CANADA

foreign trade

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cover This young African has a chance to show his fortitude as the doctor vaccinates him at a Salisbury, Southern Rhodesia, clinic. The new Federation Government provides medical services free to all Africans and buys on tender large amounts of medicines and pharmaceuticals. For a report on opportunities for Canadian suppliers of these products, see page two.

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The Federation:

Market for Pharmaceuticals

Rhodesia and Nyasaland offers promising market for pharmaceutical products, with 6½ million Africans whose medical needs the Government largely supplies. Import licences are freely granted in this field and preferential tariff favours Commonwealth suppliers.

E. G. McKRILL,
Office of the Trade Commissioner, Salisbury.

THE FEDERATION OF RHODESIA AND NYASALAND has become a large and growing market for antibiotics and other pharmaceuticals—a market which Canadian firms in this field might well cultivate. There are several reasons for its increasing importance as a consumer of medicines, but among the more important are:

- Out of the seven million population of the Federation, about 6½ million are Africans, many of whom know little about ordinary hygiene.
- The over-cultivation of land by the African farmer and lack of trace elements in the soil, which mean that locally-grown food has less nutritive value than food raised in cooler climates. Hence sales of vitamins, and of Vitamin B tonics for children, are large.
- The average African diet, which consists mainly of ground maize and meat, makes the natives subject to deficiency diseases and to constipation—hence the large sale of purgatives and other medicines.
- The high incidence of V.D., bilharzia (a disease caused by a parasitic worm) and malaria among the African tribes. It is worth noting that although the natives' resistance to an epidemic is poor, they are usually able to tolerate a dose of any drug or injection well in excess of a normal European one. And, as in many other countries, the average native is far more convinced of the efficacy of a medicine when it is given in the form of an injection.

Medical Services Supplied

In considering this market, the Canadian businessman should keep in mind several other salient facts. First, all hospitalization for Africans living in the Federation is free and the Government pays the bill, if the native uses the medical services which it provides. It calls for tenders several times a year covering such things as aspirin, anti-malaria tablets, croton oil, blue pills, etc., and the quantities of pills needed annually run into millions. Consequently, the lower the price quoted, the more chance the tenderer has to obtain the contract. All goods must conform to the B.P.C. standard.

The Government also has an assisted medical scheme for European civil servants and its own medical service for the armed forces and police. The railways too have their own medical supply scheme, also run on the basis of tenders, and medical services are supplied free to railway employees.

Big African Retail Trade

For the African trade, there are numerous brands of cheap hair oil and soaps, commonly known as "store" lines, which are sold by all small native trading stores throughout the country. And there are 2,806 of these in the Southern Rhodesian native areas alone. Large quantities of cereals for African babies are also sold, and even the most rural African uses these cheap but effective growth producers to feed his young family.

Sale of Ethical Drugs Controlled

There are 917 doctors, 351 chemists, 145 dental surgeons and 36 opticians in the Federation. And in the pharmaceutical business there is a by-law which states that 50 per cent or more of the directors or owners of any pharmacy must be qualified chemists to an

M.P.S. standard. The Health Department controls the sales of habit-forming drugs. However, the supply to Europeans of sulfa drugs and certain antibiotics is permitted on purchaser's signature, although Africans are not allowed to buy them without a doctor's prescription. Otherwise a large black market for the sale of these drugs to African V.D. sufferers might develop in spite of free hospital treatment, because the African is generally loath to enter a hospital.

It has been estimated that 90 per cent of the African recruits to the police and army are infected with bilharzia and the drug Miracil, which cures it effectively, is widely used. In spite of the cures credited to this drug, the recruit usually manages to re-infect himself the first time that he returns to his reserve or kraal on leave.

Veterinary preparations have a large market too and several British firms which make these products are the largest exporters to this area. South African firms lead in supplying animal dip solutions and some other products.

Main Suppliers

Some idea of the market for pharmaceuticals in the Federation is shown by the following table covering the year 1955. Veterinary preparations are not listed separately but are included in the general figures.

IMPORTS JANUARY-DECEMBER, 1955

(Value in £ sterling)

Country of Origin	*Medicinal Preparations*	*Drugs and chemicals for dispensing*	*Cinchona alkaloids*	*Antibiotics*
United Kingdom	375,731	53,584	30,429	132,772
South Africa	353,947	1,411	1,302	7,657
Canada	1,834	601		
United States	13,585	623		30,625
Switzerland	3,395			
India	2,069			
Australia	3,559			
Kenya	1,046			
France	1,942		874	
Belgium	1,396			5,977
Netherlands	2,125			22,023
West Germany	3,937	2,295	3,025	
Italy		1,579		4,714
Others		3,672	811	73
Total	764,566	63,765	36,441	203,841

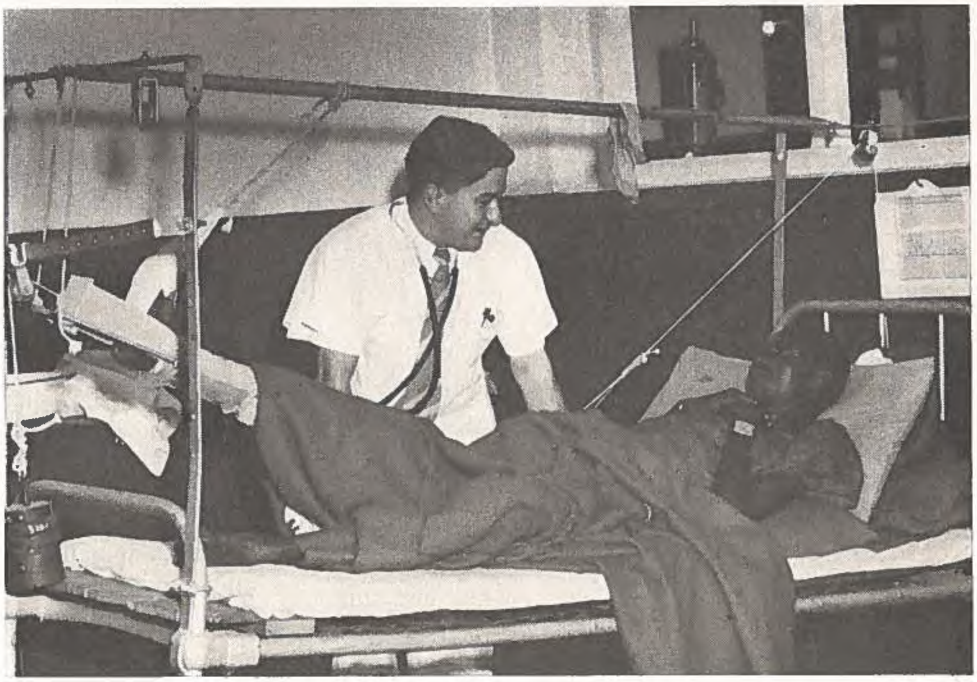
All values f.o.b. country of origin.

Freight Costs and Duties

Freight rates are high for pharmaceuticals carried from African ports to the Federation towns. For instance, most pharmaceuticals are classified as rate I, and from Beira (Portuguese East Africa) the rail charge is 209 pence per 100 lb. and from Port Elizabeth (South Africa) the rate is 476 pence (approx. $5.60) per 100 lb.

To offset this, some of the local representatives import in bulk, which means that the goods can be imported duty-free and "finish packed" in the Federation. Other firms have tried making the products locally for overseas houses but in some instances the locally-made article has proved more expensive than the imported one.

A European doctor checks on one of his African patients in the hospital maintained by one of the mining companies in Southern Rhodesia. These hospitals are large buyers of many types of pharmaceuticals.



Duties for the most part are moderate and some pharmaceutical items enter free. Details are as follows:—

	Most favoured nation, e.g. United States	*Self-governing countries of British Commonwealth e.g. Canada*	*U.K., British Colonies and Protectorates, South Africa*
Medicinal preparations..........	25%	20%	15%
Antibiotics.....................	5%	Free	Free
Toilet preparations.............	30%	30%	20%
Stock remedies for diseases of livestock....................	Free	Free	Free
Antitoxins, sera, etc............	Free	Free	Free
Insulin.........................	Free	Free	Free
Drugs and chemicals for dispensing......................	5%	Free	Free
Cimchona alkaloids..............	Free	Free	Free
Cinchona preparations..........	Free	Free	Free
Approved malarial treatment substances....................	Free	Free	Free

The 1955 edition of the *Canadian Trade Index* lists 51 Canadian pharmaceutical manufacturers who are interested in the export market. Yet, to judge from the small Canadian exports of these products to the Federation, it is obvious that many of these firms are not making sales here. This is despite the fact that import licences are freely granted for the purchase of such products, even from dollar countries. Perhaps they are unaware of the existing potential in this area.

Canadian pharmaceutical companies who wish to sell in this market should write for help and advice to the office of the Canadian Government Trade Commissioner, P.O. Box 2133, Salisbury, Southern Rhodesia.

United States Customs and the Canadian Exporter

The Treasury Department of the U.S. Government moves to help exporters to understand and to unravel the intricacies of the Customs law. New procedure established should help in determining rate of duty in advance of shipment and in tackling appraisal problems.

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

FOR SOME TIME the intricacies and uncertainties of the United States Customs law have baffled and frightened exporters wishing to enter the great United States market. From time to time, efforts have been made to simplify the law and considerable progress in this direction has been achieved both by changes in the Act and by improvements in its administration. Nevertheless, the Customs law remains complicated and difficult to understand, particularly as it relates to appraisal and valuation of goods.

The United States Administration has now taken certain steps to help exporters to understand the law and to deal satisfactorily with it. We hope and believe that these steps will prove to be of great importance to exporters trading with the United States. The new procedures are outlined in the following letter dated March 28, 1956, written by the Commissioner of Customs, Mr. Ralph Kelly, to the Canadian Embassy at Washington:

> "Mr. E. J. Cannon, appraiser at Buffalo, New York, is authorized to discuss matters relating to appraisement, classification, marking and other related topics pertaining to the importations of merchandise from Canada. You are free to request him to discuss any of such matters with trade groups or individual manufacturers and shippers either at the sites at which such groups or individuals are located, or at the office of the appraiser in Buffalo. It is understood that this activity is in addition to Mr. Cannon's regular duty as appraiser of the Buffalo customs district and that appointments with Canadian manufacturers must be adjusted with his regular work.
>
> "This is not confined to current shippers or shipments. Mr. Cannon is at your service in the

event that shippers of new commodities desire to get pertinent information prior to entering the United States market.

"It is to be understood that Mr. Cannon's information is advisory only and is not binding upon the United States Government. Mr. Cannon will forward a resumé of the information he obtains to the Bureau which in turn will review the data and see that such information is placed in the hands of appraising officers all along the border. In this manner we will obtain uniformity of action as to the basis of appraisement which would not be disturbed unless there was a change in the business practices employed by the shipper, change in prices, change in the law, etc.

"On your part, it is requested that you circulate this letter to the various trade organizations in Canada requesting them to advise all of their members. This arrangement should also receive as wide a coverage as possible in the various newspapers in Canada as I believe it will be a great forward step in improving relations and developing more trade.

"The office of Mr. Cannon is located at 243 Washington Street and his telephone number is Madison 0379."

Appraisal Problems

Instructions have gone out to the appraisers about implementation of this letter and Canadian firms which have problems with the United States Customs are invited to take advantage of these new arrangements. Mr. Cannon will also be glad to receive requests to meet with trade associations, Chambers of Commerce, or other groups of interested persons to discuss and advise on matters pertaining to the United States Customs.

For a long time it has been possible for foreign firms to obtain rulings in Washington on the correct classification of articles before shipment that have applied at all ports of entry. The more complicated and difficult question of the appraisal value, however, has hitherto been dealt with after the arrival of actual shipments. The existing method of obtaining advance classification rulings in Washington will continue to be used, but if any firms also have an appraisal problem the two may be dealt with as the letter explains.

What This New Procedure Does

Under this new procedure it will be possible for an exporter to:

1. Find out before shipping his goods the rate of duty payable on import through any port of entry in the United States and the approximate value on which it will be assessed.

2. Discuss means of dealing with the complications of the United States method of appraisal with a qualified Customs expert. Thus, when the application of the appraisal law to an import results in an ad valorem duty being applied to a value that is substantially above the actual selling price, the exporter will be able to minimize or eliminate this discrepancy.

What the Procedure Does Not Do

- It will not in any way change the existing classification or lower the rate of duty.
- It will not give Canadian exporters any preferred treatment over exporters from other countries.
- It will not condone dumping.

