bermuda; this contributes both to the prosperity and to the housing shortage. However, this aspect of development that once served as a cushion for the economy is now superimposed on the general tourist trade and is no longer a factor that can be counted on to take up the slack in an emergency.

How Do They Work There?

The best method of approaching the market varies, of course, with the commodity concerned. As a rule, however, the large retail stores and specialty shops prefer to do their own importing and if the product is a branded one, to handle it on an exclusive basis. On the other hand, products that are normally retailed through several outlets (possibly at different points on the Islands), and those sold in bulk and to hotels and restaurants, can usually be handled to best advantage through representation by one of the reliable manufacturers' agents there.

The exporter should remember that the scale of the market is so small that it is not worthwhile to try to sell an identical product under more than one brand. If he is selling direct to the retailer, he should pick the best one he can and confine the brand exclusively to that store. Quotations should be either c.i.f. Bermuda or f.a.s Atlantic Coast ports.

U.S. products, and particularly the branded ones, enjoy a favoured position, largely because of the wide circulation of U.S. magazines and papers, the better coverage obtained by U.S. radio stations, and the fact that the vast majority of tourists are American. But in addition, the U.S. firms are aggressive and have the best reputation of any foreign exporters for giving service, being ready to change their products to suit the local requirements, quick to adjust prices to meet competition, and willing to co-operate in local advertising. The U.S. exporter also has the advantage of weekly sailings from New York which can prove important in the handling of perishable goods.

Under the British Empire Preference, many Canadian products enjoy a duty advantage that is calculated to average about 2½ per cent. This, however, is being offset now by the premium on the Canadian dollar.

Controls Still Exist

The Government still controls imports. But these controls are administered liberally because the Colony depends entirely on the tourist trade for its livelihood and, in addition, contributes to the sterling pool nearly half of the dollar proceeds from that trade. There is a restricted list* of goods that cannot be imported from dollar sources and it is reviewed periodically and some items deleted. The authorities also set a target for dollar imports in the year and try to come as close to it as possible. They can be very accurate in estimating the target because the business community is small, closely knit, and co-operative.

The Bermuda Supplies Commission supervises the import of all goods and imports are divided into three classifications—foodstuffs, general merchandise, and capital goods. An importer has no difficulty and experiences no delay in getting permission to import goods in any or each of those categories—excluding, of course, any items on the restricted list. And he need not get an individual licence for each specific shipment. The licence is issued for any quantity commensurate with the applicant's past performance and general credit standing and normally covers the importer's requirements for a year. However, if it is

* Further information about this list can be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

properly used up before that time, a new one can be obtained. Although a licence is not interchangeable among classifications of goods or countries of supply, the importer can get another licence for either a new supplying country or goods classification by simply applying to the authorities for it.

The object is to supervise imports adequately but at the same time to interfere as little as possible with the normal course of business and particularly to avoid unnecessary delays in the issue of import licences.

Exporters Have Good Prospects

Although many Canadian firms, particularly those in the eastern provinces, have been doing business in Bermuda for a long time, there are still opportunities for exporters to establish connections in these lines:

- millwork
- lumber
- builders' supplies
- galvanized pipe
- cast-iron soil pipe and fittings
- plastic pipe and fittings
- wire and cable
- tools
- lighting fixtures
- automotive tools
- paper products
- furniture of solid wood
- office desk accessories
- work clothing
- furs
- souvenir jewellery
- sports goods
- household wares
- fish
- meat
- fruits
- vegetables
- eggs
- margarine
- evaporated milk
- frozen foods
- grocery lines (general)
- confectionery

But exporters must be willing and able to match the competition in quality, price and aggressive merchandising.

Unfortunately there are few Bermuda goods to interest Canadian importers with the exception of Easter lilies and cut flowers, and possibly also concentrated essences.

Making Contacts

Interested Canadian exporters or importers should write to: Consul and Senior Trade Commissioner, Canadian Consulate General, 620 Fifth Avenue, New York 20, N.Y., U.S.A.

Bermuda has long been a happy hunting ground for Canadian businessmen. A short flight of five hours from Montreal or Toronto will land you in Hamilton, Bermuda, and give you an excellent opportunity to combine business with pleasure. Whether it be to establish a new connection or renew an existing one, there is no satisfactory substitute for personal contact. For business, the best time to visit the Islands is from December to March, excluding the Christmas week. And remember that all businesses are closed each Thursday afternoon but most of them are open all day Saturday. ●

Frost Hits Brazilian Coffee

FOR THE SECOND TIME in three years, frost has hit the Brazilian coffee plantations in Parana and São Paulo, as in 1953. It is generally conceded that the 1955 frost was more severe than the 1953 one but the effect on the coffee market is not as marked.

The coffee plantations hardest hit are in the new coffee lands in Parana and the suitability of this area for coffee growing is now being discussed. The last two frosts had relatively little effect on the old coffee lands of São Paulo but they wrought havoc in the new areas.

It is estimated that Parana has 600 million coffee trees and approximately one-half were seriously hurt by the frost. However, this will not affect the 1955-56 crop now being harvested, but will only be felt in 1956 and 1957. It is expected that in 1956 this area will produce about one million sacks compared with the estimated 1955 crop of five million.

There is no question of a coffee shortage this year nor can most observers foresee one for 1956 or 1957. The reason for this is simple. The world position in exportable coffee is approximately as follows: Brazil, 24·2 million bags including carry-over (6·5 million) 1955-56 crop, and the supplies held by the Brazilian Government (3·2 million); Colombia, 8·0 million bags, including the stocks supposedly held by the National Federation of Colombian Coffee Growers (1·5 million); other Latin American countries, 6·1 million; Africa, 6·2 million; Asia and Oceania, 0·7 million. This gives a grand total of 45·2 million bags.

World consumption (outside of producing countries) is usually set at about 32 million sacks. Although there is much discussion about the validity of coffee production and consumption figures, the above estimates are considered reasonable. These figures show that the 1956 coffee year will open with a world carry-over of approximately 13 million bags. This seems ample to make up whatever deficit results in 1956 from the damage to the Parana crop.

In fact, it seems that the current frosts have not brought a coffee shortage but rather have tended to make the world coffee surplus more manageable.

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

fairs and exhibitions

Plastics at Duesseldorf

THREE YEARS AGO, the German city of Duesseldorf initiated a Plastics Fair that sprawled over 18,000 square metres of space and attracted some 165 thousand visitors from 40 countries. The success of that first venture has inspired "Plastics 1955" planned for October 8-16 in the exhibition centre of the Ehrenholf, Duesseldorf.

One of the most interesting sectors of this Fair will present a show of plastic products independent of any commercial firm. One-half of it, called "From Material to Shape", will demonstrate functional qualities of various plastics and the variety of forms produced from them. The other, "The Very Best Made of Plastics", will exhibit plastics products which we use in our houses, our work, and in our spare time.

The commercial displays will include a machinery and tool show. Here the visitor will find mixers, kneaders, agitators, pulverizers, extruders, compression moulding machines, and also machines that produce the final shape from the raw materials. A collection of technical literature will occupy 30,000 square metres of space and while the Fair is in progress, guided tours and special lectures will be arranged.

The attractive Canadian stand at the British Plastics Exhibition in London this past summer displayed many of the basic plastic materials manufactured in Canada and products made from them. Attendants handled a goodly number of inquiries.

Canadians who wish further information about "Plastics 1955" should write to Gerd Schnier, 594 Indian Road, Toronto, Ontario.

For the Artistic

JEWELLERY, ceramics, crystal, porcelain, and creations by artists working in diverse materials like glass, enamel, leather, copper, lacquer, and wrought iron will feature the 11th Commercial and Professional Exhibition of Art Workshops, to be held in Paris from September 21 to October 3. The place: Centre Marcelin-Berthelot, 28 bis, rue Sainte-Dominique.

Leading craftsmen and artists will bring to this exhibit their latest creations in giftware, decorative pieces, and articles for everyday use that combine beauty with utility. Only dealers and commercial agents are admitted to this exhibition, which is so arranged that they can make immediate contact with manufacturers. For further information, consult the Commercial Counsellor, Embassy of France, 464 Wilbrod Street, Ottawa.

Automation on Exhibit

THE AUTOMATIC CONTROL OF PRODUCTION is the motif of the second annual International Automation Exposition, scheduled for Chicago, November 14-17. Last year, when the exposition attracted 10,000 business visitors, some foreign equipment (mainly British, German and Swiss) was shown, side by side with U.S. machinery. This year the organizers are once again inviting foreign participation. The dates coincide with the Chicago convention of the American Society of Mechanical Engineers and this should swell the attendance.

Types of equipment which will be on display include computators, conveyors, automatic handling equipment and inspection devices, television and infra-red equipment.

For further information on the exposition, write to: Richard Rimbach Associates, 845 Ridge Avenue, Pittsburgh 12, Pa.

A. G. KNIEWASSER,
Assistant Commercial Secretary, Caracas.

Milk Powder

for Venezuelan consumers

Last year, 62 per cent of Canada's whole milk powder exports went to Venezuela. But domestic production is increasing and competition becoming stiffer—as this review of market developments illustrates.

VENEZUELA MEANS OIL to most businessmen although many can no doubt recall the days when this country was famous for its ranches. Cattle-raising was the basis of Venezuela's economy until oil was discovered and it still employs more people than any other industry. Despite this, imports of whole milk powder have been running at an annual rate of some $20 million over the past five years, simply because domestic milk production meets no more than half of local needs. The reason for this lies in certain topographical and climatic factors which make the production and distribution of fresh milk difficult and costly. These natural obstacles are each year becoming less important in the face of scientific advances and the Venezuelan Government's public works and industrialization program. In the meantime, however, Venezuela has developed into Canada's most important market for whole milk powder.

Purchases of Canadian whole milk powder here last year reached a record figure of $3,260,889, equivalent to 9,670,100 pounds, or 62 per cent of our total export shipments of this commodity to all countries. These figures do not include exports of skim milk powder which totalled an additional $201,810.

Consumption of whole milk powder in Venezuela has now reached an annual rate of some 60 million pounds. Milk powder is popular for two reasons: it is cheaper than fresh milk and, for families who do not have refrigeration, it is safer. Whole milk powder is produced locally but, as in many newly industrialized countries, there is still a strong preference for imported brands. Production last year in Venezuela's only plant at Santa Barbara totalled 8,265,000 pounds, or less than 14 per cent of total domestic requirements. Estimated total supplies during the year were as follows:

	Net Weight (000 lb.)	*Percentage of total market*
Domestic Production	8,265	14
Imports	52,500	86
United States	31,500	52
Netherlands	10,000	16
CANADA	9,500	16
Denmark	1,400	2
Other	100	......
Total Domestic Supply	60,765	100

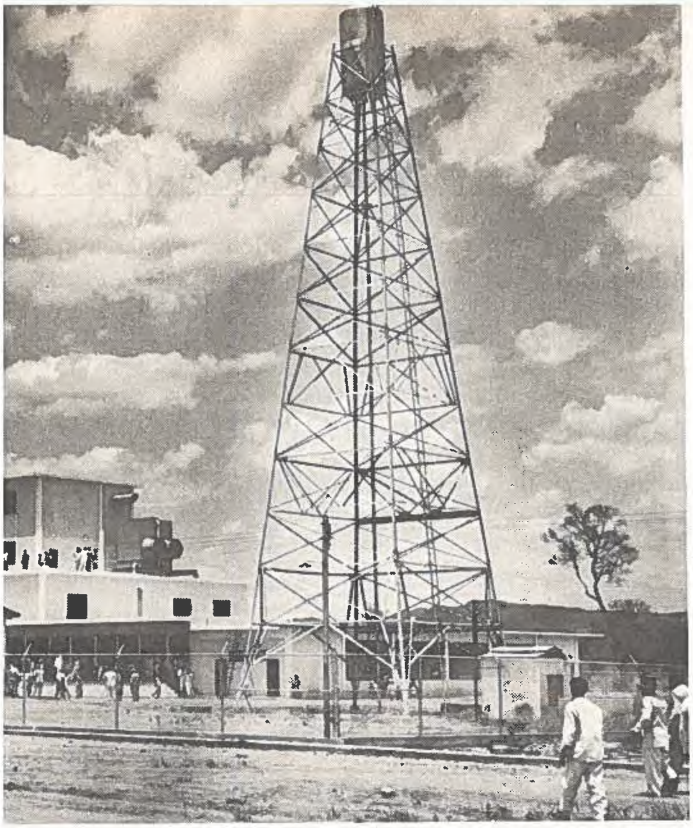
Venezuelan customs regulations permit exemption from duty if an importer purchases one unit of the locally produced powder for each six units brought into the country. The price of the local product for customs exemption purposes is fixed at about 35 per cent above its resale value but it is still cheaper to pay the "subsidy" than the duty. Almost all imports of whole milk powder enter Venezuela under this method of trading.