Importance of New Procedure

A consideration of these few facts will indicate that, although the difficulties and intricacies of the United States Customs law still remain, a method for dealing with these problems satisfactorily has been established. This procedure should therefore go a long way towards eliminating most of the invisible barriers that so many exporters have complained about as hindering (and in some cases actually preventing) the development of the United States market.

This, then, is a big step forward. If Canadian firms find, or believe, that they can compete successfully in the United States market after paying the rate of duty established (in advance) for their particular product when applied to its approximate selling price in the United States market, then in nearly all cases they should be able to cope with the other invisible barriers that have in the past held back the development of their trade. It is not suggested that the solution will be either obvious or easy. However, the tools to cope with these difficulties have been furnished and, if they are used with determination, persistence, and ingenuity, the results should be satisfactory.

The Canadian Embassy in Washington and the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa have worked closely with the United States Bureau of Customs and with the appraiser at Buffalo on these matters. They will be glad to hear from any Canadian firm and to help in interpreting the law and suggesting how best to cope with it. ●

Those interested in further background information on the matter discussed in this article should refer to articles in Foreign Trade *of December 10, 1955, and March 17, 1956—Editor.*

Trade Terms and the Exporter

Many terms used in international trade have, over the years, come to have a precise meaning. Proper understanding and correct use of these terms is vitally important to the foreign trader. Some of them and their application are discussed and defined in this article, the seventh in our series on the techniques of export trade.

J. O. STRATTON,
Vice-President, Globe Customs Brokers Inc.

IN INTERNATIONAL TRADE there are a number of special terms—especially in connection with marine insurance—which are an integral part of that trade but which are unfamiliar in everyday language. Many of these phrases derive from ancient laws and customs of the sea and of trade.

They have one valuable feature—from long usage they have come to have meanings as precise as scientific terms. As one example, the word "freight" in shipping law is limited to meaning the price paid for the transportation of the goods. The goods themselves are called "cargo". It has been said that the law of the carriage of goods by sea and the law of marine insurance are both the essence of simplicity in theory: it is only in practice that complexities become apparent.

Because of Canada's geographical position and its size, goods and merchandise have to be transported great distances from their source to the consumer. The cost of such transportation must figure appreciably in the value of the merchandise and it is, therefore, most important that both buyer and seller at all times clearly understand who is to pay for the transportation. Ignorance on this point could quite easily transform what should be a profitable undertaking into a disastrous loss.

Moreover, the services of various specialists are required to ensure the prompt and efficient movement of goods from one country to another. These various essential services cost money and have to be considered in addition to the actual cost of carriage when one is buying or selling merchandise.

It is therefore of vital importance in international trade transactions to determine the exact point at which the title of the goods and with it the expense and responsibilities change from seller to buyer.

Every commercial transaction is based upon a contract and the trade terms have the important function in that contract of naming the exact point where the ownership of the merchandise is transferred from the seller to the purchaser. At the same time, the contract defines the responsibilities and expenses of the seller *up to that point* and those of the buyer *at that point.* In using the various trade terms, it is important to remember that the rights of each party correspond to the duties of the other.

Trade Terms Vary

The chart on page 8 illustrates the various points at which title changes. All charges above the line to domicile are for buyer's account.

Before dealing in detail with some of the more widely used trade terms, it should be pointed out that they are not accepted in all details by all trading countries. These terms have come into use over many years and although they are accepted in broad outline by the chief traders, the businessman must be on the watch for variations in various countries and even in certain trades.

The International Chamber of Commerce, through its National Committees, has done important work towards achieving uniform understanding among all member countries of the terms generally used in international trade.

The result of their work is the set of rules known as *Incoterms 1953* which offer the certainty of uniform rules in place of the uncertainties of the varied interpretations of the same terms in various countries. *Incoterms* lays down categorically that the *seller must* and the *buyer must*—there are no half measures—the various responsibilities are written out in detail. It covers seventeen different trade terms.

Where there were major differences in current practice, the principle was adopted that a contract price settled on the basis of *Incoterms 1953* would provide for minimum liabilities on the part of the seller, leaving it to the parties to provide in their contracts for greater liabilities than those in the set of rules, if they wished to do so.

In a few instances, provision must be made for the custom of a particular trade or port. Again variations may be required, such as "*Incoterms 1953,* C.I.F. plus War Risk Insurance", when the buyer insists on protection against war risks.

"As Is, Where Is" and "Franco Delivered"

The simplest sale on the part of the seller is "as is, where is". This type of sale is common at auctions, sales by government agencies of surplus goods, and so on. Where the sale is for export, the seller must guarantee the availability of an export permit, but there his responsibility ends. Last year, for example, a foreign government offered for export a quantity of firearms "as is, where is". The foreign buyer had the expense and responsibility of packing the guns, moving them to the port of export, and all other details in having them shipped until cleared through Customs of his own country and placed in his own warehouse.

The easiest terms of sale as far as the buyer is concerned is *franco delivered,* including duty and local cartage, to his warehouse. The buyer has only the responsibility of obtaining an import permit, if one is necessary, and passing the customs entry—at the seller's expense.

Steps in Moving Merchandise

Between the two terms of sale already described there are many expenses that accrue to the goods in the country of export. That is why it is normal for the buyer (importer) to appoint an agent such as a freight forwarder in the country of export. The following are some of the steps required in moving merchandise from the factory to ship's departure:

- Export permit (if required)
- Currency permit (if required)
- Export packing
- Cartage
- Carriage to the docks, including preparation of bill of lading and payment of carriage
- Payment of wharfage and/or shed storage
- Weighing and sampling, if required
- Completion of any necessary customs export formalities
- Preparation of customs or consular invoices, as required in the country of destination
- Preparation and submission of the ocean bills of lading
- Prepaying ocean freight, if necessary
- Obtaining insurance certificate—or policy—as required

The answer to the question who pays for any of these depends upon the terms of sale.

In dealing with the various terms, the businessman should bear in mind that some of them, as will be explained, have become loosely used, especially in North America, no doubt because they were first applied to domestic movements. It is usually best to interpret each term in its literal sense. This means, for example, always using the term "ex factory", rather than "F.O.B. factory" and avoiding any possible confusion between "ex factory" and "F.O.R."—(free on rail—or truck).

Briefly, one should remember that F.O.B. means free on board and means that the seller's responsibility and liability do not cease until the goods have passed the ship's rail. The term should, therefore, always be F.O.B. ship . . . (named port).

F.O.B. Ship (Named Port)

The seller must:—

1. Deliver the goods on board the vessel named by the buyer at the named port of shipment, in the manner customary at the port, and at the date or within the period stipulated.

2. Provide at his expense for customary preparation and packing appropriate to the nature of the goods and to their carriage by sea.

3. Bear all costs payable in respect of the goods until such time as they shall have effectively passed ship's rail at the port of shipment.

4. Give the buyer, at his own expense, such notice of shipment of the goods as may enable the buyer to insure the goods.

5. Provide at his expense the customary "clean" document, in proof of delivery of the goods on board the vessel.

6. Bear the costs of checking operations (such as checking of the quality, measure, weight, quantity) necessary for the purpose of loading the goods on board at the port of shipment.

7. Bear the costs of all dues and taxes payable in respect of the goods for the purpose of loading them on board.

8. Bear all the risks of the goods until such time as they shall have effectively passed ship's rail.

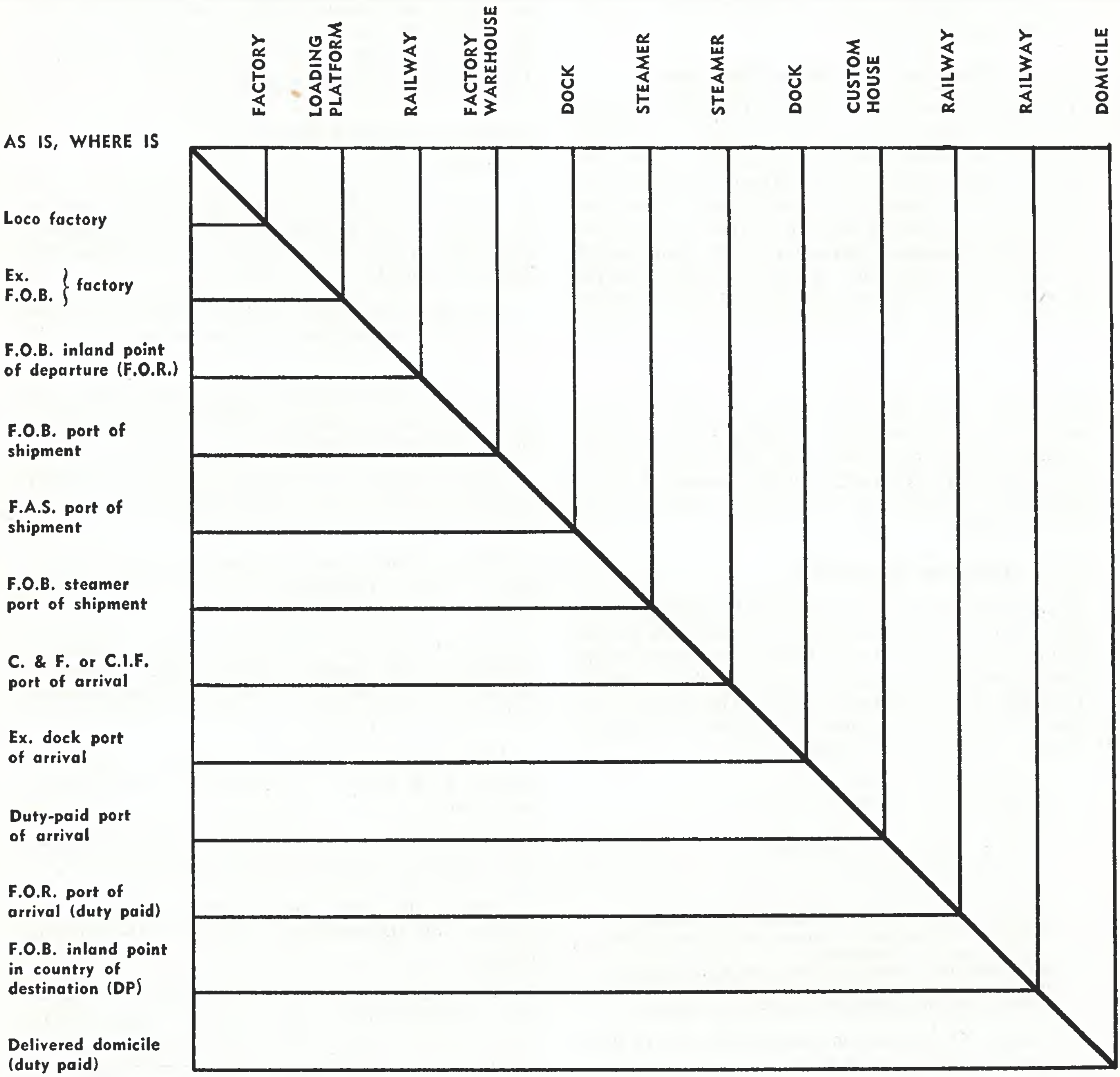
9. Provide the buyer, at the buyer's request and expense, with the certificate of origin and the consular invoice.

We have seen how confusing F.O.B. factory could be and similarly F.O.B. port of export—e.g., F.O.B. Montreal—can equally cause trouble because, in some cases, the seller really means F.O.R., or "ex factory".

F.A.S. (Free Alongside Ship)

F.A.S. (Free Alongside Ship) . . . (named port of shipment) is quite widely used and its meaning is clear.

Trade Terms and Definitions



All changes above the line to Domicile for buyer's account

The seller must place the goods alongside the vessel during its loading period and pay all charges up to that point. Although the seller's legal responsibility finishes once he has obtained a clean wharfage receipt, actually, as in other terms, he is obligated to assist the buyer (at the buyer's expense) to obtain any other documents which the buyer requires to complete export and carriage, plus requirements for clearance at destination. This term is particularly convenient when dealing in heavy commodities such as locomotives, etc.

C. and F. and C.I.F.

C. & F. (cost and freight) and C.I.F. (cost, insurance and freight) . . . (named port of destination) are also widely used and have been urged on both importers and exporters alike by experts. Exporters feel that under such terms they can channel all their exports in bulk through the agent (forwarder) of their choosing to their own port of export and then be in a position to patronize a flagship of their own country. From the importer's point of view these terms mean fewer responsibilities for him because it is the exporter who gambles (unless there is a suitable clause in the contract) on fluctuations in freight and insurance rates.

C.I.F. is a documentary transfer and it is therefore necessary for the importer to take up the documents at his bank even if the ship does not reach destination. Moreover, although the seller pays the cost of ocean transportation, the goods travel at the risk of the buyer.