Competition Is Growing

During 1954 the Venezuelan market became increasingly competitive and Dutch and Danish suppliers reduced their prices. Shipments from the United States dropped 11 per cent, but Canadian, Dutch and Danish firms increased their share of the total market. United States suppliers remain, however, in a strong position; many of their brands are internationally known and command premium prices. Canadian exporters compete to a large extent with Dutch and Danish firms for the portion of the market which is more price than brand conscious.

The only demand is for consumer-size tins of 1 pound, 2½ pounds and 5 pounds. Current retail prices in the Caracas market for premium brands are:

	1 pound	*2½ pounds*	*5 pounds*
United States	Bs. 2.75	Bs. 6.50	Bs. 12.00
Canada	Bs. 2.50	Bs. 6.00	Bs. 10.00
Denmark and Netherlands	Bs. 2.40	Bs. 5.25	Bs. 9.00



Venezuela's new whole milk powder plant at Quebrada Arriba, State of Lara, went into production last May. Building was financed largely by Venezuelan Development Corporation.

Before a new brand can be imported commercially the label and product must be approved by and registered with the Ministry of Health. Registration with the Patents and Trademarks Office of the Ministry of Development is recommended as well, to prevent simulation of labels once a market has been established. When they have completed these formalities, importers are faced with an expensive advertising campaign and under the present competitive conditions, they are reluctant to undertake the introduction of new labels.

Fresh Milk Production Increasing

In accordance with the Venezuelan Government's policy of devoting a large proportion of oil revenues to industrial development and diversification, strong efforts are being made to decrease reliance on foreign sources of supply for whole milk powder. The problem is being approached in two ways—through the expansion of fresh milk production and consumption, and through the establishment of new whole milk powder plants.

Basic to both increased fresh milk consumption and a higher rate of domestic whole milk powder production is, of course, greater supplies of fresh milk. Unfortunately production costs are high and, although the Venezuelan Government is subsidizing producers and assisting them in stock improvement, results have not been spectacular. A number of excellent dairy herds have been built up from imported stock, often purchased from Canadian farms. The climate in most of the country does not, however, really suit such efficient dairy cattle as Holstein-Fresians and Jerseys. General average milk production of Creole animals is being increased through crosses with dairy types, but this is a long-range plan.

Throughout the country poor pastures require the feeding of expensive concentrated feeds and labour costs are also high. About 70 per cent of Venezuela's milk production is in the western state of Zulia and here lack of premium fresh milk markets is a major obstacle. Production follows a marked seasonal pattern: peak output in the wet season often runs up to 40 per cent higher than in the dry winter months. However, there are ample public and private funds available for investment in dairying and steady progress is being made. Figures are not available for the country as a whole but in the Caracas area, for example, fresh milk receipts last year touched 69 million pounds, a 67 per cent improvement over 1950.

New pasteurization plants have been established in all of the principal cities but despite this fresh milk consumption is increasing slowly. More and more people will no doubt turn to fresh milk as confidence is built up and supplies improve, but the population also is increasing. Fresh milk production will in fact have to rise by at least 12 million pounds each year to meet growing national requirements from population increase alone. It is likely, therefore, that Venezuela will continue to buy abroad some 60 million pounds a year.

Milk Powder Plants Established

These two factors—the continuing demand for milk powder and the distance of the most important milk-producing area from the principal markets—have led to the establishment of whole milk powder plants in sparsely-populated western Venezuela. The first of these plants, at Santa Barbara, has been in production since 1943; output in 1954 reached 8,265,000 pounds, or 90 per cent of capacity. In May, a second plant at Quebrada Arriba, made possible through a loan from the government-supported Venezuelan Development Corporation, began commercial production. The country's capacity for whole milk powder production has now doubled. Output, however, will not increase proportionately this year because of the shortage of fresh milk supplies.

The latest development in the industry has been the announcement that a third plant will be built in Maracaibo. Production is scheduled to begin in the spring of 1956 and it is reported that capacity will be from 10 to 15 per cent greater than that of either of the two plants now in operation. Financing is being arranged by the Venezuelan Government. The prospect is, therefore, that by the spring of 1956 Venezuela's whole milk powder plant capacity will have more than tripled; this could, theoretically, increase domestic output from the present rate of some eight million pounds a year to 25 million.

Canadian exporters secured 16 per cent of the total market here last year compared with 12 per cent in 1953. The principal reason for the improvement was lower prices than those offered by some American competitors. Dutch and Danish suppliers, at the same time, improved their position and are reported to be increasing their share of the market. During the first quarter of this year Canadian exports were only slightly higher than in 1954 although, according to Venezuelan figures, total imports have been running some 20 per cent above comparable months last year.

Production from the new plant at Quebrada Arriba has not yet entered the Caracas market in important quantities and an exceptionally long dry season has resulted in a lower than usual fresh milk production during the first quarter of the year. Importers feel, nevertheless, that the next few months will bring considerably larger domestic supplies and they look forward to greater market competition. It is widely believed that, in view of these prospective increases in domestic production, the Venezuelan Government will reduce the import ratio for customs exoneration purposes from six to one to four to one. Should this happen, the protection gained by the domestic producers would automatically go up by approximately 50 per cent and imports would probably decline by as much as 20 per cent. Many if's and but's complicate the market picture but most agents of Canadian firms expect more difficult trading conditions ahead.

Benelux Alters Exchange Regulations

FOR SOME TIME, Belgium has had a free exchange market. The exchange regulations were modified on July 18th when capital exports were freed. This change will have little if any practical effect on trade between Canada and Belgium because it is really only formalizing an existing situation. Payment for current commercial operations continues to be made through the official market, however.

The fact that the entire field of financial operations has not been freed reflects a degree of caution in first testing the situation. But it would seem only a matter of time (subject to any unforeseen developments) until the Belgian franc is as freely convertible as the Canadian dollar.

Because of the close economic integration of Belgium and Luxembourg, the modifications above apply equally to both countries.

Belgium has divided all financial transactions into two classes:

a) Those involving the import and export of goods and/or services.

b) Others.

In category (a), all transactions must be handled through the official market and the businessman concerned must obtain his dollars for imports from the State. For dollar exports, the State requires that the dollars accruing come under the control of the Belgian State. There is a provision which allows an exporter to hold his dollars in suspense in Belgium. This is presumably designed to allow the exporter or importer to avoid the loss caused by sales of dollars at the selling rate and an immediate re-purchase of dollars at the buying rate.

Financial transactions which cannot be classified as dealing either with the export or import of goods and services are now unrestricted.

As of today, August 11th, the official rate of exchange is 51·07 Belgian francs and the free market rate of exchange is 51·10 francs. This minute difference, after nearly a month of the operation of the free market, reflects the soundness of the Belgian decision to take this step towards complete convertibility. It seems reasonable to assume that these two rates will remain close together because Belgium is surrounded by countries which generally do not permit their residents such extensive freedom of operation. Hence, if the Belgian free market rate should rise to any considerable extent, residents of neighbouring countries could offer their dollars on the Belgian market until such time as the flood of dollars thus offered would effect a drop in the free market rate. The converse would, it is felt, prevent any substantial drop in the free market rate.

—KENNETH G. RAMSAY,
Assistant Commercial Secretary, Brussels.

Assessing the Congo's Trade

First half of 1955 saw demand for consumer goods up; some slackening in capital goods. Imported canned meat, salted and canned fish selling well; palm oil, veneers, cocoa beans, etc., offered to Canadian and other importers.

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

THE BELGIAN CONGO'S TRADE BALANCE continued to be favourable during the first half of 1955, showing an export surplus of 659 million francs at the end of March 1955. Minerals—in particular copper—reached a record index price of 188·8 (1949=100) at the end of the first quarter and settled down to 182·45 at the end of May. The visit of His Majesty King Baudouin I of the Belgians to the colony and the dynamic and courageous speech of the Governor-General before the 1955 Government Council in Leopoldville were the two outstanding political events during the period under review.

Imports during the first quarter of the year, at 4,328 million francs, were lower than for the same period last year (4,527 million francs), largely because fewer capital goods entered the colony though imports of consumer goods rose notably. It is still too early to say what progress Canadian goods are making and whether Canadian suppliers can expect a five million dollar market during the current year. Much will depend on whether Canadian exporters can match European competition. The African is acquiring more purchasing power in the built-up areas where almost 15 per cent of the 12 million Africans live. His tastes also are changing rapidly and his habits and dress are becoming very similar to those of the Europeans.

Public Tenders

During the course of the year a number of public government tenders are called for a variety of capital and other goods. The list of tenders published during 1954 and for the first half of 1955 included such things as airdrome installations at the new modern Leopoldville airport ($5 million), airfields, roads, proposed power projects, housing, trucks, tractors, insecticides, paints, duplicating paper, butane ranges, foodstuffs (flour, canned fish, etc.), pharmaceuticals, medical instruments, metallic furniture, X-ray apparatus and films. The prices have been extremely competitive and, except for specialized products, North American suppliers have not been too successful. Interested Canadian firms who wish to quote on government tenders would be well advised to have a responsible firm in the colony—preferably an agent—keep them advised on tenders as they are announced. The time for submitting quotations is sometimes as short as one month.

Food Products for Africans

There is still a serious shortage of fresh meat for Africans in certain parts of the Congo and it is likely that this condition will remain for a good many years. The demand for cheap canned meat therefore continues and the market currently is largely held by Argentina for corned beef and the United States for canned horsemeat. Imports of corned beef alone during 1954 amounted to over $700 thousand (purchases from Argentina equalled about half this total) and canned horsemeat to almost $161 thousand—of which the United States sold close to $140 thousand worth.

Fish in Demand

The Congo is a heavy importer of dried salted fish of varying species—about 23,000 tons during 1954 for a value of about $5·7 million. The principal sources are Angola, the Canary Islands and South Africa. Because of a controlled retail price of 20 francs per kilo (approx. 40 cents), Canadian suppliers of dried salted cod must be prepared to land their fish at Matadi at between 12-13½ francs per kilo (approx. 24 to 27 cents) in order to make any headway in this colony.

Imports of canned herrings and canned sardines into the Congo have been practically monopolized by European suppliers during the past three years. An encouraging note, however, was sounded at the outset of the current year when Canadian sardines re-entered the market at prices which bettered those of European suppliers. The African is very fond of canned fish and bought over $1·6 million worth during

1954. There appears to be little or no let-up in the demand although for the present stocks of canned fish are quite high in Leopoldville and other large centres.

Congo Exports to Canada

The Congo's exports are taking on added importance for Canadian firms. As mentioned in last year's report on this colony, Canada bought almost 12,000 tons of palm oil. Much of this was supplied at a fatty acid content of between 2½ to 3 per cent. With improved methods of treating the oil at the plantations and at the new facilities in Leopoldville, Canadian companies can now be assured of uniform deliveries. It is too early to say whether the 1955 tonnage will equal last year's, but exporting firms—even those with stocks at between 4 to 6 per cent fatty acid content—have reported a number of new inquiries for palm oil.

Congo exports of veneers and plywood—mostly limba—have apparently been fully contracted for for the current year. Canadian firms have taken unusual interest in the Congo output and 1955 will mark the first year that any appreciable shipments have gone forward. Canadian companies wishing to import limba logs will find supplies available.

Rauwolfia Vomitaria, a product which was practically unknown in the Congo some four years ago, has been exported in modest quantities to some of the leading pharmaceutical firms in Switzerland, the United States and Britain. Canada is feeling her way with this product and early factory pilot tests have been encouraging. The price of this product appears to be settling at a more reasonable level.

Cocoa beans are not produced in great quantities in the Congo and represent a small fraction (output about 3,000 tons a year) of the total world production of almost 766 thousand tons. However, small parcels can be shipped to Canada from the port of Matadi (via New York) in under one month. Over the next ten years both tea and cocoa plantations will take on added importance in this colony.

Mining Production

Official information on the Congo's mining production for the year 1954 shows copper at 223,750 tons against 214,116 tons during 1953. The cobalt output increased from 8,278 tons to 8,600 tons. Production figures for other metals were:

Tin (in tons of tin metal contained in various concentrates)—15,000 metric tons.

Electrolytic zinc (in ingots)—32,000 tons.

Cadmium—64 tons (32 tons in 1953).

Diamonds—12,619,000 carats (12,580,000 carats in 1953).

In his opening address before the 1955 Government Council in Leopoldville, M. Petillon, Governor General of the Belgian Congo, referred to 1954 as a period of normal consolidation. He said that "the financial position of the colony continued to remain favourable, despite a noticeably high increase in the number and amounts of officially protested accounts which grew from 251 million francs (1953) to 340 million francs during 1954."

Some of the statistical highlights of his speech were:

- A sharp falling-off in private investments during 1954 (1,142 million francs) compared with the previous year (1,834 million francs 1953).
- An increase in public investments as a result of the stepping-up of the Belgian Congo Ten-Year Plan. This figure reached 6,200 million francs compared with 5,600 million francs during the previous year.
- Increased rail traffic from the seaport of Matadi to Leopoldville (approximately 350 miles). The total of 1,227,000 tons handled during 1954 surpassed the 1953 figure of 1,009,000 tons.
- More production in Congo secondary industries during 1954. The industries cited included cement (345 thousand tons compared with 248 thousand in 1953), paints and varnishes, beer, textiles, footwear (rubber and leather). The local production of cement for the first time was greater than imports. Authorization was granted for buildings in the amount of 619 million francs in Leopoldville alone (approximately $12·3 million) and 301 million francs in Elisabethville ($6·0 million) during 1954. The figures for 1953 were 350 million francs and 206 million francs respectively.
- The Societe de Credit au Colonat et a l'Industrie—a government body—extended 132 million francs of credit during 1954 compared with 124 million francs in 1953.
- Industrial, commercial and agricultural firms totalled 17,000 at the end of 1954; 9,000 of these were European.
- Banking credit increased considerably during 1954 from 4,800 million francs (1953) to 6,200 million. This was brought about principally by increased imports of consumer goods and foodstuffs to replace depleted stocks, by increased building activity and by new industries—many rather unimportant.
- The value of Colonial stocks on the Brussels and Antwerp stock markets took on added importance during 1954 with the index reaching a new high of 687 in December 1954 from 464 in January 1954. General indices for the same dates were 321 and 242.

Despite the fact that conditions in the Belgian Congo promise well for the future, many business houses are still experiencing strains and stresses. Important bankruptcies have taken place in this colony during the past ten months and firms are now becoming more cautious in their business dealings. Canadian exporters must be prepared to exert a good deal of energy and incur a certain amount of expense if they wish to get a foothold in this market. Much will depend on whether their prices can meet stiff European competition.

France Continues Investment Program

Fresh allocations for the long-term development plan bring funds set aside up to over 900 billion francs for three years 1955-57.

B. C. BUTLER, *Commercial Counsellor, Paris.*

IN MAY LAST the French Government approved a series of 137 decrees as part of the long-term program for the economic, fiscal and social improvement of the country. Certain of these decrees represent the final stage of the Government's long-term plan for "Modernization and Equipment". They differ, however, from the earlier part of the plan by assuring the continuity of state financial aid over the three years 1955 to 1957. The industries to benefit from the plan and the amounts of state funds available for investment in each are listed below:

ANNUAL GOVERNMENT INVESTMENT PLANNED

	(in billions of francs) 1955	1956	1957
Agriculture and Fisheries	34·4	45·9	53·9
Atomic Power	13·0	22·0	12·1
Communications	23·1	26·9	30·5
Electric Power	195·6	114·7	119·5
Sanitation and Health	8·0	8·0	8·0
Shipbuilding	10·0	12·0	9·0
School Equipment	....	12·7	8·5
Scientific and Medical Research	....	2·7	2·6
Overseas Territories	45·0	50·0	50·0
Overseas Departments	6·4	6·7	6·7
Total	335·5	301·6	300·8

To the total 937·9 billion francs for the above three years must be added the 251·6 billion francs previously approved for the fiscal year 1954, making a total of 1,189·5 billion francs (about $3·4 billion).

Further additions should also be made to include allocations made previously for investments in the three years 1955-57: housing (255 billion francs); atomic energy (27 billion); school equipment (59 billion); shipbuilding (9 billion). These bring the grand total of planned government investment in the period 1954-57 to 1,539 billion francs, or approximately $4·5 billion. Moreover, provision has been made for supplemental credits where required under the various headings as part of the annual budgets in the years covered by the plan.

The intention of the Government to taper off the investment of public funds as the plan advances is shown in the foregoing table. It is assumed that the stimulation given by the Government will encourage an increase in investment by industry itself, by banks and investment houses and, of course, by the public generally. Thus, it is hoped, government investment should account for less than one-quarter of a total public and private investment program in the years 1954-57 of some $19 billion.

The emphasis is on housing, with about 30 per cent of the total investment, followed by electric power and mining (19 per cent); agriculture and fisheries (16); transport and communications (14); manufacturing (11); iron and steel (4); schools and health (4); chemical industry (3 per cent).

It is naturally the Government's hope that the continuance of this investment program will quicken activity and employment in all sectors of the economy and that the benefits will be spread widely throughout the whole country and in the overseas territories, North Africa in particular.

Effect on Trade

It has not been possible to relate the general program in any specific way to the effect it has had, or is likely to have, upon French foreign trade. The large allocations discussed in this report are, of course, in francs, and it may therefore be assumed that most of the funds will continue to be spent within the country. Certainly the restrictions on imports from dollar countries would almost completely preclude Canada as a source of supply. However, a plan of these proportions cannot fail to have a substantial long-term effect upon French production and exports and it should ultimately create a need for increased imports of products which Canada can supply. ●

commodity notes

Argentina

SUGAR—The Argentine sugar export quota, previously fixed at 35,000 metric tons, has been increased to 37,000 tons. The 1954 production had exceeded the requirements of the domestic market—Buenos Aires, Aug. 17.

LEAD PENCILS—The Interministerial Commission for Investment of Foreign Capital has approved the plan of a French firm to manufacture ordinary and coloured lead pencils in Argentina. The pencils will bear the trademark "Caran D'Ache". The foreign and national capital to be invested, expressed in terms of pesos at the rate of about 14 to the US$1, amounts to about 6·5 million pesos. This plant will satisfy Argentina's needs for pencils of these kinds—Buenos Aires, Aug. 17.

Brazil

ALUMINUM—A new plant of the Brazilian Aluminum Company begins production this month at Sorocaba, State of São Paulo. The company, financed by Brazilian capital, has set output for 1955-56 at 10,000 tons of aluminum ingot, with facilities to increase to 50,000 tons annually within ten years. Electric power is the factor limiting production now, but power facilities under construction will permit an increase up to 10,000 tons. The plant will use bauxite ore from the Pocos de Caldas region of the State of São Paulo. In addition to aluminum ingots, the company, founded in 1941, produces aluminum sheet, plate, circles for utensils, roofing sheet and extrusions—São Paulo, Aug. 19.

Egypt

ONIONS—This year's onion crop has been considered large enough to allow the Export Control Department to authorize an export quota of 95,000 tons for the current year—Cairo, Aug. 10.

Federation of Rhodesia and Nyasaland

TUNG OIL—A spokesman of the Nyasaland Tung Board recently announced that this year's crop is estimated at 1,000 tons and that some of the crop has already been sold forward at approximately $400 per ton. This is somewhat higher than last year's price of $340 and is considered a direct result of the action of the Chinese Government in withholding exports of tung oil from China—Salisbury, Aug. 15.

Hong Kong

ZINC OXIDE—Zinc oxide is now being manufactured in Mainland China and is available for export. Quantities sold in Hong Kong to date have been 99·2 per cent in quality and, with allowance made for this comparatively low purity, have been found satisfactory. Current prices are quoted at HK$0.62 per lb. c.i.f. Hong Kong—Hong Kong, Aug. 12.

India

SHELLAC—The value of shellac exports in the year ended March 30, 1955, increased 75 per cent over the previous year, without any appreciable increase in the quantity of shipments. Exports were valued at Rs.63·4 million in 1954-55, compared with Rs.36·3 million in the previous year, while the volume of exports, at 267,621 cwt., was only 7,071 cwt. greater than the year before. The demand for Indian shellac was good throughout the year, except in the United States which took 47,140 cwt. compared with 56,137 cwt. in 1953-54, and 83,366 cwt. in 1952-53—New Delhi, Aug. 12.

Japan

GRAIN—Estimates by the Ministry of Agriculture and Forestry indicate bumper grain crops this year totalling 155,400,000 bushels, only 8,990,000 bushels less than the 1954 record postwar year and 12,740,000 bushels above average. The wheat estimate is 54,923,300 bushels, up 11 per cent from average; barley, 53,984,000 bushels, up 7 per cent, and naked barley, 46,488,200 bushels, also 11 per cent above average. The rice crop is estimated at 361,944,000 bushels, which approximates the all-time record yield of 362,573,650 bushels in 1933—Tokyo, Aug. 18.

Northern Ireland

LINEN—Prices of raw material for the linen industry have risen following a recent strike in the Belgian scutching industry. Re-imposition of import controls by the Australian Government early in the year will probably mean an annual loss of about £250 thousand to the industry. Despite this, and the fact that the South American market is still virtually closed to Irish linen, export figures for the first few months of 1955 have been well maintained. In April the complete removal of purchase tax from linen piece goods and household articles gave a much-needed stimulus to the home trade—Belfast, Aug. 25.

Norway

PAPER—In spite of the reported alleviation of the restrictions governing newsprint and other printing papers in Great Britain, the Norwegian manufacturers assert that they will not be able to increase their paper exports to the United Kingdom within the foreseeable future. Because paper is in short supply, Norwegian mills have already sold their entire production for a considerable time to come, and the abolishment of paper rationing in Britain will, therefore, not affect the Norwegian exports to that country. Exports of Norwegian newsprint to the United Kingdom during the first six months of this year amounted to 5,978 tons, and of other printing papers to 96 tons—Oslo, Aug. 23.

Portugal

FIG PASTE—Portugal is developing markets abroad for fig paste. First fig paste exports were made in 1953 when some 15 tons were sold to the United States, Canada and Ireland. In 1954 exports rose to 150 tons, of which 132 tons were exported to the United States, 15 tons to Canada and three tons to the United Kingdom.

Export of Portuguese dried fruits in 1954 rose to 8,054 tons, nearly 1,000 tons greater than 1953 shipments, with a value of approximately Can.$5,356,000 —Lisbon, Aug. 17.

South Africa

CITRUS—Earnings from the Union's citrus exports this year will reach a record. The crop, estimated at 6·7 million cases of 77 lb., will consist of oranges, grapefruit, lemons and tangerines. Scheduled reefer space will be insufficient to cope with exports to the United Kingdom and the Continent and two vessels have been chartered to carry full cargo in ventilated but unrefrigerated space—Johannesburg, Aug. 19.