Sometimes the seller is willing to assume the risk of exchange fluctuations that may occur between acceptance of the contract and the date of payment. In such cases the price is quoted C.I.F. & E. or F.O.B. & E.

C.I.F. & C. means the commission charged by a middleman is included in the price. Prices quoted C.I.F.I.C. is again a step farther, including not only the commission but also the interest charges which accumulate to considerable amounts in indent transactions.

However, traders should be most cautious at all times in using variations of the terms C. & F. or C.I.F. in their contracts. The reason is that over the years the courts have handed down judgments defining the various responsibilities of C.I.F. and C. & F. and the addition of a phrase may cause a court to refuse to recognize the variations as being a C.I.F. or C. & F. contract at all.

Arbitrating Disputes

In settling disputes which arise over the question of whether the contract has been properly carried out, importers and exporters have suffered under the disadvantage of being uncertain about what law of what country will apply to their contracts. The International Chamber of Commerce *Incoterms 1953* suggest that the insertion in foreign contracts of the following clause should take care of any necessary commercial arbitration:

> *"All disputes arising in connection with the present contract shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the rules."*

In many foreign countries, such as France, the United Kingdom, Italy, Norway, Belgium and the Netherlands, there are special commercial courts composed of businessmen who can, by reason of their powers plus knowledge of various trades, quickly arbitrate all disputes. In Canada no commercial courts exist, but a number of Boards of Arbitration do perform similar functions.

Meaning Must Be Clear

At all times, it is essential when either buying or selling internationally that the terms used shall have a clear and explicit meaning in the contract. Not only should both parties to the contract be aware of these terms but any agent who is appointed (such as a freight forwarder) should also be acquainted with the terms so that he will know who is responsible for the various charges.

Whenever inland freight is involved, the buyer should be informed of any applicable carload rates and be given the necessary minimum quantity. And when the ocean freight is collect, the seller should discover whether or not the buyer is a signatory to the Steamship Conference operating between the two countries.

For reasons already explained, even on a C.I.F. quotation it is advisable for the buyer to satisfy himself that the seller has insured adequately against marine risks, etc. In dealing with F.O.B. named port of export, it is usual for the buyer to take out full coverage warehouse to warehouse. However, if the seller is not situated in the actual port of export, it is advisable for him to take out his own insurance to F.O.B. point because, although the buyer has warehouse-to-warehouse cover, his insurable interest does not begin until the goods reach the F.O.B. point.

Misunderstandings can occur when trading terms are not clearly understood, and similarly difficulties can result if other terms, such as weights or measurements, are not clearly defined. When goods are sold by weight, it is essential to specify whether the price refers to *net weight* or *gross weight*. Usually the price is based on net weight. Packing is often a considerable item in export trade and contracts should specify clearly who is responsible for the cost of export packing.

The same name is given in different countries to units of weights and measurements which are in fact of different value. The libra of Argentina is equal to 1·0142 American lb., the libra of Mexico to 1·0146 lb., and that of Venezuela to 1·0161 lb. In most Latin American countries, 25 libras make one arroba while in Brazil there are 32 to one arroba. The United States and the British West Indies use the Queen Anne gallon, but the rest of the English-speaking world uses the imperial gallon. Commercially six American gallons are equivalent to five imperial gallons.

An English ton (often referred to as the long ton) is 2,240 lb. but the American or short ton is 2,000 lb. The metric ton is 2,204·62 lb. and the Spanish ton 2,271·64 lb. A hundredweight, which is abbreviated as cwt., is 112 lb. in the United Kingdom and 100 lb. in the United States.

A shipping ton for freight-rate purposes is equivalent to 2,240 lb. or 40 cubic feet, and the steamship company normally uses the measure that gives it the greater revenue. Certain conferences operating from the United States work on a 2,000 lb. ton. Here again, the businessman must always be sure of the exact meaning of the terms he uses.

Incoterms 1953 *may be obtained from the Canadian Council of the International Chamber of Commerce, 1411 Crescent Street, Montreal 5, Quebec; price 75 cents. A larger volume,* Trade Terms, *interprets ten trade terms as used and understood in eighteen different countries. It too may be obtained from the Canadian Council of the I.C.C., at a price of $2.00 to I.C.C. members and $3.50 to non-members.*

The definition of trade terms in the United States is frequently based on Revised American Foreign Trade Definitions 1941, *adopted by a joint committee representing the Chamber of Commerce of the United States of America, the National Council of American Importers, Inc., and the National Foreign Trade Council, Inc., and published in a pamphlet by the National Foreign Trade Council, Inc., 111 Broadway, New York 6, New York. Price 10 cents—Editor.*

transportation notes

Austria

ELECTRIFICATION OF RAILWAYS—About 25 per cent (1,456 km.) of the Austrian railway network has been electrified and a further 1,044 km. will be electrified between now and 1963, making a total of 2,500 km. or 41 per cent of the entire network. Of the 160 electric engines ordered during recent years, 65 were put into operation during 1955 and six during the first three months of 1956. A further 200 to 220 electric engines are being ordered which will bring the total stock to 650. Conversion of the railways to electric power, reserves of which are plentiful, is estimated to have reduced coal imports by approximately one million tons—Berne, May 7.

Denmark

MERCHANT NAVY—According to the 1955 report issued by *Lloyd's Register,* total Danish gross tonnage was 1,651,686. The Danish tanker fleet totalled 504,198 g.r.t. Denmark's share of total world tonnage was 1·64 per cent in 1955 compared with 1·72 per cent in 1939, a drop of 0·08 per cent. In tankers Denmark ranged eleventh in world tonnage, having approximately 2 per cent of total world tanker tonnage.

According to a survey submitted by the Danish Shipping Association, Danish shipping activities brought in about 1·2 milliard kronors worth of foreign currency in 1955 (an increase of 225 milliard kronors compared with 1954), or one-sixth of Danish commodity exports which totalled 7·2 milliard kronor last year—Copenhagen, April 27.

Indonesia

NEW AIRFIELD—The Indonesian Department of Civil Aviation has announced that a start will be made this year on construction of a new airfield at Menganti, near Surabaia. The work is expected to take about five years and cost approximately 60 million rupiah—Djakarta, April 26.

HARBOUR REPAIR—A 325 million rupiah contract has been awarded to a French company for construction and repair of certain harbours in Indonesia. The main work will include the building of an oil storage harbour and the widening of the third basin at Tandjong Priok, the harbour for Djakarta—Djakarta, April 26.

Italy

LOANS TO STATE RAILWAYS—The Government has granted the State Railways authority to obtain loans from the Public Works Credit Consortium of up to a further 40,000 million lire, to continue electrification of the railways and to improve rolling stock —Rome, April 30.

HARBOUR RECONSTRUCTION—Since the end of World War II, 45 billion lire has been spent on reconstruction work in Italian harbours, and a further seven billion lire will be used shortly to reconstruct Trieste harbour. This reconstruction, and that planned for the future, is necessary because of war damage and the greatly extended activities of the postwar Italian merchant shipping fleet.

A violent storm in February 1955 destroyed beach works and harbour equipment in Genoa and 11½ million lire is needed for repairs and strengthening. Eight hundred million lire will be required to complete the reconstruction of Leghorn harbour and a total of 5·135 billion lire for Civitavecchia harbour. An additional 1½ billion lire is needed to complete work in the harbours of Naples and Bari. Finally, as well as the 135 million lire already allocated for the Cagliari harbour, a further two billion lire will be allocated to adjust installations to this harbour's growing traffic—Rome, May 8.

Norway

SHIPPING—At the end of December, total tonnage of the Norwegian merchant fleet amounted to 11·5 million tons deadweight. The foreign exchange earnings of the fleet during 1955 are estimated at Norwegian kroner 2,400 million, compared with kroner 1,750 million in 1954. At the end of 1955, Norwegian shipping companies had contracts to build new vessels totalling three million gross registered tons. On January 1, 1956, only four vessels, totalling 9,775 gross registered tons were laid up, compared with 11 vessels of 43,214 tons on September 1, 1955 —Oslo, May 2.

South Africa

RECORD HARBOUR TRAFFIC—The Union's major ports handled a record volume of 15,615,491 tons last year, an increase of 2,073,078 tons or 15·3 per cent over 1954. Each of the five ports also set individual records. Large sums have been spent to make it possible for the harbours to take care of increased tonnage but they are still unable to cope at peak periods. More than £2 million has been invested in Cape Town alone, and improvements are being made to the other Union ports—Cape Town, April 27.

Sweden

AIR SERVICE TO MOSCOW—The Scandinavian Airlines System (SAS) will shortly begin a direct air service between the Scandinavian capitals and Moscow; routes will be via Riga. Agreements to this effect have been concluded between the Swedish, Danish, Norwegian and Soviet Governments. SAS will have its own representatives in Moscow—Stockholm, May 3.

NEW AIRCRAFT—The Scandinavian Airlines System (SAS) recently signed a contract for the purchase of seven Douglas DC8 jet long-distance planes from the United States. The total purchase will cost about $50 million, of which $30 million will be financed by a loan in the United States and the remainder by the company's own funds—Stockholm, May 3.

ROAD CONNECTION WITH NORWAY—An agreement has recently been drawn up between Sweden and Norway regarding transit traffic via harbours in the Trondheim Fjord. The agreement provides for a new road to join the Norwegian and Swedish main roads which now end at Turifoss on the Norwegian side and at Enafors on the Swedish side. Sweden will be responsible for most of the cost of the roadbuilding, which has already begun on both sides of the border. The new road will be 35 kilometres long and will probably be completed by October 1958. The agreement also provides for new and less complicated rates for transit freight on the railway between Sweden and Norway. The Norwegian authorities have agreed to permit the building of an oil harbour in the Trondheim Fjord to store Swedish oil and also a pipeline over to Swedish territory; the Swedish authorities have not yet reached a definite decision as to whether a pipeline is to be constructed—Stockholm, May 3.

Turkey

SHIPPING—A 21,000 gross ton tanker being built in Japan and three 5,000 gross ton cargo vessels being built in the United States will soon be added to Turkey's merchant fleet. Turkish tonnage has increased from 137 thousand tons in 1940 to 510 thousand gross tons, of which 370 thousand gross tons are owned and operated by the state-financed Turkish lines—Athens, April 27.

Americans Buy More Frozen Food

Canadian food wholesalers and retailers should find valuable information in this report of the growing popularity of frozen foods with U.S. consumers. Sales last year rose 10 per cent; prepared foods showed greatest gain, with pot pies outstanding. Experiments with frozen meat under way.

W. C. HOPPER,
Agricultural Counsellor, Washington.

PRODUCTION AND CONSUMPTION OF FROZEN FOODS in the United States has grown remarkably in recent years, according to a report by the president of the National Frozen Food Distributors Association. Americans bought a total of 7·5 billion lb. (edible weight) of frozen foods during 1955, an increase of 10 per cent over 1954. In every year but one since food was first commercially quick-frozen in the 1930's, consumption has increased. Per capita consumption last year reached 45 lb. compared with 41 lb. in 1954 and 17 lb. in 1949.

This growth in sales of frozen foods constitutes a revolution in retail food merchandising. When this steady growth is projected ahead on the known and expected sales increases, it seems reasonable to assume that frozen foods will represent 10 per cent of all grocery store business within a few years. This would give them third place among grocery products, outranked only by meats and fresh produce, the president said in his report.

SALES OF ALL FROZEN FOODS

(million lb.)

Vegetables	1,031
Poultry	900
Fruit juices	829*
Prepared foods	625
Fruits	531
Seafoods	384†
Eggs	341
Meats	250

* This is store weight. Reconstituted or edible weight was 3,410 million lb.

† If 67 million lb. of fish sticks, included under prepared foods, are added to the seafood total, that industry's frozen food sales come to 451 million lb.

The cost of store cabinets has been a handicap in the growth of sales of frozen foods. The fruit and vegetable packers have collected a fund to finance a research program with the object of developing a practical multi-level display cabinet, which would save floor space in small stores.

• *Frozen Prepared Foods*—All classes of frozen foods shared in the 1955 increase in sales, but prepared foods—mostly heat-and-eat varieties—showed the greatest gains. Among these, pot pies were the outstanding item. In fact, pot pies outranked all other frozen foods in dollar sales, with the exception of orange juice.

The following estimates of total sales of prepared foods in 1955 were supplied by leading packers:

(million lb.)

Pot pies	150
Potato products*	100
Fish sticks	67
Complete dinners	50
Waffles	20
Fruit pies	15
Other	223
Total	625

* Mainly french fried potatoes.