URANIUM—Uranium profits increased by £6·3 million to £8·1 million for the year ended June 30, with the first quarter of 1955 responsible for more than £3·4 million of the total. This increase resulted from larger millings in the Orange Free State. Initial declarations of profits were made by five companies in 1953, with the number increased to eight by the end of 1954, and to twelve by March 31, 1955. Altogether 26 gold producers are supplying gold residues to eleven processing plants for treatment, with four others under construction—Johannesburg, Aug. 19.

United States

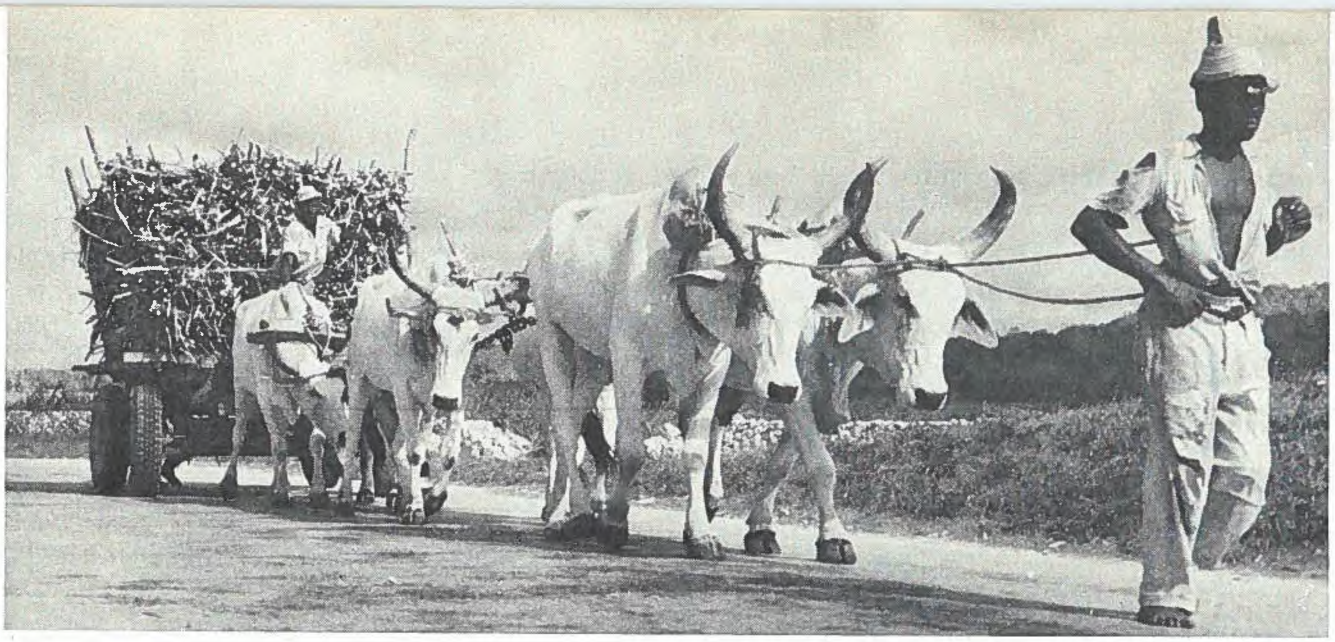
BAGASSE PAPER—The only plant in the United States using whole sugar cane bagasse for paper manufacture, the Valentine Pulp and Paper Company, is being expanded from its present capacity of 50 tons of paper daily to 75 tons. The plant is located seven miles south of New Orleans on Bayou Lafourche, in the heart of Louisiana's sugar bowl. Bagasse is the dry stalk of sugar cane after the juice has been extracted in the sugar mill. Louisiana produces an estimated 800 thousand tons of dry bagasse a year, less than 40 per cent of which is used—New Orleans, Aug. 29.

SHOES—New England produced 37 per cent of all shoes made in the United States in 1954. Production in New England was 190 million pairs, an increase of approximately 2 per cent over 1953. Production for 1955 is forecast at approximately 198 million pairs. Massachusetts led all states in 1954, followed by New York. Massachusetts accounts for 20 per cent of U.S. shoe output and 55 per cent of New England's total production; Maine produces 22 per cent and New Hampshire 20 per cent of New England's output—Boston, Aug. 26.

West Germany

CHEMICALS—West German chemical exports during the first four months of 1955 exceeded those in the same months of 1954 by approximately 16 per cent (DM1,067 million). The European market received a greater portion of West German chemical exports as shipments to South America declined sharply, partly because of payment difficulties with Brazil and Argentina. Chemical shipments to Asia and North America increased—Bonn, Aug. 22.

NON-FERROUS METALS—The non-ferrous metals industry is making a large contribution to the economic boom in West Germany. With a metal consumption of approximately one million tons, about 10 per cent of the total metal production of the Western Hemisphere, the Federal Republic is the third largest consumer of non-ferrous metals following the United States and Great Britain. In 1954 roughly 50 per cent of the important metals processed had to be imported, and for copper the figure was 100 per cent—Bonn, Aug. 22.



Sugar continues to be one of Jamaica's main crops; this year's harvest of nearly 390 thousand tons achieved a record. Wagons like the one above, drawn by a team of Mysore oxen, are used for transporting the sugar cane to the mill.

Jamaica at the Mid-Year

R. R. PARLOUR, *Trade Commissioner, Kingston.*

Main agricultural products showed good yields in 1954-55, though some marketing problems arose; industrial and mining development continued. Imports from Canada down slightly and Government considering ways of boosting sales to Canadian customers.

THE FIRST HALF OF 1955 has proved eventful for Jamaica. With a newly elected government coming into power in January, the visit of Princess Margaret in February, and a series of celebrations throughout the year to mark the 300th anniversary of the arrival of the British, the local scene has been busy and colourful. Business continues reasonably good, with principal agricultural crops finding markets abroad and with further activity in industrial development and mining. Expansion schemes aimed at increasing productivity and providing a fair standard of living for a rapidly increasing population place a constant demand on government resources, and growing imports have led to a somewhat unfavourable balance of trade in past months. The cost of living has remained steady. The tourist industry, a major earner of U.S. and Canadian dollars, is enjoying another good year, with tourist spending at a rate of over £5 million a year.

The new government is adhering to the general pattern of a five-year, £30 million development program, but will use flexible planning as dictated by its own resources and the needs of the country. The colony's allocation for the next five years from Colonial Development and Welfare funds was announced in May as £3 million, less than half the amount expected. Further funds for carrying out the program will be obtained by loans at home and abroad, and by using various government reserves. Already a £600 thousand domestic loan issue has been announced. Future financing may be easier if present plans for the establishment of a state bank mature.

The development program includes road improvements, preliminary surveys for conversion from 40-cycle to 50-cycle electric power, establishment of a Jamaica Youth Corps, housing, water supply, land settlement, loans to small business, establishment of air freight and air parcel post services, agricultural and fisheries research, farm improvement loans, education, public health, and irrigation. In addition, the United States Foreign Operations Administration has announced that a mission will be established in Jamaica to offer technical assistance to agriculture, health and education. The program is expected to cost $200 thousand and is already in operation.

Import Surplus

The visible foreign trade of Jamaica resulted in an import surplus during the first five months of 1955. Value of imports exceeded £13 million during the January-April period, an increase of £1·5 million over the same period of 1954; exports fell slightly below those of last year, to £12 million. Jamaica's balance of trade with all countries during the period was unfavourable; export balances with Canada and the United Kingdom were outweighed by import balances with the United States and the rest of the world.

Jamaica has been buying less from Canada and selling more to her, compared with last year. During January-April, Jamaica imported Canadian goods to a value of only £1·4 million, compared with exports to Canada valued at over £2·2 million. More than half the value of Jamaica's export trade to Canada is attributed to alumina. Sales of other products have proved discouraging and the Government has appointed a committee of prominent businessmen to investigate possibilities of strengthening the colony's flow of exports to Canada.

BWI Trade Liberalization Plan

The British West Indies Trade Liberalization Plan continues and helps many Canadian exporters to sell at least token quantities in the Jamaican market. During June, the list of commodities eligible under the Plan was increased by the addition of leather footwear with a minimum price of 52/– c.i.f. per pair, and shirts with a minimum price of 220/– c.i.f. per dozen. The effect of this is to allow entry of better quality shoes and shirts from Canada and the United States, while still protecting the local industry which produces lower-priced articles.

Apart from the Trade Liberalization Plan, Jamaica continues to allow unrestricted entry of the items on its Open General Licence list. These include newsprint, kraft paper; dried, smoked, pickled, salted and canned fish; onions; cheese, powdered milk; split peas; meat; books and periodicals; lumber and certain wood products. In addition, many other essential items are allowed entry from dollar countries as the need arises. Some of the commodities included under this "dollar program" are:

Flour	—import licences granted freely.
Motor cars	—imports allowed for essential use.
Motor car parts	—actual replacement parts allowed as required.
Table potatoes	—imports allowed to meet local shortages, usually January-May.
Seed potatoes	—import made under government supervision in time for December-March planting.
Flower seeds	—during 1955 importers have been given licences for their minimum requirements.
Cornmeal	—during April, the Government called for tenders on 40,000 bags of cornmeal from Canada or the United States.
Air-conditioning equipment	—import licences are granted for specific requirements of window-type units up to 3 h.p., and for industrial units over 3 h.p.
Fresh or frozen fish	—imports are allowed as required for the hotel or tourist trade.
Animal feeds	—imports are allowed as required to supplement locally produced feeds.

In July a special scheme was announced under the dollar program for the import of dollar goods up to a value of $2 million during the remainder of 1955. Importers are being given import quotas and the list of eligible commodities is quite broad, following closely that for the Trade Liberalization Plan.

Fish and Flour Prices

During March, the freight rate on salt cod from eastern Canadian mainland ports was reduced substantially and in May the price of Newfoundland salt cod was lowered. These savings were passed on to the consumer in Jamaica on June 1st, when the controlled retail price was lowered from 1/6 per lb. to 1/5 per lb. A similar drop in the freight rate for pickled fish has been counterbalanced by a firming of prices in Canada.

The freight rate on Canadian flour was also cut on June 1st from 65 to 60 cents per 100 lb. There was also a small decrease in the price of flour but these changes were too small to affect the retail price of bread in Jamaica. Beginning September 1st, all wheat flour entering Jamaica must be enriched, with ingredients as follows:

	Minimum		*Maximum*	
Thiamine	2	mg. per lb.	2·5	mg. per lb.
Riboflavine	1·2	" " "	1·5	" " "
Niacine	16	" " "	20	" " "
Iron	13	" " "	16·5	" " "

There has been a trend towards the removal of price controls during 1955. Among the items freed were oatmeal, cornflour, cornstarch, milk foods and powders, baking powder, empty flour bags, corned beef, bovril, dried salted ling, cocomalt, baking flour, whole-wheat flour, malted milk, feed oats, dried split peas, canned salmon, toilet soaps, tea, and newsprint for wrapping.

Jamaica's 1955 sugar crop reached nearly 390 thousand tons, about 25,000 tons larger than last year. The Colony is thus producing more than its quota under the Commonwealth Sugar Agreement and the Government has announced plans for a cutback of 40,000 tons to take effect by 1957. The rum market abroad remains depressed. Local production has been curtailed to about 1¼ million gallons, half of which is required for local consumption. Molasses exports this year are expected to total about 13 million gallons, much the same as last year.

Jamaican bananas are selling on the London market at a record price and some credit for this goes to the campaign for better picking and handling of the fruit. Shipments during the first five months of this year have totalled 3,868,667 stems, down slightly from the same period last year because of more rigid selection.

The banana industry is assured of a profitable long-term market in the United Kingdom under a five-year scheme announced in July which provides for Jamaican exports up to 20 million stems per year. A Price Assistance Fund will be set up to assure the growers of a stable return. The Fund will be built up by contributions from banana growers, with assistance from the United Kingdom and Jamaican Governments under certain conditions.

Cocoa and Coffee Prices

The drop in world cocoa prices this year has had repercussions in Jamaica. The 1954 autumn crop was exceptionally large—21,000 bags of 200 lb. Growers received the prevailing price of 2/6 per lb. from the Cocoa Marketing Board in spite of falling world prices. This year's spring crop was a good one—some 15,000 bags. Again the Board paid 2/6 to growers, but a loss of £100 thousand resulted. Following this, it has been announced that growers will receive only 1/6 for their 1955 fall crop. However, long-term prospects are good, with world supply of cocoa still short, and it is expected that Jamaica will increase its cocoa output as new trees mature.

In the face of falling coffee prices, the Coffee Industry Board recently sent a mission to survey marketing conditions in Canada, the United States and the United Kingdom. The Board paid coffee growers 24/– per box for the 1954-55 crop, as compared with 27/– the previous year. All of the colony's high-quality, factory-washed coffee, amounting to 60 per cent of total output, has been sold abroad. The rest of the crop, in the form of natural coffee, does not find such a ready market but sales are reported to be progressing.

Citrus and Allspice Marketing

The 1954-55 citrus crop may total one million boxes compared with 839 thousand boxes last year. Most of the current crop was processed, although more than 120 thousand boxes were exported as fresh fruit to New Zealand and the United Kingdom. It is hoped to triple citrus production by 1960. Meanwhile negotiations are under way in London and Washington to ensure a dependable market in the United Kingdom for the expanding output of Jamaican citrus products.

Allspice (or Jamaican pimento) prices have moved erratically during the year. In February a mission was sent to London, Montreal and New York to investigate marketing conditions. In March the Jamaican Government announced prices were being increased from 300/– per cwt. to 750/– per cwt. for old crop allspice. During July, with a new crop coming on the market, the price dropped to 650/–. One result of these high prices is that an industrial enterprise in Kingston is converting allspice by-products such as trash, twigs, and rejected seeds into a usable spice product.

Jamaican ginger is in short supply. With the Government discouraging ginger production, the crop this year is only 500 tons, compared with 700 tons in 1954 and 2,000 tons in 1953. By July, the price on the London market had reached 375–/ per cwt., up 70/– since the beginning of the year.

Industrial Development Continues

Some further industrial development has taken place in 1955. A local package manufacturer is beginning production of large-size tins for coconut oil, paint, and biscuits, and of diothene film for wrapping bananas. A new plant will produce soap and toilet articles, and interests from Canada are considering the establishment of a factory to produce soda ash, glass and paper. Other projects announced during the year are for the manufacture of gramophone records, dehydrated foods, food pulps, sanitary napkins, popcorn, metal awnings, paper bags and envelopes, toilet rolls, toilet tissue, plastics and slide fasteners. Of interest, too, is a proposal to build a studio for production of television films and full length motion pictures. Mention has also been made of the possibilities of assembling motor cars and trucks and television receivers, manufacturing tires, and erecting a steel mill. The mill would utilize scrap metal to produce castings for agricultural implements, pipe fittings and other metal goods. A public company to secure up to £100 thousand to build the blast furnace and rolling mill is expected to be organized shortly.

In mineral production, the oil drilling by a Canadian firm continues but no conclusive results have been announced. Alumina output by Alumina Jamaica Limited, subsidiary of Aluminum Limited, is to be doubled during the next 18 months. The discovery of a deposit of more than one million tons of high grade magnetite and haematite ore, assaying 64 per cent iron, was recently announced and created a good deal of interest. ●

Switzerland's Agricultural Trade

Two-thirds of Canada's exports to Switzerland consist of agricultural products, needed to make good deficiencies in local production. Swiss Government, however, uses various methods to control these imports and keep its own farmers prosperous.

W. VAN VLIET, *Commercial Secretary, Berne.*

SWITZERLAND REPRESENTS a relatively stable annual market for some \$300 million worth of imported food and agricultural products, an average of about \$60 per capita. Over two-thirds of Canadian sales to Switzerland, which in 1954 totalled \$27 million, consist of agricultural commodities, principally grain; in fact, about 80 per cent of Swiss wheat imports come from Canada.

The level and distribution of food and agricultural imports are not expected to change greatly in the near future. The present indication is that domestic grain production will be smaller than in 1954, a good year—thus necessitating some increase in imports during 1955-56, particularly of feed grains. The low level of imports of livestock and dairy products may rise, with greater demand for slaughter cattle, beef, butter, cheese, eggs and poultry. Apart from grain, Canada finds an outlet in Switzerland for fishery products and such varied commodities as dried peas and beans, canned fruits and vegetables, vegetable oils, grass seeds, furs and tobacco.

Import Control System

Switzerland has liberalized 64 per cent of its imports of food and agricultural products from European members of OEEC. The same commodities from non-OEEC countries may also be imported freely into Switzerland. However, the Swiss economy, freed from all foreign exchange control and with virtually no import restrictions in any other sector, has legislation for regulating imports of most agricultural products which are also produced locally. Through the imposition of fees or levies equalizing the prices of imported commodities with prices of those produced in Switzerland, the Federal Government has collected between \$10-15 million a year in recent years. In addition, there are various measures affecting most commodities which limit the quantity of imports permitted, in proportion to internal production and market demand.

Swiss agricultural policy continues to be directed towards providing the country with a certain minimum quantity of domestic food production and, in line with this, preventing a rapid decline in farm population through making prices and income stable.

A summary of the principal methods of import regulation in operation follows. It should be noted that more than one method applies to many products.

- *Seasonal Import Restrictions*—This applies to fruits and vegetables. There is a three-phase system whereby, in phase one, imports are free as long as the domestically produced product is not sold on the market. In phase two, imports are limited to that amount by which domestic production falls short. In phase three, imports are prohibited.

- *Obligation of Importers to Purchase Surplus Production*—This method is applied, among other products, to wine, meat, livestock, fruits and vegetables. In most instances importers are free to bring in unlimited quantities but must undertake to handle a fixed percentage of the domestic product at the same time.

- *Price Supplements and Other Levies Assessed on Imports*—These charges are applied to a wide range of imported commodities for varying purposes. Levies on imported dairy products and eggs contribute respectively to the milk price compensation fund and egg price equalization fund. Imports of certain commodities such as forage, coarse grains and concentrated feeds are subject to restrictions and they are also subject to levies which are used to further domestic production. Fees are assessed on commodities which are subject to obligatory stockpiling and used to cover the risks and pay the expenses of such stockpiling. These products include sugar, edible oils and fats, rice, coffee, cocoa, coarse grain and artificial fertilizers.

- *Import Licensing*—Such permits are required for some 150 tariff items and sub items covering food and agricultural products. In many instances these are issued freely but a considerable number of commodities are subject to quantitative or seasonal limitations.

Given below are the six authorities issuing import licences and the products for which each is responsible:

Swiss Co-operative Society for Grains and Feeds—Feed grains, pulses, forage, concentrated feeds, edible fats and oils, and seed potatoes.

Federal Grain Administration—In addition to monopoly powers over imports of bread grain, this organization is the permit-issuing authority for seed grains, flour for human consumption, middlings, semolina, etc.

Swiss Association of Brewers—Malt, barley and malt for brewing.

Federal Alcohol Monopoly Administration—Potatoes (except seed potatoes), alcohol, proof spirit of wine, fruit trees and seedlings.

Federal Division of Agriculture—Fresh, salted, cured and frozen meat, fresh milk and cream, butter and lard, livestock.

Import and Export Service, Federal Department of Public Economy—This organization controls the issue of permits for all agricultural and food products under licence not covered by the five agencies above.

Trade in Agricultural Products

Switzerland's food and agricultural imports account for approximately one-quarter of total imports. Despite this high import ratio and domestic production costs, Switzerland is nevertheless a significant exporter of specialty and highly processed food and agricultural products. The major products which find a continuing market include dairy products, particularly chocolate; cheese in bulk and processed form, dry and condensed milk; fruits on a seasonal basis; livestock for breeding purposes; solid and liquid meat extracts.

The bulk of imports usually consists of coarse and bread grains, southern fruits, vegetable oils, cotton, wool, raw tobacco, and fishery products. With the exception of grain, the domestic production of these is limited or non-existent. Imports of livestock and dairy products have been relatively small, because domestic production has been high.

Grain—Grain production in the two previous years totalled:

	(000 metric tons) 1953	1954
Wheat	220·6	319·4
Rye	37·4	45·1
Other	45·3	52·6
Total Bread Grain	303·3	417·1
Barley	63·4	61·6
Oats	87·9	74·8
Corn	4·1	4·1
Total Feed and Industrial Grain	155·4	140·5
Total Grain	458·7	557·6

Grain Imports May Increase

Unofficial estimates suggest that this year's bread grain production may be about 15 per cent less than in 1954 and coarse grain up to 5 per cent less, in both instances because of poor weather rather than any change in acreage. However, of the 1954 bread grain crop some 47,000 tons were used for livestock feeding because of high moisture content. On this basis, it is possible that import requirements for 1955-56 will be fractionally higher than the 308 thousand metric tons of bread grain and 401 thousand tons of coarse grain imported during 1954-55.

A government-appointed committee is currently studying measures whereby imports of bread grain may be partially freed from existing controls by the beginning

Foreign Trade in Food and Agricultural Products

(million Swiss francs)

Classification	IMPORTS 1955 Jan.-June	1954 Jan.-June	1954	1953
Grain	159	173	307	348
Fruit and vegetables	112	115	255	237
Groceteria goods	170	185	329	272
Animal concentrates	93	62	157	190
Food specialties	10	10	24	22
Beverages	3	2	6	5
Livestock	23	5	20	8
Animal products	18	14	29	29
Fertilizers	16	12	30	27
Seeds, plants, etc.	68	80	149	158
Total	672	658	1,306	1,296

Classification	EXPORTS 1955 Jan.-June	1954 Jan.-June	1954	1953
Grain	11	8	17	18
Fruit and vegetables	3	3	21	9
Groceteria goods	17	21	44	41
Animal concentrates	56	58	121	111
Food specialties	28	23	54	56
Beverages	2	2	4	3
Livestock	1	3	12	21
Animal products	6	3	9	8
Fertilizers	......	......	....	....
Seeds, plants, etc.	2	1	2	2
Total	126	122	284	269

of 1957 at the earliest. Until then, the present system of a government import monopoly for bread grain and fixed prices to domestic producers will prevail. The revised legislation, which has not yet reached Parliament, foresees government purchases of bread grain, both imported and domestic, limited to stockpiling for strategic requirements; the remainder is to be handled through private channels. Such a system is not, however, to disturb the present emphasis on a high level of domestic production obtained through remunerative prices which are fixed until the end of 1956 at about Swiss franc 65.– per 100 kg. (approximately $3.92 per bushel). The level of permissible imports is expected to be related, as now, to requirements above domestic production. Prices paid by the millers for imported wheat will likely be equalized with those for domestic grain, with the difference accruing to government account.

South West Africa Continues Prosperous

With exports up, brisk demand and good prices for agricultural, mineral and fish products, this territory continues prosperous; but inadequate roads, railways and port services are slowing pace of development.

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

PROSPERITY CONTINUED unabated in South West Africa through 1954 and during the first half of 1955. There is little sign of any levelling off in the high prices for mineral and agricultural products which sustain the economy and the building industry is bustling with activity. The face of the main street in Windhoek, capital and principal centre of the territory, has changed almost completely in the past year and a number of public works are under way.

South West Africa, although it is technically governed by South Africa under a League of Nations mandate, has to all intents and purposes become a province of the Union. It is represented in the Union Parliament and its members belong to the same party as the present South African Government. Beginning this year, trade figures for South West Africa will be amalgamated with those of the Union.

Foreign Trade Sets New Record

Total trade, at £59·5 million, was just over the record of £59·0 million set last year. Exports climbed from £34·5 million to £36·8 million, more than counterbalancing the fall in imports from £24·5 million to £22·7 million. As a result the favourable balance of trade, £14·2 million, was substantially higher than the £10 million of 1953.

Analysis of these figures shows that shipments to the Union as well as overseas countries increased markedly in spite of a £1·8 million drop in exports of diamonds. Imports from overseas countries fell sharply from £5·3 million in 1953 to £4·2 million last year but purchases from the Union declined only slightly. Principal exports of South West Africa are mineral, agricultural and fisheries products; imports cover a wide range of manufactures plus basic commodities such as lumber and petroleum.