• *Frozen Vegetables*—Although the greatest increase between 1954 and 1955 was in prepared foods, frozen vegetables led all frozen foods in volume of sales. Sales of frozen vegetables in 1955 amounted to 1,031 million lb., which was only slightly more than the 1,030 million lb. sold in 1954. Two reasons have been given for this small increase in sales: the shortages in production of some kinds of vegetables, particularly peas, broccoli and cauliflower, and the competition for space in retail store cabinets. Supplies of these vegetables and of sweet corn may also be short in 1956.

• *Frozen Fruit Juice*—During the past six years, the growth in sales of concentrated fruit juice, about 700 per cent, has been greater than the growth in sales of other frozen foods. As the table below shows, orange juice is by far the most important frozen fruit juice. All but one or two million gallons of frozen orange juice is from Florida oranges.

CONSUMPTION OF CONCENTRATED FRUIT JUICE

(millions of gal.)

	1955	*1954*
Orange juice	65·9	60·3
Lemonade	9·6	8·1
Grape juice	4·0	3·1
Lemon juice	1·2	1·0
Grapefruit juice	1·5	1·7
Blended juice	0·6	0·9
Tangerine juice	0·9	0·4
Total	83·7	75·5

It is expected that the Florida pack of orange juice will be only slightly larger in 1956 than it was in 1955, and prices will probably average somewhat higher. The crop and price situation may remain about the same during 1957. There will be plenty of frozen lemon juice since California lemons from which the frozen juice is obtained are in over-supply. Prices will depend on the growers because Californian law permits them to allocate the supply of lemons for making frozen lemon juice.

● *Frozen Seafood*—The 1955 pack of frozen seafood was 25 per cent larger than 1954's. The greatest increase was in fish sticks; in 1955, they reached a volume of 66·6 million lb. Cod is the principal raw material for fish sticks but some haddock and perch are used.

FROZEN SEAFOOD CONSUMPTION

(million lb.)

	1955	*1954*	*1953*	*1952*	*1951*
Fish sticks	66·6	47·3	6·0	....	....
Fillets	203·1	184·8	219·7	245·2	245·8
Shellfish	181·0	127·7	119·8	129·7	123·4
Total	450·7	359·8	345·5	374·9	369·2

Shrimp is the leading shellfish. In 1955, sales of frozen shrimp were very large and the price increases which resulted may tend to reduce consumption.

● *Frozen Fruits*—About three-quarters of the pack of frozen fruits never reaches the cabinets of retail stores but goes to restaurants, pie-makers, preserve and ice cream manufacturers. Fruits were frozen before there was a quick-frozen industry; as early as 1918 there was a sizable pack of frozen fruits. Consumption in 1955 has been estimated at 531 million lb., which was 6 per cent above the preceding year but only 30 per cent above the previous 17-year period. During the same period, sales of frozen vegetables increased by 130 per cent. To the retail stores, frozen strawberries, peaches and raspberries are the most important. Sales of these fruits were higher in 1955 than in the previous year, although the increase in strawberries, which is the most important item, was probably held down by a short 1954 pack. The 1955 pack, which will supply the market until packing begins in May, was a generous one of 270 million lb. and frozen strawberries are again in plentiful supply.

● *Frozen Meat*—The volume of frozen meat is small compared with that of other frozen foods, but new research and experimental work could result in a great expansion. One meat packer has been testing the market for frozen steaks, chops and roasts with considerable apparent success. Some practical men from the meat-packing industry are predicting a significant changeover from fresh cuts to frozen boned cuts, even at necessarily higher prices. The meat packers want to offer to consumers branded products similar to other products sold in grocery stores; meat sold in the fresh form cannot be branded. Some economies are possible when meat is cut and packaged at the plant, and a revolution in the marketing of meat may be in the making.

Australia Plans Television

Some time in November Australia will begin televising national programs in Melbourne and Sydney. These are the centres in which the Australian Government has licensed national stations. Licences have also been granted to two commercial stations in Sydney and two in Melbourne, and commercial TV programs will probably begin before the end of this year. The National TV stations will have an interim service of 15 hours a week initially, and of 25 hours by the middle of 1957. When the Postmaster-General introduced two bills in Parliament to regulate television services in Australia, he indicated that the Government would levy a licence fee of £A5 a year on TV receivers to finance the two national stations. The Australian Broadcasting Commission, which is responsible for the national broadcasting stations, will operate the two national TV stations. The bills provide that an individual may not own or control more than one television station in any capital city in Australia and not more than two stations in the Commonwealth.

Emphasis will be on programs designed to raise public taste in conformity with standards established by the Control Board, an indication that the Government does not look on commercial television only as a profit-making business, but considers possession of a licence to be a public trust. It will not tolerate abuses by licensees or advertisers. But, within the framework of the standards established for programs by the controlling authority, commercial stations will have the utmost freedom of operation.

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West Germany and Its Agriculture

Agricultural products take first place among Canada's exports to West Germany, and trends in German agriculture thus important to Canadian traders. More liberal import policy may help to revive prewar sales of processed foodstuffs to this market.

BRUCE A. MACDONALD,
Commercial Counsellor, Bonn.

ALTHOUGH GERMANY, like Great Britain, has in modern times been essentially an importer of food and raw materials and an exporter of manufactured goods, agriculture has always played a great part in the economic and political life of the country. There can hardly have been a time, however, when it was more prominent in its internal and external affairs than it is at present.

German farmers, like those in certain other countries, have become increasingly discontented over the past two or three years with the disparity between farm and industrial prices and incomes. They have also become increasingly concerned at what they regard as the sacrifice of their interests in West Germany's network of bilateral trade agreements, many of which call for the import of agricultural commodities against exports of German manufactured products.

Import Policy

Fears of inflation have led to pressure in favour of freer imports of foodstuffs in order to maintain price and wage stability. During 1955 and in the first quarter of this year a much more liberal attitude towards such imports, even from the dollar area, has been shown by the Ministry of Food and Agriculture which has primary control over imports of all agricultural, forestry and fish products.

With a view to reconciling the domestic conflict and to making German agriculture competitive internationally, the Ministry of Food, Agriculture and Forestry began in 1953 the active preparation of a long-range program. This program—known as the "Luebke Program" after Dr. Luebke, the Minister responsible for it—was adopted almost unanimously by the Bundestag on February 23rd. It will be reviewed briefly in a later report.

Changed Relations with Eastern Europe

Another important recent development is the reversal in the role of Russia and other Eastern European countries, and even of Eastern Germany itself. This vast region, traditionally the supplier of agricultural commodities to Germany against her manufactures, has become of late an importer. A striking example of this change was the arrangement concluded in February whereby West Germany is supplying 240 thousand tons of rye to Poland in exchange for Polish coal, iron and steel, heavy chemicals, and certain other industrial products.

Importance to Canada

Just how these developments will affect Canada is not entirely clear at the moment. They would seem to hold out the prospect of an enlarged market for grain and for a revival of the trade in processed foodstuffs which existed before the war, particularly in the 1920's. Agricultural commodities are by far the most important of all Canadian exports to Germany (although there are some signs that their *relative* importance is declining). The Federal Republic has regained prewar Germany's position as the third or fourth largest buyer of Canadian agricultural commodities, and has been a substantial purchaser of Canadian wheat in the 1955/56 crop and International Wheat Agreement year.

The more liberal import policy mentioned earlier has already had results. During 1955 the import quotas granted for various processed foodstuffs in connection

A German family pitches in to help with the harvesting of hops at Spalt in Bavaria. Most of the crop, when it is gathered, will be sold to nearby breweries to make the famous German beer.

with German trade fairs were both widened and enlarged over those of previous years. In December last a quota (quite apart from trade fairs) of DM 2,500,000 (roughly equivalent to $600 thousand) was granted for Canadian fresh apples. A similar large import quota, issued for the import of canned fruit juices and vegetable juices from the dollar area, was ruled available for Canadian canned tomato juice. Similar opportunities have been granted for dried apples and frozen poultry.

The Eastern European development has special interest. The German/Polish transaction referred to above might almost be called a German/Polish/Canadian arrangement since the exported German rye is being replaced by Canadian No. 5 Manitoba wheat.

Moreover, the countries which formerly supplied Germany with grain have themselves all become within the past year, and particularly in the first quarter of this year, substantial buyers of Canadian wheat.

More Mechanization Needed

One of the basic needs of German agriculture is greater mechanization. It is interesting to note that Massey-Harris-Ferguson, who already had one plant in Germany at Westhoven (near Cologne) dating from before the war, established during 1955 a second large plant at Eschwege near Kassel in the Province of Hesse. The new plant is to produce mainly harvester/threshers and straw presses both for domestic and export sale. It began operations in January 1956 with about 1,000 workers who are expected to number 2,000 by the end of the year.

Under National Socialism just before the war, Germany became about 85 per cent self-sufficient in food. The situation in West Germany just after the war was one of near-starvation, prevented only by mass imports of foodstuffs by the U.S. and British military commands. Since then, agriculture has revived and output has topped the prewar figures. It is estimated that the Federal Republic now produces, on the 58·3 per cent of the total area which is cultivated land, about 70 per cent of its own needs. This has been achieved despite the fact that more than 300 thousand persons have left agriculture during the past few years, a trend that is creating problems for landowners.

Principal crops raised in West Germany are bread grains (wheat and rye), fodder grains (barley and oats), potatoes, sugar beets, vegetables, and tree fruits (apples are the most important). The farmer derives his chief income from livestock and from dairy products.

The 1955 Harvest

In general, the 1954-55 harvest proved to be a good one, with potatoes and fruit the only exceptions. The total grain crop, some 12,461,000 metric tons valued at DM 1,663 million, was about 1 per cent less than in 1953-54.

Yields per hectare were on the average lower than in the previous year, but about 5 per cent higher than the average of 1950-53. The rye crop declined by 15 per cent compared with 1954, but the wheat crop, on the other hand, increased by 17 per cent and was 12 per cent higher than the 1950-53 average. It was, in fact, the largest wheat crop in the history of the Federal Republic. Moreover, the 1954 crop was of poor quality mainly because of the exceptional rain in that year; the large 1955 crop was of normal quality.

In spite of the good 1955 crop, purchases of Canadian wheat in the 1955-56 crop year have been very large.

With the exception of oats, the production of bread grains (especially of wheat) and fodder grains has been increasing in importance compared with prewar. Oats are finding less favour because the use of horses is declining. Production of rye in 1955 was down some 600 thousand tons over 1954 largely because of a decrease of about 60,000 hectares in area seeded. The area devoted to wheat increased by roughly the same amount.

Potato Crop Smaller

The potato crop was a disappointment in 1955. To begin with, the area planted was 5 per cent below 1954 and the yield per hectare almost 10 per cent lower. As a result the total crop, valued at DM 752 million, was nearly 15 per cent below 1954 and 10 per cent below the average for the last nine years.

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As a result of the poor yield, rumours spread in Canada and the United States that West Germany would need to import substantial quantities of table potatoes. Inquiries showed that these rumours were unfounded. There was little possibility at any time of imports of table potatoes from North America. Seed potatoes will be imported in appreciable quantities, however, from other European countries, and some early varieties of table potatoes will probably be bought from such countries as Yugoslavia, Portugal, Spain and Great Britain.

Potatoes are an extremely important crop in West Germany, which has traditionally one of the highest per capita potato consumptions. Consumption is beginning to decline, however, as meat, dairy products, vegetables and fruit assume greater dietary importance.

Other Crops

Other important German agricultural crops include:

- *Sugar Beets*—The 1955 crop, at 8,936,000 tons, was nearly 4 per cent lower in the yield per hectare than the 1954 crop and 0·6 per cent below the 1950-53 average. West German production has, however, doubled since the prewar years and the country now produces 90 per cent of its annual sugar needs, which range between 1·3 and 1·5 million tons.

- *Oil Seeds*—The Government has encouraged German farmers to grow oil seeds by fixing a price of DM 750 per metric ton for rapeseed and forcing margarine manufacturers to use a minimum of 5 per cent of domestic oil seeds. Nevertheless, the area planted has fallen from 27,000 hectares in 1935-38 to 13,000 in 1955. The 1955 crop (rapeseed and a small amount of poppyseed) reached 22,000 tons. In addition, about 2,200 tons of linseed were harvested.

- *Tobacco*—Production of tobacco in recent years has totalled about 25-000—26,000 tons. Each year the Ministry of Food and Agriculture fixes the acreage planted after consultation with representatives of the growers and tobacco manufacturers. Imports total about 60,000 tons, of which relatively small quantities have come from Canada. The 1955 harvest reached 25,089 tons.