Because South West Africa is practically an integral part of the Union, it is impossible to estimate the Canadian share of the market; in many cases, products are shipped from the Union. Canada has supplied lumber, paper, drilling machinery, motor car parts and some consumer goods.

Agriculture and Fisheries

A satisfactory volume of rain fell during the rainy season promising the farmers another profitable year. However, in a country which lives in the shadow of drought the outstanding farm credit is a matter for concern. An unfavourable price trend or bad weather could cause agriculture major difficulty but generally speaking, returns from agricultural products remain good. The market for karakul skins is steady although slightly slower. Earnings from this source reached £3·9 million in 1954, compared with £4·2 million in the previous year. Karakul wool commands a good return and sheep and cattle continue to bring good prices, though transportation difficulties are hampering the movement of stock to the Union markets. Fresh and preserved meat goes forward in increasing quantities; shipments for 1954 realized £942 thousand, compared with £106 thousand in 1953.

The fishing industry, although its period of expansion is over, continues to be a source of steady income and employment. Profits are still earned even though prices have fallen considerably from the peak period. Research and conservation measures are improving the long-term prospects and competition is bringing about more efficient operation to enhance South West Africa's position in the export markets.

The Mining Picture

More than half the value of mineral production is represented by diamonds, which last year accounted for £12·1 million out of a total of £20·3 million, compared with £20·4 million in 1953. The next most important mineral was lead, £6·7 million. In addition, copper, tin, vanadium, zinc, manganese and a variety of rare minerals are produced. No refining is carried on in the territory; all of the minerals listed above are shipped as concentrates or ores for refining abroad.

Transportation is the one factor inhibiting the rate of development in the country. The unpaved roads, in spite of great efforts to keep them in repair, are often impassable during the rainy season and tend at the best of times to shorten the life of a motor vehicle. The narrow-gauge railway into the main mining area necessitates an expensive and time-consuming transfer of ore and concentrates to standard-gauge cars bound for the port of export. Walvis Bay, the main harbour, has been considerably improved in the past few years but congestion still arises from time to time and further substantial sums will have to be spent to provide equipment for present and future traffic. In 1954, 504 thousand tons were handled by the port compared with 321 thousand tons in 1951.

Separate Representation

Prosperity should continue in South West Africa for the rest of 1955, providing a growing market, and Canadian exporters should consider seriously separate representation there. When competition is keen, a local representative can give more satisfactory coverage than a salesman coming in from outside, however frequently. The territory will continue to expand, but at a reduced rate until adequate transportation facilities are provided.

trade commissioners on tour

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

R. K. THOMSON, Commercial Secretary in Karachi, Pakistan, began his Canadian tour in Victoria, September 12-13. His itinerary is:

Vancouver—Sept. 14-23
Winnipeg—Sept. 28-29
Toronto—Oct. 3-12
Hamilton—Oct. 13
St. Catharines—Oct. 14
Niagara Falls—Oct. 15
Brantford—Oct. 17
Windsor—Oct. 18
Montreal—Oct. 20-27
Quebec—Oct. 28-29
Ottawa—Oct. 31-Nov. 11

S. G. MACDONALD, Commercial Counsellor in Rome, began the second part of his Canadian tour in Hamilton on September 6. He is visiting Toronto, September 15-23.

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

Board of Trade—Brantford, Montreal, Quebec.

Chamber of Commerce—Hamilton, Niagara Falls, St. Catharines, Windsor.

Canadian Manufacturers Association—Toronto, Winnipeg.

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

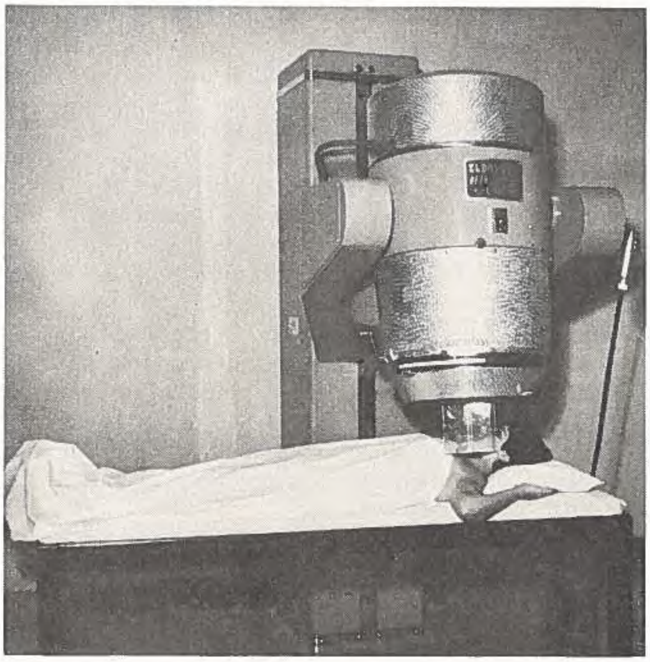
—Kamera-bild, Photo by Daklin, Stockholm.

In Germany—This tense scene at the 1955 Ice Hockey World Championships occurred during the game between Germany and Sweden, won by Sweden, 5-3. The Swedish team was completely, and the German team partly, equipped with Canadian hockey equipment.

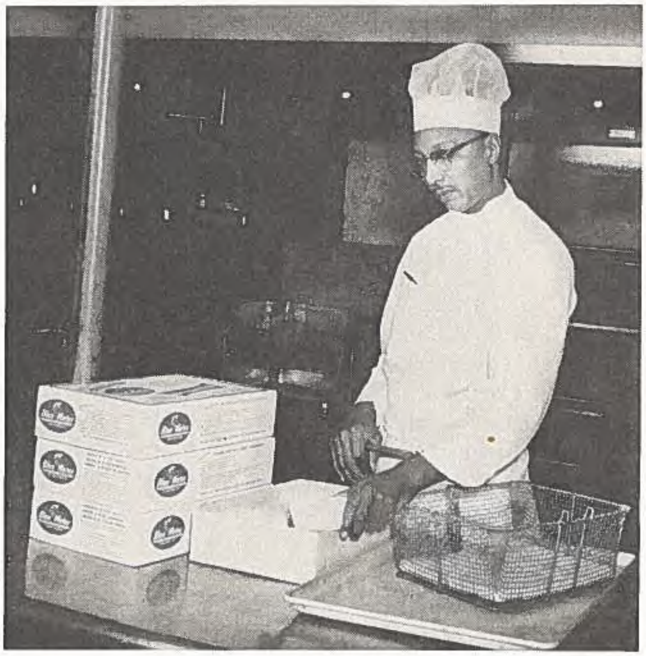
In Ethiopia—The Emperor, Haile Selassie, examines one of the fifty bags of wheat flour presented to him by a Canadian flour-making company.

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, properly protected for mailing, and addressed to: The Editor, "Foreign Trade", Department of Trade and Commerce, Ottawa.

Canada in Foreign Markets



In Brazil—This patient in a Rio de Janeiro clinic is being treated with one of the world-famous Cobalt 60-Beam therapy units, which Canada is making and exporting widely.



In the United States—This cook, working in the cafeteria of a Detroit publishing company, is preparing to fry frozen Canadian ocean perch for the employees' noontime meal.

General notes

Argentina

BARTER AND COMPENSATION DEALS—The Argentine Ministry of Commerce recently announced that private barter or compensation deals would no longer be authorized. However, in exceptional cases where it is the only means of disposing of the Argentine goods in question, this type of deal will be considered, providing that the government organization IAPI participates in it—Buenos Aires, Aug. 19.

Australia

OVERSEAS TRADE—Australian overseas trade for July, the first month of the 1955-56 financial year, showed an export surplus of £1·6 million. Imports at £61·4 million were £13·8 million lower than in June and £8·9 million lower than in July 1954. Exports at £63 million showed a seasonal drop of £6·6 million from the June figure, but were £10 million higher than in July 1954. The favourable balance is considered to be a result of the import restrictions imposed by the Federal Government in April—Sydney, Aug. 15.

PRICE CONTROLS RE-IMPOSED—On July 29th the New South Wales Government re-imposed price control which had been abandoned on April 15th. The first commodity to be controlled was bread, followed by biscuits, tobacco, cigarettes, breakfast foods, boot and shoe repairs, dentifrices, shaving soap and cream, and matured cheese. The decision was made by the State Cabinet after the Premier stated that action was imperative to stabilize a deteriorating position—Sydney, Aug. 15.

PLYWOOD MILL—A £150 thousand plywood mill opened in Tasmania on July 6th will contribute 15 million square feet of plywood and veneers a year for homes, other buildings, and furniture in Victoria, South Australia and Tasmania. The mill, located at Somerton near Burnie, is owned by Tasmanian Plywood Mills Pty. Ltd. and it uses the latest processes for manufacturing plywood and fancy veneers from the extensive forests 30 miles from the coast.

A "rough" sawmill at Sulphur Creek provides $3\frac{1}{4}$ million super feet of sawn hardwood and myrtle timber a year. It is soon to be expanded to include its own kiln seasoning and planing plant for the production of 10 million lineal feet of dressed floorings, mouldings, weatherboards and linings a year—Melbourne, Aug. 12.

Brazil

INDUSTRY IN SAO PAULO—At the end of 1954 the State of São Paulo had a total of 6,067 manufacturing establishments. The largest number of these (1,560) are engaged in the manufacturing of textiles, clothing and footwear, followed by metallurgical and mechanical industries (1,266), foodstuff and beverage industries (747), and factories processing raw material of vegetable origin (733). The sales of these industries in 1954 totalled Cr$71,300,586,000; overhead and payroll expenditures amounted to Cr$23,861,192,000. Production costs for raw materials, fuels and electric power totalled Cr$28,844,129,000 and profits and distributed dividends Cr$874,597,000.—São Paulo, Aug. 19.

Hong Kong

FOREIGN TRADE—Value of Hong Kong's trade in the first six months of 1955 amounted to HK$3,029 million, up 8 per cent from the total of HK$2,800 million for the same half-year in 1954. Imports valued at HK$843 million were up 12 per cent; export values were nearly 2 per cent higher at HK$1,186 million—Hong Kong, Aug. 16.

BANK SUBSIDIARY IN CALIFORNIA—The Hong Kong and Shanghai Banking Corporation has announced that it has filed an application with the State Banking Department, San Francisco, California, for permission to establish its subsidiary, The Hong Kong and Shanghai Banking Corporation (California), as a state bank incorporated under the laws of California. The necessary permission is expected shortly. Up to now the Bank has maintained only an agency in San Francisco which was not authorized to operate current or savings accounts—Hong Kong, Aug. 16.

India

HYDROSULPHITE OF SODA—A plant to manufacture hydrosulphite of soda is being constructed for the Bombay Electro-Chemical Industries Ltd. Part of the daily capacity of five long tons may be used to produce caustic soda and bleaching powder. The machinery will be imported from Switzerland—Bombay, Aug. 10.

RAZOR BLADE FACTORY—Twelve million safety razor blades will be produced each year by an Indian firm collaborating with a Netherlands concern which will supply equipment and experts. The factory will be located in Faridabad, a model refugee township near Delhi. All unskilled jobs are to be reserved for displaced persons—New Delhi, Aug. 12.

Indonesia

RUBBER FOUNDATION—The Ministry of Agriculture has announced that the Indonesian Government will transfer the Rubber Foundation from Delft in the Netherlands to Bogor in Indonesia. The Government hopes to save a considerable amount of foreign exchange by making the transfer—Djakarta, Aug. 12.

Portuguese East Africa

EXPORTS—During the first quarter of 1955, exports totalled 109,153 tons valued at $14·5 million, a decrease in weight of about 13 per cent, but an increase in value of $800 thousand over the same period last year. Principal exports were cotton, cashew nuts, tea, copra, sisal and sugar. Destinations of shipments were: Metropolitan Portugal, 24·2 per cent; India, 19·2 per cent; United Kingdom, 11·2 per cent; South Africa, 9·11 per cent; United States, 7·4 per cent, and Germany, 5·3 per cent—Johannesburg, Aug. 18.

South Africa

IMPORTS INCREASE—Imports into the Union during the first four months of this year totalled £162·6 million, an increase of £24·7 million over the same period in 1954. Exports at £114·7 million showed an increase of only £2·4 million and, as a result, the unfavourable trade balance rose by some £22·3 million—Johannesburg, Aug. 18.

CANNING INDUSTRY—South Africa has now become one of the world's three major exporters of canned fruit, vegetables and fish. The industry is extremely vulnerable to competition as more than 60 per cent of its output is exported. By 1953 canned fruit production exceeded 2,750,000 cases, ten times the prewar figure. In the six years to 1953 canned vegetable exports averaged no less than six million cases a year. In 1943 the fishing industry produced 300 thousand cases of canned fish, but by 1953 this figure had jumped to two million—Cape Town, Aug. 15.

United States

CHICAGO INDUSTRY—Industrial investment in the Chicago area totalled $108,322,000 in June compared with $34,649,000 in June 1954. This is the highest monthly figure since April 1942, when total investment reached $232 million. Total plant investments for the first six months of 1955 were $198,220,000, compared with $133,264,000 in 1954. These figures include expenditure for the construction of new industrial plants, expansion of existing buildings, and the acquisition of land or buildings for industrial purposes—Chicago, Aug. 26.

Venezuela

INDUSTRIAL DEVELOPMENT—The Venezuelan Minister of Development has announced that 107 new industrial concerns were established in Venezuela last year. The total subscribed capital for these concerns amounted to $24·9 million. The new enterprises have bought machinery and equipment worth $15·1 million and are now employing an estimated 4,284 persons—Caracas, Aug. 18.

West Germany

FACTORY FOR PAKISTAN—The first large factory in Pakistan for the manufacture of electrical apparatus will be established in Lahore. The construction of the plant, the total cost of which is estimated at £520 thousand (approx. DM 6,100,000) was started in June—Bonn, Aug. 24.

FIRST ATOMIC PILE—West Germany's first atomic pile for research purposes will be established near Karlsruhe in the Province of Baden-Wuerttemberg. The reactor will be used for the development of peaceful uses of atomic energy and for the training of scientific and technical personnel. The selection of Karlsruhe as the site of the atomic pile settles a good-natured controversy between Bavaria and Baden-Wuerttemberg, both of which were interested in the project. It appears that the Max-Planck-Institute, Goettingen, will co-operate in the establishment and operation of the reactor.

Hamburg will presumably develop into an academic research centre for nuclear physics following the Senate's decision to spend DM7·5 million for a modern nuclear power plant at the University—Bonn, Aug. 24.

Indonesia's Mineral Production

Petroleum and tin are Indonesia's most productive mineral industries and its largest foreign exchange earners; output of coal and bauxite has declined in the last few years.

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

MANY KINDS OF MINERALS are found in Indonesia, but production is confined mainly to petroleum, tin, bauxite and coal. Petroleum and tin are the most important to the economy of the country because they are major foreign exchange earners. The Central Mining Department of the Ministry of Economic Affairs reports that mineral production in 1954 was greater than in the previous year and, with the exception of coal, well above the 1938 level. Total production was valued at 2,261 million rupiahs; exports, including refined petroleum products, were valued at approximately 3,000 million rupiahs.

Petroleum Production

Crude oil is the most important mineral in Indonesia and production in 1954 amounted to 10,775,000 tons, compared with 7,398,000 tons in 1938. The following table gives the production, imports and exports of petroleum and products for 1938 and 1952 to 1954:

PETROLEUM PRODUCTION, IMPORTS AND EXPORTS

		Crude Oil		*Petroleum Products*	
	Production	*Imports*	*Exports*	*Imports*	*Exports*
		(1,000 metric tons)			
1938	7,398	....	359	170	6,067
1952	8,523	1,901	599	118	6,854
1953	10,225	2,279	2,086	99	7,513
1954	10,775	2,131	2,303	47	7,562

The large increase in crude oil output in 1953 is a result of the coming into production of the Minas oil field in central Sumatra. This field also contributed to the gain in exports because its entire output is sold abroad.

Imports of Crude Oil

Indonesia also imports a considerable quantity of crude oil from British Borneo, refines it locally and re-exports it as petroleum products. One of the large oil companies has a larger refining capacity than its local wells are able to supply and it thus can handle imported crude.

Petroleum production in 1955 is expected to be close to 11,775,000 tons—about one million tons greater than in 1954.

Tin Output a Record

Production in 1954 of 35,861 metric tons of tin was the highest since the war and substantially above the 1938 figure of 29,728 metric tons. Practically the entire output is exported and the quantity produced depends to a great extent on world demand and prices. The main producing areas are the islands of Billeton and Bangka, off the coast of Sumatra. The following table shows production and exports of tin concentrate for 1952, 1953 and 1954, compared with 1938.

TIN PRODUCTION AND EXPORTS

	Production	*Exports*	
	Tin Concentrates	*Tin Concentrates*	*Tin Metal*
		(1,000 metric tons)	
1938	29,728	13,699	7,207
1952	35,002	34,601	15
1953	33,822	32,732	224
1954	35,861	34,932	....

The major portion of the tin concentrates exported goes to the Netherlands and the United States; the tin metal is shipped to Japan.

During the past few years Indonesia has had a tin contract with the United States. For 1952 and 1953 the price was fixed at $1·215 per lb. of tin metal and tin concentrates, c.i.f. New York. A new contract was made for 1954 calling for delivery to the United States of 18,000 to 20,000 tons (2,000 tons at Indonesia's option) at the ruling price on the world market. This contract expired in March 1955 but was extended until June 30, 1955. A decline in tin production is then anticipated; 1955 total output is forecast at just over 30,000 tons.

Coal and Bauxite

Coal production in Indonesia has never regained its prewar level of 1,456 thousand tons in 1938. The postwar high was reached in 1952 when output amounted to 959 thousand tons; in 1953 production totalled 897 thousand tons and in 1954, 899 thousand tons. Since then there has been a decline which has been attributed to rising production costs. Exports of coal have never come close to the 1938 amount of 368 thousand tons and in the postwar years have averaged just over 100 thousand tons a year. Production in 1955 is estimated at 950 thousand tons and exports at 100 thousand tons.

Bauxite's best postwar year was 1949 when production reached 678 thousand tons, almost three times the 1938 output of 245 thousand tons. However, in the past few years output has declined sharply—to 344 thousand tons in 1952, 150 thousand tons in 1953, and 173 thousand tons in 1954. The slight increase in 1954 over 1953 is attributed to increasing export possibilities. Most of the bauxite is exported to Japan and West Germany. Production this year is expected to be close to 200 thousand tons.

trade and tariff regulations

Belgium

SALES AND LUXURY TAXES INCREASED—The rates of Belgian sales and luxury taxes have been increased by approximately 10 per cent, effective July 16. The increases apply to all goods subject to the basic Belgian sales tax and the luxury tax whether they are produced in Belgium or imported. However, the special sales tax on imports (see *Foreign Trade* of August 6, 1955) has not been increased.

On most goods the basic Belgian sales tax now amounts to 5 per cent ad valorem against the previous rate of 4½ per cent. On some other commodities the sales tax ranges from 1·2 per cent (increased from 1·1 per cent) to 12 per cent (increased from 11 per cent). The rates of luxury tax have been increased from 12 to 13 per cent and from 10 to 11 per cent, respectively. On imports, all these taxes are levied on the duty-paid value of the goods.

Indonesia

NEW IMPORT REGULATIONS—Effective September 1st, Indonesia has made sweeping changes in its import control system resulting in a simplification of import procedures. The Central Import Control Office has been abolished. Import licences and foreign exchange permits will be issued by the newly established Bureau for Trade Foreign Exchange which operates under control of the Monetary Board. The new system eliminates all transactions under which imports have been linked to exports, including parallel transactions, barter transactions, compensation transactions and regulations on imports on free foreign exchange basis. Imports through the Stock and Supply Foundation have also been terminated. The previous system of import surcharges and additional import certificates will be replaced by single import surcharges of 50 and 100 per cent of the value of imports. Lists of goods classified according to the amount of import surcharges payable are being prepared by the Indonesian authorities. They will be reported in *Foreign Trade* when they become available.

Indonesian importers must deposit, prior to requesting foreign exchange permits on new forms, the total value of the goods to be imported plus the amount of import surcharges. Foreign importers, on the other hand, have to deposit an amount of Rp.5 million before submitting requests for foreign exchange permits. This amount may be used for the payment of foreign exchange and import surcharges. However, once the importer submits proof that he has made the necessary deposit, his request will be processed by mechanical means. There will be no direct contact between employees of the licensing authority and importers.

While the new system retains import and exchange controls on all imported goods, it simplifies the import procedure which had become very complicated. Indonesian authorities expect that the new measures will improve the distribution and reduce prices of imported goods—Djakarta, Sept. 1.

Ireland

IMPORT CONTROLS—By two orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts, 1934 and 1937, further quotas and quota periods have been announced as follows:

Certain woven fabrics of wool or worsted or synthetic or artificial textiles: 850 thousand square yards, as against 1,075,000 square yards for the previous six months.

Hose (other than half-hose) made wholly or partly of silk or artificial silk: 300 thousand pairs as against 400 thousand pairs for the previous six months.

The quota period in each of the above cases extends from September 1, 1955, to February 29, 1956—Dublin, Aug. 10.

New Zealand

INVESTIGATION INTO RATES OF DUTY—The New Zealand Board of Trade proposes to inquire into the question of what rates of import duty should be imposed on hats and caps, and on any parts or materials used in the manufacture of these goods. The item most likely to be of interest to Canada in this investigation appears to be hat-hoods, felt, of wool or fur, or containing fur, unblocked and unsewn (item 165), on which the rate of duty at present is 3 per cent ad valorem applicable to all countries.

Hat-hoods will be free of import control from all countries on January 1, 1956.

Interested Canadian firms may wish to have their views on this investigation placed before the New Zealand Board of Trade, the government body investigating tariff changes. The most effective method of doing so is to request their representatives in New Zealand to act on their behalf before the Board. Evidence should be submitted before October 18, 1955.

United Kingdom

CLOVER SEED ON OPEN INDIVIDUAL LICENCE—The Board of Trade announces in Notice to Importers No. 747, August 24, 1955, that certain varieties of clover and grass seeds originating in and consigned from specified countries may now be imported into the United Kingdom under Open Individual Licence.

In so far as Canada is concerned, the seeds which may be so imported are alsike clover and late flowering red clover (Altaswede).

Open Individual Licences are issued without reference to quantity or value. They will be subject to an undertaking by the applicant to render periodic returns of imports under his licence and, if requested, to supply estimates of expected arrivals of seed.

Licences will be valid for imports until June 30, 1956. Imports from Canada of other varieties of clover and grass seed will continue to be subject to specific licences for each transaction.

United States

CONSULAR INVOICES TO BE ABOLISHED—The United States Treasury Department has announced that Foreign Service Form 138, the so-called Consular Invoice, is to be replaced as of October 1st by a "Special Customs Invoice" form which will not have to be certified by a United States consular officer.

At present, exporters to the United States are required to fill out Foreign Service Form 138 and to submit it to a United States Consul for certification, for which a fee of $2.50 is charged.

Form 138 is to be replaced by a "Special Customs Invoice" for use as soon as possible after October 1st. In the event that the new form is not available by October 1st, shippers may continue to use Foreign Service Form 138 after that date, but certification by Consular officers will no longer be required.

Postings in the Service

C. B. BIRKETT, formerly Area Trade Officer for the Commonwealth, has been posted as Commercial Counsellor to Montevideo, Uruguay. He left Canada early in September.

W. B. McCULLOUGH, formerly Assistant Director, Agriculture and Fisheries Branch, has been posted as Commercial Counsellor to Bogotá, Colombia. He sails for his new post early in November.