- *Fruit*—West Germany produces all the deciduous fruits, but apples and (to a lesser extent) pears are the commercially important ones. The past year was a very poor one for apples, and production per tree and total production (779 thousand tons) was less than half that of 1954. For this reason the Ministry of Food and Agriculture granted the import quota of DM 2,500,000 ($600 thousand) for Canadian apples which was referred to earlier in this report. Canadian growers have not, however, been able to take full advantage of this quota chiefly because of large availabilities of Italian apples at lower prices. ●

Brazil Sells Its Cocoa Crop

THE 1955-56 COCOA CROP YEAR in Brazil ended on April 30th and indications are that the whole of the crop will be sold, including a carryover of 100 thousand bags (one bag weighs 60 kilos or approximately 132 lb.) from the 1954-55 crop. This is a happy position for the producers and for the country because cocoa is an important foreign exchange earner.

According to figures released by the Bahia Cocoa Trade Commission, more than two million bags of cocoa were marketed before January, when world prices plunged. Although the average price obtained for them is not yet known, indications are that it was fairly good because only 350 thousand bags remained unsold at the end of December 1955. These total sales of 2·45 million bags, consisting of 1·25 million from the mid-year (or temporão) crop, 1·1 million bags from the main crop, and 100 thousand carryover, are slightly below the 2·6 million bags sold from the 1954-55 crop. The United States was again Brazil's best cocoa customer, taking over one million bags or almost 50 per cent of the crop. Canada was in twelfth position with purchases of approximately 15,000 bags.

First reports of the coming mid-year crop, which began on May 1st, are a little confusing: some districts report good prospects but others are not so encouraging. However, the weather over the producing area has been generally favourable. The abundant rain in February was followed by warm weather and conditions appear to be at least equal to those prevailing last year. It is still too early to estimate the crop but indications are that, barring any unforeseen circumstances, it should be about the same as, if not better than, last year.

Despite the fact that there is practically no cocoa available for prompt shipment, there appears to be a cautious tendency towards forward sales because of unattractive prices. Some reports indicate that farmers are refusing bids in the hope that prices will improve. By the end of March, only 150 thousand bags had been booked for forward sales, 50 per cent of which were for the United States.

Cocoa prices in general have fluctuated sharply during the last few years; this was brought out at a meeting recently at UN headquarters of representatives of 24 countries interested in cocoa production, consumption and trade.

—H. M. MADDICK,
Commercial Secretary, Rio de Janeiro.

commodity notes

Australia

PAINTS—British Australian Lead Manufacturers Pty. Ltd., large-scale producers of paints and lacquers, have begun work on a £1½ million modern paint factory at Clayton, a Melbourne suburb. The plant is scheduled to come into production in August 1957, with an initial output of over one million gallons of paint a year. All types of paints, varnishes and enamels will be made. BALM also operates factories in Sydney, Adelaide, and Wellington, N.Z.—Melbourne, May 12.

TYPEWRITERS—Chartres Pty Ltd., the sole Australian distributor of Remington typewriters and accounting machines for more than 60 years, has been bought by the Sperry-Rand Corporation of the United States for £1·6 million. It was stated that the deal would mean the establishment of typewriter manufacturing in Australia, and sites for this purpose were being sought. The Sperry-Rand organization has three other subsidiaries in Australia which make electric shavers, farm machinery and hydraulic equipment—Melbourne, April 30.

Austria

PAPER—During 1955, the value of Austrian production of paper, cellulose, pulp and cardboard increased by 15 per cent to A.Sh.4,590 million, compared with A.Sh.3,997 million in 1954. Exports increased by 18 per cent from A.Sh.1,744 million to 2,050 million. Exports of paper alone rose by 11 per cent in volume and by 18 per cent in value, and exports of newsprint by 13 per cent and 22 per cent respectively. Austrian demand for newsprint is also growing steadily; consumption of newsprint currently totals 2,760 metric tons a month, compared with 2,596 metric tons in 1955, 2,111 metric tons in 1952 and 2,135 metric tons in 1950. Per capita consumption of paper and cardboard is 31 kilograms; the average for western Europe is 42 kilograms per capita—Berne, May 4.

British Guiana

MINERALS—Statistics on 1955 mineral production in British Guiana show an output of 2·4 million long tons of bauxite, 33,300 metric carats of diamonds and 23,766 billion ounces of gold. Bauxite production was almost unchanged from 1954 but diamond output increased by 10 per cent and gold declined by 12 per cent. The only other mineral export was a three-ton shipment of columbite valued at B.W.I.$27·9 million (approximately Can.$16 million). A commercial deposit of manganese is now being developed in northwest British Guiana but both a railroad and a river dock must be completed before shipments can begin. No oil exploration was undertaken during 1955 but prospecting continued for mica and manganese—Port-of-Spain, April 30.

Chile

COMPRESSED WOODEN SHEETS—A new Chilean enterprise, Compañia de Maderas Prensadas Cholguan, will build a factory in the Concepçion zone to manufacture compressed wooden sheets. Authorized capital of $1,000 million Chilean pesos (US$2 million) has been fully subscribed and paid up by nationals. It is reported that extensive pine plantations in the southern areas of Yumbel and Yungay will provide the raw material. The wooden sheets will be used extensively in the building line. Production is expected to begin early in 1957 and machinery for the plant has been ordered from Germany—Santiago, May 2.

Federation of Rhodesia and Nyasaland

STEEL—Raw steel from South Africa will cost Federation importers nearly £400 thousand a year more as a result of a £13 a ton surcharge on imported raw steel imposed by the Union Government. The Federation uses about 125 thousand tons of steel a year: 30,000 tons from the Union, 40,000 tons from Riscom, the Southern Rhodesia mill, and the rest from other sources. The effect of the surcharge will be to make Union steel, including railage at £53 a ton, £13 a ton more than Riscom steel, including railage—Salisbury, April 27.

Finland

PAPER AND BOARD—Finnish paper production totalled a record 1,012,000 tons in 1955, compared with 847 thousand in 1954. Exports last year reached a new peak of 799,137 metric tons, some 137 thousand tons above the 1954 total. Newsprint exports reached

470,070 tons, an increase of about 78,000 compared with 1954; kraft paper exports totalled about 141 thousand tons last year, and other paper qualities about 188 thousand tons. The principal newsprint buyers in 1955 were the United States (125,344 tons), the United Kingdom (83,520), Brazil (33,185), West Germany (31,650), and Denmark (30,857). Board exports also reached a new peak in 1955 of about 210 thousand tons, an increase of 24,000 over 1954. Production figures in this category were also a record at approximately 289 thousand tons, compared with 225 thousand tons in 1954—Stockholm, April 17.

Norway

ALUMINUM—The Norwegian aluminum industry has an annual production capacity of 95,000 tons, but only 70,000 tons were turned out in 1955 because of the shortage of hydro-electric power after a dry summer. The industry is considering plans to extend annual production capacity to 160 thousand tons—Oslo, May 6.

PAPER—Production of Norwegian paper mills in 1955 is expected to reach a record total of 590 thousand metric tons, 20,000 tons more than in 1954 and 30 per cent above prewar output. Exports totalled 340,853 metric tons valued at Norwegian kroner 468·3 million, compared with 356,126 tons valued at kroner 456·3 million in 1954—Oslo, May 6.

Portugal

COD LIVER OIL—A modern industrial plant for the treatment of cod liver oil has been opened on the right bank of the river Tagus opposite the city of Lisbon. The capacity of this factory is more than sufficient to handle the crude oil obtained from the Portuguese fishing fleet, and production will meet domestic requirements and provide a quantity for export—Lisbon, May 3.

Sweden

WOOD PRODUCTS—Exports of Swedish wood products so far this year have reached 350 thousand standards, only half the amount sold at the same date in 1955, which was a record year. Total exports of wood products in 1956 are expected to reach 850-875 thousand compared with one million last year. Sweden's largest buyers so far are the Netherlands with approximately 80,000 and France with 25,000 standards. Sales to the United Kingdom in January and February totalled only 110 thousand standards. The Russian offer of 200 thousand standards at the beginning of the year, of which about half has been sold, has contributed considerably to the decline in demand for the Swedish product. Further, the British Board of Trade is decreasing its strategic reserves by about 150 thousand standards; the sales from these stocks, however, mainly apply to Canadian products—Stockholm, April 30.

United Kingdom

SYNTHETIC DETERGENTS—In 1955, United Kingdom consumption of synthetic detergents totalled 200 thousand tons. This represented 37 per cent of all soaps and detergents used in the country and compares with 190 thousand tons in 1954 and 160 thousand tons in 1953. The United Kingdom is now the second largest user of synthetic detergents in the world. In addition to domestic sales, Britain exported 53,000 tons of synthetic detergents and soap substitutes in 1955, valued at £6·6 million. The comparable figures for 1954 were 30,000 tons worth £4 million—London, May 2.

United States

AUTOMOBILES—Three out of every four 1955 passenger cars were powered by V-8 engines. The exact percentage was 74·8 of all cars built, compared with 56·3 per cent in 1954, 38·4 per cent in 1953 and 33·5 per cent in 1952. The industry points out, however, that this does not mean that the six-cylinder engine will be completely discontinued, even for years to come. Because it is more economical, it is preferred by fleet users and trucking and taxicab companies, and it has a definite place in future production. Thought is being given to a V-6 instead of a straight in line—Detroit, May 10.

HARDWOOD PULP—At its new $16-million plant, the Crossett Company of Crossett, Arkansas, is using hardwood to produce bleached "food board" from which paper drinking cups, milk cartons and similar containers are made. In the past, pine has always been used for this process—New Orleans, May 9.

West Germany

ELECTRICAL GOODS—The Central Association of the Electrical Industry reports that the West German electrical industry experienced an extraordinary upswing in 1955. According to preliminary estimates, the 1955 value of production rose to DM10·5 billion, 27 per cent above 1954. The share of consumer goods in total production continued to rise: in 1955 it amounted to about 33⅓ per cent of total production compared with 28 per cent in 1954.

Exports of electrical goods rose from DM1·7 billion in 1954 to DM2·1 billion in 1955. Thus the proportion of total production exported (20 per cent) has hardly changed—Bonn, May 7.

TANGIER

Banks, Bars and Baubles

This international market, a perpetual trade fair, offers a small but important outlet, where trade restrictions are unknown, visitors keen to buy, but competition always intense.

B. I. RANKIN, *Commercial Secretary, Madrid.*

AFTER YEARS OF BATTLING IMPORT RESTRICTIONS, exchange controls, dollar shortages, quotas and the like, a visit to Tangier proved to be a stimulating and exhilarating experience. This international zone of a mere 200 square miles, containing no more than 180 thousand people, is an example of absolute multilateralism—free of all trade barriers.

Strolling through the streets on window-shopping expeditions is like walking through a large international market, for that is what Tangier is. Here the visitor sees displayed goods of all nations—dollar countries and soft currency countries alike. French perfumes, Swiss watches, German radios, British woollens, American cars, household appliances, pens, and so on are offered for sale. The only "rules" that apply in Tangier are old and in many parts of the world now secondary to trade barriers and controls. They are supply and demand, quality, price, speed of delivery, and good packing.

But the catch, of course, is that it is a very small market and competition is intense.

Of the total population of 180 thousand, two-thirds are Moors with little purchasing power and some 40,000 are low-paid Spanish labourers and their families. Yet Tangier sports some 80 banks, probably 180 bars and more consumer goods stores, apparently, than cities with many times its population. The passing parade—tourists and others—provide the purchasing power that helps sustain the Tangier economy. Here tourists find many of the luxury goods denied to them in their own lands, which they can purchase in almost any currency. The emphasis is on small items easily carried with them, and perhaps easily smuggled at their destination.

Although the commercial situation in Tangier shows some slight improvement over the last two or three years, things are not as buoyant as they once were. There is very little manufacturing. At one time Tangier had the whole of Morocco as its hinterland, but in recent years the authorities in both the French and Spanish zones of Morocco have made it increasingly difficult for goods to be imported via Tangier. Consequently, in many cases foreign firms have found it better to appoint agents in the other zones to serve those territories, leaving the Tangier agent with a market which is often too small to be worth the cost of advertising and introducing new products.

Between 1947 and 1952 Tangier enjoyed a trade boom. Almost anything could be sold. Buildings, flats and shops were built at a fantastic rate. With the slackening of world tension and the relaxation to some extent of outside trade and currency controls, Tangier has lost some of the advantages that it offered to investment and business, and since 1953 trade has suffered a recession. There are signs that the depth of the depression has passed, but it is difficult to estimate for how long the improvement will be maintained.

All Countries Compete

With one or two minor exceptions, the customs duty payable on all imported goods is a 12½ per cent ad valorem one, plus 1 per cent special tax. Clearing charges bring this up to about 15 per cent.