Foreign Commercial Representatives in Canada

ARGENTINA
Ottawa—Economic Attaché, Embassy of Argentina, 193 Sparks Street.
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Chargé d'Affaires a.i., Legation of Austria, 445 Wilbrod Street.
Montreal—Austrian Trade Delegate, 1507 Crescent Street.

BAHAMAS
Toronto—Assistant Trade Commissioner, Victory Bldg., 80 Richmond Street, W.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.

BOLIVIA
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

BRAZIL
Montreal—Commercial Attaché, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH GUIANA
Montreal—Trade Commissioner for British Guiana, 37 Board of Trade Bldg.

BRITISH HONDURAS
Montreal—Trade Commissioner for British Honduras, 37 Board of Trade Bldg.

BRITISH WEST INDIES
Montreal—Trade Commissioner for British West Indies, 37 Board of Trade Bldg.

CHILE
Montreal—Consul General of Chile, Apt 131, 3445 Cote des Neiges.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA
Ottawa—First Secretary, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 16, Roxborough Apartments.
Montreal—Consul General of Colombia, 1822 Sherbrooke Street, W.
Toronto—Consul General of Colombia, 499 Oriole Parkway.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 434 Elm Avenue, Westmount.

CUBA
Montreal—Consul General of Cuba, 1117 St. Catherine Street West.

CZECHOSLOVAKIA
Montreal—Commercial Attaché of Czechoslovakia, 1255 Phillips Square.

DENMARK
Ottawa—Royal Danish Legation, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1140 St. Catherine Street West.
Toronto—Assistant Trade Commissioner, Royal Danish Consulate, 114 Danforth Avenue.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 4919 Cumberland Avenue.

EGYPT
Ottawa—Chargé d'Affaires, Egyptian Embassy, Room 616, Chateau Laurier.

EL SALVADOR
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

FINLAND
Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Attaché of France, 610 St. James Street West.
Toronto—Commercial Attaché of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street
Montreal—Consulate General of the Federal Republic of Germany, 1529 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 York Street.
Vancouver—Consulate of the Federal Republic of Germany, 213-214 Crown Bldg., 615 West Pender Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.

GREECE
Ottawa—First Secretary, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 401 Metcalfe Avenue, Westmount.

HAITI
Ottawa—Consul General of Haiti, 18 Rideau Street.
Montreal—Consul of Haiti, 1405 Bishop Street.

HONDURAS
Montreal—Consul General, Consulate General of Honduras, Suite 423, 1117 St. Catherine Street West.

INDIA
Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.

INDONESIA
Ottawa—Commercial Counsellor, Indonesian Embassy, 160 Metcalfe Street.

IRAQ
The Consul General of Lebanon is in charge of Iraqi interests. See address below.

IRELAND
Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL
Montreal—Vice Consul of Israel (Commercial), 1555 McGregor Street.

ITALY
Ottawa—Commercial Attaché, Embassy of Italy, 133 Sparks Street.

JAPAN
Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Vancouver—Japanese Consulate, 510 Hastings Street West.

LEBANON
Ottawa—Consul General of Lebanon, 470 Wilbrod Street.

LUXEMBOURG
Montreal—Consul General of Luxembourg, 4832 Western Avenue.

MEXICO
Montreal—Consul General of Mexico, Room 806, Castle Bldg.

MONACO
Montreal—Consul of Monaco, Room 35, 35 Notre Dame Street West.

NETHERLANDS
Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND
Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NORWAY
Ottawa—Secretary, Norwegian Embassy, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.

PAKISTAN
Ottawa—Commercial Attaché to the Pakistan High Commissioner, 505 Wilbrod Street.

PERU
Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

POLAND
Ottawa—Acting Commercial Attaché of the Polish Legation, 362 First Avenue.

PORTUGAL
Ottawa—Legation of Portugal, 285 Harmer Avenue.
Montreal—Consul of Portugal, 1499 Bishop Street.

SPAIN
Ottawa—Commercial Office, Spanish Embassy, 149 Daly Avenue.

SWEDEN
Ottawa—Secretary, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop Street.

SWITZERLAND
Ottawa—First Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 600 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Acting Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND
Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY
Ottawa—Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA
Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street

UNION OF SOVIET SOCIALIST REPUBLICS
Ottawa—Trade Counsellor, Embassy of the USSR, 285 Charlotte Street.

UNITED KINGDOM
Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 67 Yonge Street.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 540 Burrard Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 504 Main Street.

UNITED STATES
Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY
Ottawa—First Secretary, Embassy of Uruguay, 170 Laurier Avenue, E.

VENEZUELA
Ottawa—Commercial Counsellor, Embassy of Venezuela, Roxborough Apts., Apt. 21.
Halifax—Vice-Consul, Pickford & Black's Wharf.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Toronto—Consul, 25 Adelaide Street East.
Vancouver—Vice Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA
Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 27 Montclair Avenue.

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 buying rate is that at which banks purchase exchange from importers. 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 1·01362.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 2	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying	·1315	7·60	
		Basic buying	·1973	5·07	
		Preferential selling	·1973	5·07	(1)
		Basic selling	·1315	7·60	
		Free	·07078	14·13	
Australia	Pound		2·1983	·455	
Austria	Schilling		·03794	26·36	
Belgium-Luxembourg	Franc		·01962	50·97	
Belgian Congo	Franc		·01962	50·97	
Bolivia	Boliviano	Official	·00519	192·60	
British West Indies	Dollar		·5724	1·75	(3)
	Pound		2·7478	·364	(4)
	Dollar	British Honduras	·6869	1·46	
Brazil	Cruzeiro	Effective selling			
		Category I	·01048	95·44	tax 10% (2)
		Category V	·00304	329·35	*Aug. 23
		Official buying	·05373	18·61	(5)
Burma	Kyat		·2072	4·83	
Ceylon	Rupee		·2061	4·85	
Chile	Peso	Official	·00493	202·72	(1)
Colombia	Peso	Basic	·3946	2·53	(6)
		Free	·2430	4·12	
Costa Rica	Colon	Official	·1757	5·69	
		Controlled free	·1486	6·73	
Cuba	Peso		·9866	1·014	tax 2% (2)
Czechoslovakia	Koruna		·1370	7·30	
Denmark	Krone		·1428	7·00	
Dominican Republic	Peso		·9866	1·014	
Ecuador	Sucre	Official	·06577	15·20	
		Free	·05602	17·85	
Egypt	Pound	Official	2·8330	·353	(7)
Fiji	Pound		2·4755	·404	
Finland	Markka		·00429	233·15	
France	Franc		·00282	354·74	(8)
French Africa	Franc		·00564	177·37	(9)
French Pacific	Franc		·01550	64·52	(10)
Germany	D Mark		·2341	4·27	
Greece	Drachma		·03288	30·41	
Guatemala	Quetzal		·9866	1·014	
Haiti	Gourde		·1973	5·07	
Honduras	Lempira		·4933	2·03	
Hong Kong	Dollar	Free	·1687	5·93	*Aug. 22
Iceland	Krona	Official	·06058	16·51	
		Special buying	·04775	20·94	
		Special selling	·03758	26·61	(11)
India	Rupee		·2061	4·85	
Indonesia	Rupiah	Basic	·08643	11·57	(12)
Iran	Rial	Certificate	·01302	76·78	
Iraq	Dinar		2·7624	·362	
Ireland	Pound		2·7478	·364	
Israel	Pound		·5481	1·82	
Italy	Lira		·00158	631·71	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 2	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00274	364·83	
Lebanon	Pound	Free	·3054	3·27	
Mexico	Peso		·07893	12·67	
Netherlands	Guilder		·2578	3·88	
Netherlands Antilles	Guilder		·5195	1·92	
New Zealand	Pound		2·7478	·364	
Nicaragua	Cordoba	Effective buying	·1495	6·69	
		Official selling	·1399	7·15	
Norway	Krone		·1381	7·24	
Pakistan	Rupee		·2061	4·85	
Panama	Balboa		·9866	1·014	
Paraguay	Guarani	Basic	·04698	21·29	(1)
		With Surcharge I	·03654	27·36	
		With Surcharge II	·02740	36·49	(13)
Peru	Sol	Certificate	·05192	19·26	
Philippines	Peso		·4933	2·03	tax 17% (2)
Portugal	Escudo		·03443	29·04	(14)
El Salvador	Colon		·3946	2·53	
Singapore & Malaya	Straits dollar		·3206	3·12	
South Africa (Union of)	Pound		2·7478	·364	
Spain & Dependencies	Peseta	Basic buying	·04505	22·20	
		Basic commercial selling	·06006	16·65	(1)
		Free	·02533	39·48	
Sweden	Krona		·1907	5·24	
Switzerland	Franc		·2302	4·34	
Syria	Pound	Free	·2748	3·64	*May 31
Thailand	Baht	Free	·04422	22·62	*June 30 (1)
Turkey	Lira		·3523	2·84	
United Kingdom	Pound		2·7478	·364	
United States	Dollar		·9866	1·014	
Uruguay	Peso	Official	·6495	1·54	tax 6% (2)
		Basic buying	·5542	1·80	(1)
		Special buying	·4198	2·38	
		Basic selling	·5192	1·93	
		Special selling	·4027	2·48	
Venezuela	Bolivar		·2945	3·40	
Yugoslavia	Dinar		·00329	304·14	

* 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

Japan Register of Merchants, Manufacturers and Shippers, 1955-56

Japan Chamber of Commerce and Industry. 952 pages. U.S.$10.00 (postage included).

THE LATEST EDITION of this Register, which has been published since 1950, incorporates several improvements to make reference to it quicker and easier. Its main feature is an extensive list of trading and manufacturing firms, both native and foreign, which are operating in Japan. Information about each covers office and factory addresses, products made or handled, capital employed, cable addresses and the code used.

A second section gives an alphabetical list of commodities and the firms handling them, data on foreign trade procedures, commercial arbitration rules, and lists of various commercial organizations.

Order from: Japan Register Publishing Office, Tokyo Chamber of Commerce and Industry Bldg., Tokyo, Japan.

Ten Years of Equipment and Expansion of Great French Industries

Special edition, "The Magazine of French Production". 170 pages. $2.80.

IN 1945, France turned to the task of reconstructing and modernizing her great industries and of finding new sources of power for them. These pages bear witness to the vigour with which the task was attacked and to the success achieved. In the ten years 1945-1955, for example, about 430 billion francs were invested in the steel industry. The result: a rise in production from 4·7 million tons of steel (Saar included) in 1946 to 13·0 million tons in 1954. Moreover, French steelmen built the big new steel plant at Paz de Rio in Colombia and French steel has gone into a new water supply system at Mecca.

It is indeed a heartening story that this special edition of a well-known French periodical has to tell. In electric power, oil, railway rehabilitation, automobile manufacture, aircraft, and so on, the facts attest the progress made. In his foreword, the Minister of Trade and Industry recognizes the need to reduce French production costs and to step up productivity, and cites the steps being taken.

Businessmen with an interest in the French market should find this survey valuable; it presents a great deal of information attractively and succinctly, without page upon page of statistics.

Order from: Productions Export Francaises, 65 rue de la Victoire, Paris, France.

Review of the General Agreement on Tariffs and Trade

Presented by the President of the Board of Trade to Parliament by command of Her Majesty, March 1955. 75 pages. 55 cents.

BRIEF BUT COMPREHENSIVE, this publication covers admirably the ninth session of the GATT in Geneva. The session was an important one, concerned with a sweeping review of the Agreement in the light of the experience since 1947.

Following a clear-cut introductory note, the booklet gives the text of the various articles revised and drafted during the meetings. Some of the issues dealt with are of particular interest—notably the agreement on the Organization for Trade Co-operation, the proposed permanent administrative core of the GATT. The section dealing with the quantitative restrictions under the U.S. Agricultural Adjustment Act is given due importance, and the reader will find here the actual wording of the waiver and its various conditions. The relevant section 22 of the U.S. statute is reproduced. Other sections of special interest deal with concessions to be granted to underdeveloped countries and with consultations on the disposal of surpluses. All businessmen anxious to keep abreast of changes in the GATT will find this booklet valuable.

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