There are virtually no government regulations controlling imports. No licences are required; there are no quotas, price ceilings, restrictions on turnover, or regulation of profits. There are no exchange restrictions nor regulations affecting payments for imports. Payment may be made in any widely used currency. All countries compete on equal terms, but the proximity of Spain and her influence in Tangier gives her a slight advantage.

Foreign Trade

The figures for Tangier's foreign trade (including interzonal trade with the French and Spanish Zones of Morocco) in 1954 compared with those for 1953 are given below. Figures are not yet available for 1955, but based on statistics for the first nine months, reflect about a 10 per cent increase in imports over 1954. (Figures are in '000 Moroccan francs at the free exchange rate of approximately 300 francs to $1.00 U.S.)

	1954	*1953*
Foreign imports	9,579,389	11,628,183
Inter-zonal imports	1,576,907	1,604,602
Total imports	11,156,296	13,232,785
Foreign exports	996,327	969,623
Inter-zonal exports	1,518,775	1,966,217
Total exports	2,515,102	2,935,840
Balance	−8,641,194	−10,297,845

Foreign imports dropped by nearly 18 per cent; exports increased by about 2·8 per cent. Inter-zonal imports decreased fractionally and exports dropped by about 23 per cent.

For the purposes of more detailed comparison, the following figures show imports according to the main suppliers:

(in Moroccan francs)

1954		*1953*	
1. United States	1,806,590	United States	2,180,330
2. France	1,248,342	Spain	1,850,070
3. Spain	1,241,043	France	1,082,221
4. Switzerland	907,422	Japan	944,393
5. United Kingdom	748,003	United Kingdom	884,607
6. Japan	628,884	Switzerland	828,279
7. Netherlands	513,631	Netherlands	528,284
8. Germany	455,346	Canada	523,895
9. Canaries	342,563	Canaries	470,553
10. Cuba	331,131	Cuba	440,133
11. Italy	228,277	Germany	428,817
12. Belgo-Luxembourg	224,378	Belgo-Luxembourg	261,370
13. Canada	114,167	Italy	256,135

The United States, the United Kingdom, the Netherlands, Italy and Benelux supplied less to Tangier in 1954; the reductions were more or less in proportion to the reduction in total imports. Imports from Japan (—33 per cent), Spain (—33 per cent), Canaries (—27 per cent), Cuba (—25 per cent), and Canada (—78 per cent) all had a more than proportionate fall.

Canada's Share Decreases

Canada's loss of the flour market in Tangier is reflected in the above figures. Since 1953 United States flour has been approximately 15 per cent cheaper than Canadian. French flour is priced on the basis of the official rate of exchange for francs (350 Moroccan francs to $1.00 U.S.) exactly the same as American flour, but Tangier importers are able to purchase francs with a 12 to 14 per cent advantage over the official rate. Canadian flour imports into Tangier have dwindled from approximately 8,200 tons in 1953 to only 175 tons in the first six months of 1955. Supplies from France are becoming increasingly difficult to secure and, in view of the frost damage to this year's wheat crop, will probably disappear. But American competition remains.

The three main flour importers interviewed in Tangier regretted that price had forced them to change from Canada as a source of supply. They prefer our flour and enjoyed working with Canadian mills.

On the other hand, France (15 per cent), Switzerland (9 per cent) and Germany (6 per cent) had absolute increases in spite of a dwindling market.

Imports and Suppliers

The following list sets out in broad categories the principal products imported, with the main suppliers shown in brackets: (Figures shown in Moroccan francs).

CLOTH—silk, woollen, linen, cotton, artificial fibre 763,274. (Japan 272,770; U.S. 202,303.)

WATCHES AND CLOCKS—559,596. (Switzerland 511,854; Germany 30,497; France 10,393.)

PRIVATE CARS, CYCLES, MISCELLANEOUS VEHICLES—545,975. (U.S., 256,303; U.K., 99,233; Germany, 98,929; France, 63,741.)

FLOUR PRODUCTS, MALT, STARCH, ETC.—501,339. (U.S., 173,029; France, 164,367; Canada, 85,841; Netherlands, 64,899.)

PETROLEUM PRODUCTS—445,438. (Canaries, 312,925; France, 81,212.)

SUGAR AND SUGAR PRODUCTS—395,261. (Cuba, 307,430; Czechoslovakia, 35,166.)

GENERATORS, ELECTRIC MOTORS, BATTERIES AND ACCUMULATORS—331,316. (Switzerland, 217,018; France, 26,946; Germany, 32,341.)

ELECTRICAL APPLIANCES—295,733. (Germany, 27,581; U.K., 24,491; Netherlands, 23,786.)

HOSIERY—254,404. (U.S., 129,194; France, 47,203.)

CLOTHES—251,311. (U.S., 88,198; France, 47,026; U.K., 34,002; Spain, 28,868.)

COFFEE, TEA, SPICES—250,779. (Japan, 101,463; Brazil, 92,542.)

MILK, DAIRY PRODUCE, EGGS—216,001. (Netherlands, 127,938; Denmark, 55,759; France, 10,712.)

BEVERAGES AND ALCOHOL—213,070. (Spain, 103,246; U.K., 37,957; France, 33,384.)

There should be a larger market in Tangier for Canadian goods if prices of luxury goods, household appliances, automotive parts, etc., are competitive. The Commercial Secretary, Canadian Embassy, Madrid, maintains a list of reliable agents, dealers and distributors there, and would be glad to advise Canadian exporters.●

Boston's Faneuil Hall, a landmark since 1742, where first plans for the American Revolution were laid, has long been the centre of Boston's bustling wholesale and retail produce market.

Canadian Produce for Boston's Markets

Maritime Provinces and B.C. find Boston good market for various types of fresh fruit and vegetables and, in season, Christmas trees.

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

IN THE HEART OF OLD BOSTON stands elegant and historic Faneuil Hall, given to the city as a market and town hall by Peter Faneuil in 1742. Fire destroyed it in 1762 but it was promptly rebuilt along original lines and in 1805 the eminent American architect Charles Bulfinch added a third storey.

To Americans, Faneuil Hall is affectionately known as the "Cradle of Liberty" for here the first plans for the Revolution were laid. Today it stands, as it did then, the centre of Boston's lively wholesale and retail produce market, the ground floor still occupied by the stalls and shops of fruit and vegetable merchants. Within its shadow are the Fruit and Produce Exchange and the offices and warehouses of Boston's thousands of wholesale produce dealers.

At Christmas time the cobblestone spaces of Faneuil Hall Square are transformed overnight into a forest of Christmas trees, many of them from eastern Canada.

To take care of the overflow resulting from expansion through the years, a new and modern market terminal has been built in South Boston, a mile or so away. But to Bostonians "the market" will always be Faneuil Hall.

Fruit and Vegetable Receipts

Boston ranks fifth among U.S. cities in receipts of fresh fruits and vegetables. In 1955 the Maritime Provinces of Canada and British Columbia shipped 810 carlots of these agricultural products to Boston, compared with 770 in 1954 and 922 in 1953.

All told, there were 42 states and eight foreign countries contributing to the city's fresh fruit and vegetable supply. California is the largest supplier, followed by Florida, Maine and Massachusetts; these four states provide 66 per cent of the total unloads.

Seventy-nine commodities were received during 1955, largely by rail and truck, with occasional receipts by boat and air express. Potatoes headed the list of unloads with a total of 8,779 carlots, followed in order of volume by lettuce, oranges, tomatoes and bananas. These five commodities represented 44 per cent of the total volume received during the year. Of the 47,279 carlots of fresh fruits and vegetables unloaded, 28,942 were received by rail and 18,337 by truck.

P.E.I. Leads Canadian Sales

Prince Edward Island was by far the leading Canadian contributor to the trade, supplying large quantities of potatoes and turnips or rutabagas, as they are known in New England. The table following shows receipts of the principal commodities from Canada during 1955:

BOSTON UNLOADS OF CANADIAN PRODUCE—1955

Commodity	Province	Volume Rail	Volume Truck	Volume Total
Apples	British Columbia	32	6	38
Blueberries	Nova Scotia	......	2	2
Carrots (bunched)	Canada (not specific)	......	6	6
Peaches	British Columbia	2	......	2
Pears	British Columbia	23	......	23
Potatoes	Prince Edward Island	76	86	162
	New Brunswick	4	......	4
Turnips	Prince Edward Island	428	124	552
Christmas trees	New Brunswick	1	......	1
	Other Canada	7	......	7
	Totals	573	224	797
	Total 1954	......	......	767

(Source: U.S. Dept. of Agriculture, Agricultural Marketing Service.)

Other commodities figuring in this trade in past years but which did not appear during 1955 were cabbages, cherries, lettuce and onions.

The table below gives a three-year comparison of Canadian produce shipments to the Boston market.

CANADIAN PRODUCE SHIPMENTS TO BOSTON

Province	1955			1954			1953		
	Rail	Truck	Total	Rail	Truck	Total	Rail	Truck	Total
British Columbia...	57	......	57	83	......	83	93	3	96
New Brunswick....	4	......	4	27	1	28	47	1	48
Nova Scotia........	......	2	2	23	5	28	27	......	27
Prince Edward Is..	504	243	747	402	219	621	607	133	740
Other Canada......	......	......	......	8	2	10	7	4	11
Totals........	565	245	810	543	227	770	781	141	922

NOTE: These figures include boat arrivals of 21 carlots in 1954 and 24 carlots in 1953 from Nova Scotia.

Canadian Wood for French Buyers

French forests do not supply enough softwoods to meet demand; this means opportunities for Canada, especially in pulpwood, though Scandinavian competition is keen.

J. H. BAILEY, *Assistant Commercial Secretary, and*
V. F. WIGHTMAN, *Office of the Commercial Counsellor, Paris.*

FRENCH FORESTS cover about 28 million acres of the country—one-fifth of the total land area. Of this forested area, about 69·5 per cent is in hardwoods and the remainder, less than a third, in softwoods. The result is that France has become a net exporter of hardwoods and a net importer of softwoods, though certain types of hardwood are also bought abroad. Imports of wood in general in 1955 were higher than average; Scandinavia ranked as the leading supplier of softwoods and Africa of hardwoods, with Canada well to the fore as a source of pulpwood.

Softwood Imports

The French lumber industry turns out about 5 million cubic metres of softwood sawn lumber a year. This does not meet the demands of the domestic market and yearly imports run from 300 thousand to 500 thousand cubic metres. The table below gives value of imports and principal suppliers for the last three calendar years.

FRENCH SOFTWOOD LUMBER IMPORTS

(millions of dollars)

	1955	*1954*	*1953*
Total all countries	27·7	20·6	20·3
Sweden	9·2	5·4	6·1
Finland	5·8	5·7	4·4
Austria	5·1	3·6	6·4
U.S.S.R.	3·0	2·2	1·2
United States	1·7	1·3	1·0
CANADA	0·5	0·4	0·3
Others	2·4	2·0	0·9

Note: These are French statistics and give c.i.f. values.

It is as a supplier of pulpwood that Canada figures most largely in the French lumber market. French forests yield an estimated 1·6 million cubic metres of pulpwood a year, of which 1·15 million are softwoods—half pine and half spruce. Slightly less than half a million cubic metres of deciduous woods are used for pulp, including beech for textiles and poplar, birch and aspen for paper manufacture. The use of hardwoods for pulp is expected to increase.

The present deficit in pulpwood is estimated at 600 thousand to 700 thousand cubic metres as logs, and the equivalent of 2·8 million cubic metres at present imported as pulp. Assuming the possibility of full processing by French mills, the total softwood deficit of French forests stands at 4·4 million cubic metres (log measurement).

As the table below shows, Canada ranked in 1955 as the second supplier of pulpwood to France, with a marked rise in sales over the two previous years.

FRENCH PULPWOOD IMPORTS

(in millions of dollars)

	1955	*% share in'55*	*1954*	*1953*
Finland	11·3	60·4	7·4	5·0
CANADA	4·4	23·5	1·0	1·3
U.S.S.R.	2·2	11·8	......	......
Others	0·8	4·3	0·1	0·4
Total all countries	18·7		8·5	6·7

The table above gives French statistics, c.i.f. value. Freight from Canada equals f.o.b. value. Canadian statistics give exports of Canadian pulpwood to France, f.o.b., as follows:

CANADIAN SALES OF PULPWOOD TO FRANCE

(D.B.S. figures)

	1955	*1954*	*1953*
Volume	71,000 cords	25,000 cords	22,000 cords
Value	$2,031,000	$712,000	$738,000

Pulpwood is included in the list of imports for which dollars are now freely available. However, the U.S.S.R. has entered the picture and in 1955 supplied 12 per cent of total pulpwood imports. The trade advises that at least this quantity is expected from Russia this year and, because French imports from Finland may be close to their possible maximum, any increase from the U.S.S.R. may result in a decrease of imports from Canada.

French purchases of Russian softwood lumber have also been rising by approximately a million dollars a year and, if this trend continues, lumber imports from other countries (and particularly the dollar area) may decline.

Hardwoods

Enough hardwood is produced in France to cover almost all domestic requirements and leave a small surplus for export—mainly oak and beech. Imports consist largely of logs from the tropical forests of Africa (with okoumé in the lead) and are used mainly by the plywood and veneer industries. Hardwood lumber imports in 1955 were valued at $3 million, and Canada's share was only $4,277 (Canadian figures) though it is interesting to note that the total North American share was $735 thousand.

The hardwood trade in France reports that there has been an overproduction of tropical woods in Nigeria, Tanganyika, Angola and the Gold Coast and this may lead to a decline in prices. This will hold true particularly if the producers in these countries attempt to move their forest products by making offers direct to other European countries at sacrifice prices. At the same time, these tropical producers have been steadily increasing their output of semi-manufactured products such as veneers and plywood and will thus be in a position to compete with French manufacturers for their traditional markets in this important field.

Plywood and Veneers

French production of plywood reached slightly over seven million cubic feet in 1955, with 25 per cent of this sold abroad. The 1956 output is expected to reach about the same total.

The strong development of this industry in France resulted from a steady postwar improvement in manufacturing techniques, coupled with an increase in consumption by the traditional consumers and the discovery of new markets. One of the biggest factors has been the use of plywood in forms for pouring concrete.

In spite of the relatively low price according to French price levels (for example, three-ply plywood, okoumé faced in ⅛ in. and ⅜ inch thickness, retails at 22½ and 42½ cents per square foot respectively) the French plywood industry could never have achieved this development without tariff protection—10 to 20 per cent duty plus 15 per cent compensation tax, against imports from abroad. This protection was aimed mainly at defending the industry against the productive capacity and competitive prices of the Scandinavian wood industries. Imports of plywood during the last two years remained relatively stable at 1·5 million cubic feet, of which over 95 per cent originated in Africa and less than 1 per cent in North America.

Production of veneers in 1955 amounted to $30·8 million, of which $20 million (65 per cent) was exported to over 51 different countries. The main customers were Britain, Germany and the Low Countries. Prospects are good for keeping up this level of production and exports this year, in spite of increasing European imports of African veneers. The chances for Canada in this field are relatively slim.●

Netherlands Antilles:

a business survey

Oil refining and tourist traffic still main industries of these islands, now self-governing but owing allegiance to the Netherlands Crown. Offer small but steady market for Canadian foodstuffs, and for consumer goods attractive to tourists who make brief stop-overs.

F. B. CLARK, *Commercial Secretary, Caracas.*

VARIETY and heavy per capita volume are the main features of the import trade of two small islands in the Caribbean just off the coast of Venezuela. Curaçao and Aruba are the only islands of commercial significance in the group of six which form the territory known as the Netherlands West Indies or Netherlands Antilles. In 1954 imports of all products (except crude oil for local refining) totalled about $105 million, a drop of $2 million from 1953, but a rather substantial figure for two small islands with a combined population of 172 thousand. And these imports are of the type that appeal to exporting nations: completely processed goods and materials, needed because there is little domestic manufacturing.

In December 1954 the Netherlands Antilles were granted autonomous political status by the Netherlands. Self-government was achieved in a most cordial atmosphere and the islands continue their affiliation with the Netherlands Crown. Queen Juliana received a warm welcome last October when she visited the islands. But some of the disadvantages of independence emerged in official reports for 1955—increased administrative costs and estimates of promised public works required additional government revenue and the tax collector was not finding it easy to discover sources of income.

The purchasing power of the inhabitants depends heavily on oil refining, the only important industry. The Royal Dutch Shell group of companies operates a huge refinery in Curaçao, and a Standard of New Jersey subsidiary in Aruba has processed over 400 thousand barrels of Venezuelan crude for the past four years. Tankers bring the crude from Lake Maracaibo in Western Venezuela to the two islands for refining and transport to world markets. Over 14,000 employees are on the payroll of the two companies.

The refining capacity of the principal crude supplier, Venezuela, has expanded over the past five years and further development of Curaçao and Aruba operations seems unlikely. In January the Venezuelan Government again demonstrated its continued intention to expand domestic refining regardless of the effect on the Netherlands Antilles. It was announced that applications for new oil concessions would be considered (see *Foreign Trade* of March 3, 1956) and the conditions prescribed included a higher royalty for petroleum extracted from a new concession and shipped to a Caribbean zone for refining and subsequent export. Another factor which limits the main industry of the islands is the desire of the principal customers to purchase crude and do their own refining. As a result, neither company has any important expansion program in progress and the work forces have been reduced through modernization and increased efficiency.

Industrial Progress and Prospects

Government officials and commercial organizations are trying to widen the base of the economy and thus take up the slack in the principal industry. Nature, however, has not endowed the islands with any natural resources of consequence. Barren soil and frequent drought make agriculture negligible. Maize and aloes are the only crops worth mention. Cattle raising has been tried several times but, with irrigation impractical, the herds can never be large. An experimental farm has been established in Aruba and agricultural officials have purchased cattle from the Netherlands for breeding purposes. In Aruba the water shortage will be relieved considerably when a sea-to-fresh-water processing plant is in operation. An $11 million contract was awarded to an English engineering firm early this year and the plant is expected to be finished before 1958. Output will be sufficient to relieve the drinking water shortage, assist agriculture, and aid in attracting new industries.

The only mining operation of any commercial value is the quarrying of phosphate in Curaçao. Exports of phosphoric lime amounted to 125,940 tons in 1954, the best year since 1950. The company was troubled with strikes in October 1955 and a complete settlement was not reached until February of this year. The principal markets are Canada and the United States and prospects for this industry appear favourable. Gold mining used to be important in Aruba but the mines have now petered out and no exploration is in progress.

The few small existing manufactures in Curaçao are not thriving. An earthenware factory closed down last year because it could not secure export sales. Two liqueur factories have modest sales to tourists but other exports are negligible. Some building materials are processed on the islands—mainly concrete blocks, tiles and articles of wood. Business has improved slightly because more private and government building projects were in progress during 1955. A fine new post office was opened in Willemstad, capital of Curaçao, 23 schools are in various stages of completion, and the Curaçao refinery recalled labourers in 1955 for various yard improvements.

New Enterprises Encouraged

Because the established industries do not give promise of expansion officials have tried to encourage new enterprises. In 1953 a tax holiday was decreed, providing new industries with freedom from taxes for a ten-year period. Foreign and resident investors weigh this attraction against such unfavourable factors as a small domestic market, and questionable success in export sales because of relatively high labour costs. However, production estimates would not be considered too exorbitant in neighbouring Venezuela, where high prices are the rule, so commercial overtures were made to that country. A prominent Venezuelan food-canning company decided to associate with Curaçao investors and in February a small modern cannery was inaugurated on Curaçao. To make this a pattern, several trade tours arranged by the island governments and commercial organizations have been visiting Caracas and Maracaibo. A casino and hotel in Aruba is projected as a result of these exchanges.

Tourist Trade

The best prospects for an extension of the island economy still seem to be the maritime trades and traffic, and tourist promotion. Ship repairs and servicing are suitable enterprises for the Netherlands Antilles—especially for Curaçao which has sheltered deep-sea harbours and port facilities for transhipments. The Government plans to create a free harbour zone with facilities for packing, labelling and storing merchandise for ultimate sale to Caribbean markets. In 1954 over 12,000 deep-sea vessels entered the harbours of Curaçao and Aruba, 70 per cent of which were oil tankers. Compared with previous years the number of tankers was down and of passenger and freight vessels up. Regular freight shipping service to the Netherlands Antilles is now established from all exporting nations of the western world. Delivery is particularly good from United States ports, with weekly refrigerated cargo from New York and New Orleans and every two weeks from Miami and the West Coast.

Most of the tourists arrive by cruise ships and each winter more vessels of this type include the picturesque harbour of Willemstaad, Curaçao, as a port of call. Despite considerable propaganda and a fine island playground, tourist traffic to Aruba remains insignificant. Shore visits are devoted to shopping because many items are lower in price than in other countries. A low duty of 3·3 per cent prevails for most merchandise and there are no sales or luxury taxes. Jewellery, cameras, cosmetics, porcelain, clothes and liquor are the principal bargains. These tourist purchases and sales to ship's crews account for a good portion of the island's imports. This business may diminish noticeably when a proposed increase and revision of import duties becomes effective later this year. Additional finances are required for the ambitious public works program and social benefits. The Government expects additional revenue to the tune of $1·35 million per fiscal year with a rise in duty from 3·3 per cent to 4·5 per cent.

Hotel accommodation is adequate for commercial visitors but is not of the luxury type to entice a tourist to extend the average one-day stay. So the fine beaches, agreeable climate and historic points of interest are neglected attractions. A luxury hotel has been planned for several years in Curaçao but lack of capital has delayed the project. Construction of a 61-room hotel with casino, swimming-pool and promenades is now under way in Willemstaad, the capital. The hotel should be open to guests in the early months of 1957.

The Import Picture

Although the economy of the Netherlands Antilles has receded from the prosperous level enjoyed in previous years, oil refining operations are static, not declining, so the volume of imports should remain about the same in succeeding years. And if the active campaign for new industry succeeds, business should pick up. In 1954, the United States retained the lion's share of business, about 73 per cent, followed by Great Britain 25 per cent, the Netherlands 20 per cent, and Germany 5 per cent.

Canadian exports to this area amounted to $1,346,067 for eleven months of 1955, far below the previous year's $1,774,795 for twelve months. Principal commodities shipped were flour, machinery, fish, lumber and powdered milk. Canadian consumer products that were matched in price by United States and European offers lost out because of higher freight costs and inadequate service. On a business tour to Curaçao and Aruba last year, inquiries were received for pickled beef and pork, sardines, writing paper, shoes and pharmaceuticals.

Exporters can too easily overlook the trade potential of the Netherlands Antilles—just a few small dots of islands in the Caribbean with a population the size of Edmonton. Imports of manufactured products, however, are substantial and export trade to this country is no more involved than domestic business. Correspondence in English is acceptable, there are good commercial banks in the principal cities, and import documentation is not complicated. Quotations are preferred, and payment is made, in American dollars. Canadian exporters could profit from a brief stop-over in Curaçao and Aruba en route to or from their principal markets in Latin America. They would find a number of commercial companions from the United States canvassing the retail merchants, complete with several sample suitcases and well-filled order-books.

Replanting Malaya's Rubber

Increasing competition from synthetic, growing demand, and high production costs are forcing Malayan rubber growers to consider replanting with high-yielding varieties. Financing this replanting presents some problems.

D. S. ARMSTRONG,
Trade Commissioner, Singapore.

THE NATURAL RUBBER INDUSTRY is the backbone of Malay's economy. Some idea of its importance not only to Malaya but to the sterling area may be gained from the following facts:

- Planted acreage totals 3,750,000.
- Production is close to 600 thousand tons a year and will increase.
- Exports (including re-exports from neighbouring countries) average one million tons a year.
- Exports during 1955, valued at M$2,330 million, represented 56 per cent of total exports.
- Last year Malaya earned US$170 million for the sterling area from rubber sales to Canada and the United States.
- The industry, through export taxes and income taxes, contributes about 50 per cent of the Federation Government's revenue.
- Of Malaya's labour force of 470 thousand, some 300 thousand are employed on rubber estates of over 100 acres. Roughly a million people are dependent on smallholdings of under 100 acres which constitute 40 per cent of the total planted acreage.

The short, half-century history of the rubber industry shows clearly that consumption increases by at least 50 per cent every ten years. The increase was greatest in the early 1900's when the motor car was being developed, but scientific research continues to add many new uses for rubber. For example, one potentially important new use is in roads. It has been found that powdered rubber mixed with asphalt gives roads a longer life, plus greater resilience to shock and to climatic changes. If rubberized roads come to be accepted, the demand for powdered rubber would be phenomenal.

Meeting Competition

The increased demand for rubber in the last 20 years has been met by the synthetic product and natural rubber now supplies only about half of the world's requirements. It is doubtful if synthetic rubber will ever replace the natural type, as has happened in some commodities—dyes, for instance—but the natural rubber industry knows that drastic improvements will have to be made if it is to maintain its competitive position.

To those who are interested in the welfare of Malaya, there is one answer to the questions of increasing demand, high production costs and competition from synthetic—replanting old trees with new high-yielding varieties. Average production from trees planted up to 1940 is less than 400 lb. per acre per year. New types available since the war will produce up to 1,500 lb. per acre. Thus, theoretically, Malaya can produce at least three times as much rubber with only a moderate increase in operating costs.

Replanting Takes Money

Replanting on the scale necessary to keep the industry competitive means a tremendous investment and this is the crux of the problem of the natural rubber industry. A special commission appointed to examine the industry said in its report that "there is very little chance at present of new outside capital being invested in rubber in Malaya." The reasons, they said, were one, after a war "men's minds naturally turn to security and they became less inclined to take risks", two, rewards from investment in natural rubber are not commensurate with risks; three, the threat from synthetic rubber is very real; four, political developments add uncertainties about the future.

The alternatives to new capital investment are financing from profits, forced savings by a levy on production, government loans and grants. All these methods are being used but because it takes seven years to bring a rubber tree into production, there will be no increase in output for some time. A period of static or even declining production must be accepted until the replanted areas come into full bearing.

Of the two million acres of estate rubber, about one-third has been replanted, with the estates themselves meeting the cost out of depreciation funds, reserves and profits. However, since the middle of 1955 they have been helped by a grant of M$400 per acre (or about half the total cost) for every acre replanted in the next seven years, up to a maximum of 21 per cent of each estate's planted acreage. Some of the more efficient estates have already exceeded this percentage.

The problem of replanting 1·7 million acres of smallholders' rubber is more difficult. Their few acres of rubber trees are, for most smallholders, their only means of livelihood and to be without this source of income for a number of years is not attractive, to say the least. Even the incentive of a M$500 per acre grant has not produced the desired results. An additional deterrent to replanting at the present time is the relatively high price for crude rubber on the world market.

New Planting Possible

In addition to replanting, a good deal of thought has been given to new planting—opening up new areas now covered with virgin or secondary jungle. Although clearing jungle and planting rubber trees is as costly as replanting, the great advantage is that production from old rubber trees is not stopped. However, the disadvantage is that all the best land is already planted and only more difficult types of terrain are available.

The present schemes for replanting and new planting over the next 10 years are estimated to cost M$280 million. Fortunately through levies and grants about M$200 million is available at the moment but it may take more than this to induce smallholders to take action. If the replanting program progresses on or near schedule, Malaya's production, because of the destruction of old trees, will probably drop until the high-yielding varieties take over.

This latex collection centre is located on the Ladang Geddes estate in Malaya, one of the large rubber plantations owned by Dunlop. On estates like these, replanting with higher-yielding varieties is less of a problem than it is with the smallholders.

URUGUAY

Short and Long-Term Views

Drop in wool exports and drying-up of meat exports brought Uruguay trade deficit of $42 million last year. Situation may remain difficult in 1956, but if drastic remedies are applied, the long-term view is bright.

BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

THE ECONOMY OF URUGUAY has since World War II experienced three short-lived periods of prosperity, with uncertain and difficult conditions prevailing in between. The substantial dollar and sterling balances that had accrued by the end of the war were used without restriction for imports of every variety to feed a starving market, and for the acquisition of the British-owned railways, tramways, waterworks, power supply, etc. This spending spree ended abruptly with the re-imposition of import controls in 1947, and the year finished with an unfavourable external trade balance of US$50 million, the first since before the war.

Situation Deteriorates

After a period of restricted purchasing, the boom in commodity prices that followed the outbreak of war in Korea in 1950 brought rich returns of foreign exchange, particularly from wool exports. Controls were relaxed and the new prosperity was enjoyed to the full, only to be checked by the slump in wool prices during 1951. A large unfavourable balance, US$73 million, for that year was not corrected until the end of 1953, by which time the imposition of severe import restrictions brought a favourable trade balance once more. During the following twelve months, however, high production costs (mainly the result of repeated wage boosts and labour stoppages) priced Uruguay's exports out of world markets and unbalanced trade for 1954 to the extent of US$24 million. Adjustment of its internal prices and wage structure as a step towards correcting the balance-of-payments position was therefore the main problem that faced Uruguay's new government in March 1955.

The situation deteriorated further during 1955, which saw smaller exports of wool and practically a full stop to exports of frozen meat. Though the movement of wool to foreign markets definitely improved during November and December—largely as a result of the premium exchange rates accorded exports of raw wool last September—the increased activity came too late to have any appreciable effect on the year's trading and the deficit increased to about US$45 million. The financial measures and policies in force included the flexible multiple exchange rates for import and export transactions, high and wide protection for local industry, price supports for wheat and flour, further increase in the already heavy welfare state demands, and compliance with repeated demands for wage boosts. But the combined effect of these was only to make matters worse. Production and living costs continued to rise and the inflationary trend accelerated.

To correct this drift to a more serious financial situation, more drastic remedies are clearly indicated. However, the financial position of the country is fundamentally sound, gold holdings are high, and the national debt a manageable one. Provided non-productive spending is checked, the vital pastoral industries—wool and meat—are re-established on an efficient and profiitable basis, and the productive potential of the country in other spheres is developed to the full, the long view is good. Uruguay has a temperate climate and a fertile soil. With certain financial aid now being received from the World Bank towards more modern and scientific methods of agricultural production and in support of several essential power, land and public utility projects, the ingredients for a stable and prosperous economy are there. The readjustment period, however, will be long and painful.

Short-Term Difficulties

The short view is not bright. A further reduction of imports and higher taxes face the commercial community and the public generally. Local industry, which has developed apace since the war and now claims to manufacture over 75 per cent of all products consumed, lacks capital and is confronted with ever-increasing wage demands. Internal finances reached a point in December last where the Bank of the

Republic was obliged to increase the State's credit on current account from 20 to 40 million pesos. To cover the deficit, the 1956 budget (estimated at 540 million pesos—US$130 million), introduced in October 1955 and still under discussion, provides for an internal loan of 270 million pesos, and new and increased taxation to yield 45 million pesos to meet expenditure incurred in 1955. The introduction of personal income tax is a possibility.

The fact that exports of wool have continued at a high level into 1956, and that the rate of wheat exports holds promise of a smaller surplus at the end of the current season than the last one, offers some encouragement. Wool exports for the period October 1, 1955, to February 29, 1956, totalled 125,357 bales, compared with 40,300 bales during the same period last season. If this revival in the wool trade continues and is combined with less attention to wheat growing which would help in increasing cattle production, foreign exchange earnings for the year could rise considerably above the present estimate—172 million pesos as against well over 200 million pesos in 1955. The importing community, which at present faces another year of severe restrictions, is cherishing this hope. Imports will not only be cut further but will cost more because of the higher exchange rates established to pay for the premiums now accorded exports of wool.

Pattern of Trade

As mentioned earlier, Uruguay's external trading account showed an unfavourable balance for 1955 of US$42 million, nearly doubling the $24 million deficit for 1954. Exports were valued at US$183 million and imports at US$225 million. The Netherlands, Britain and the United States continued to be Uruguay's principal customers, particularly for wool, and Brazil figured prominently as a buyer of wheat and other products. These same countries, as in previous years, were the source of a large percentage of Uruguay's imports. Other prominent suppliers were Germany, Italy, Sweden, Venezuela, Switzerland and Belgium. Though quotas of exchange were opened on several occasions in favour of imports from Eastern European countries, there was no notable increase in purchases from that area.

Bilateral trade agreements are still the vogue in Uruguay's foreign trading. The latest to be signed is one with Bolivia, covering an exchange of goods to the value of US$1·6 million a year. This agreement provides for a reciprocal credit of up to US$250 thousand either way and also includes the most-favoured-nation clause. It is typical of those in force with several other countries.

More and more exports are being sold for soft currencies, and the purchase of more and more merchandise from behind the Iron Curtain and other sources in Continental Europe is being encouraged because there is a serious shortage of exchange to buy goods from Uruguay's traditional suppliers. There is a definite lack of interest, however, on the part of the Uruguayan importer in the goods available from Eastern Europe. They are not of the type or quality which this market requires.

Development Planned

Prominent among the projected schemes to increase production are the plans for developing the country's hydro-electric resources. A new dam and power plant on the Rio Negro is to supplement existing plant farther down the river. After much delay, the contract for the entire construction of this undertaking went recently to a large German organization. The total cost is put at 52 million pesos—approximately US$14 million. The financing, in part, will be from a loan now under consideration from the International Bank for Reconstruction and Development. After a study of comprehensive plans for livestock and agricultural development laid in 1954, the Government has earmarked 18 million pesos for stimulating cattle production and reviving the meat exporting industry. Other projects in view are extensions to the port of Montevideo and the reclamation of a large area of marshland for agricultural purposes. The financing of all these schemes is the problem.

An exhibition of national production was officially opened in February last, after two years of preparation. No space was allotted to foreign exhibitors. The cost thus far has been put at three million pesos, and it is hoped that the returns in interest on the part of visitors from other countries and the advertisement of Uruguayan products will make the expenditure worthwhile.

Data for Exporters

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

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

Paraguay Adopts New Policies

Devaluation of the guarani, simplification of foreign exchange system, and new agreements with Brazil are among constructive steps taken to improve Paraguay's financial and trading position.

BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

AT THE END OF 1955 the confused state of affairs in Paraguay, involving considerable political tension, came close to a head with a change in presidents of the Banco Central. The new incumbent of that office, although he has little banking experience, is a man of drive and integrity who has held several government posts in the past and has twice been mayor of Asunçion, the capital. He is determined to lead his country out of the difficult situation of the last few years by adopting policies which emphasize increased production for export, cut non-productive spending, and eliminate hand-to-mouth calculations of foreign exchange.

Exchange Systems Simplified

His first action was to organize a broadly based consultative committee to advise on imports. Experts from the International Monetary Fund, invited by the committee to study the situation and make recommendations, soon agreed with the Government that the par value of the guarani should be changed and the exchange system simplified. Effective March 1, 1956, the new value was set at 60 guaranies to the U.S. dollar. This applies to all exports, essential imports, receipts and remittances of certain services included in the foreign exchange budget, and to all government transactions. Non-essential imports are subject to a surcharge of 25 guaranies per U.S. dollar. In addition to the rate of 60 guaranies per U.S. dollar, there is a free market for capital transactions and services not included in the official market.

This new system thus eliminates a large number of exchange rates for both exports and imports and also removes the exchange rate discrimination between different foreign currencies. The guarani was previously officially devalued from 15 to 21 to the U.S. dollar in August 1954.

Agricultural and cattle production and exports, which suffered because of bad weather in 1955 (particularly during the last three months) are expected to benefit greatly from the higher, unified rate of exchange. The new rate, which also applies to imports of essential goods, combined with a revamped anti-inflationary agricultural credit policy, is the basis of the realistic approach to Paraguay's serious economic troubles and their solution.

Free Ports Established

Another important development in the nation's trade is an agreement signed recently with Brazil which establishes free port facilities at the Atlantic port of Paranagua for Paraguayan trade, and at Concepçion on the River Paraguay for Brazilian trade. This agreement will help the country considerably and so will the proposed improvement of road transport between the two neighbours. It will decrease Paraguay's dependence on the River Paraguay and transhipment at the port of Buenos Aires, at present virtually the only route for carriage of her exports and imports. For several months before last February the level of this river was so low that all navigation of any importance was halted.

Other agreements with Brazil are along the same co-operative lines. They include one for aid in financing construction of a road from the interior of Paraguay to the borders of Brazil, and one for the study of mutual interests in a hydro-electric power scheme at the headwaters of the River Parana.

Foreign Trade Problems

The foreign trade of Paraguay, which in past years has been dominated by her commercial relations with Argentina, suffered a setback in 1955 after the end of the Peron regime. One reason was the strained relations between the two countries, and a second and more important one, the devaluation of the Argentine peso. During 1954 Argentina was the destination of 43 per cent of Paraguay's exports and the source of 28 per cent of her imports. The disequilibrium that followed devaluation brought on a series of emergency measures, mainly involving further juggling of exchange rates, and by January 1956 the situation was only partially remedied. Until shortly before Peron's departure, Paraguay was finding a satisfactory outlet in Argentina for its hardwoods and fresh fruit, and Argentina was providing Paraguay with wheat and wheat flour, edible oil, pharmaceuticals, canned and processed foods, wine, and other consumer goods.

The value of Paraguay's exports in 1954 (the latest statistics available) reached the equivalent of US$33·97 million, 35 per cent above the figure for 1953. Imports were valued at US$32·8 million, leaving a favourable balance of US$1·1 million. Timber ranked highest among exports in tonnage and in value, making up nearly one-third of the total dollar value. Other leading commodities were raw cotton, quebracho extract, oleaginous products, and meat products. The principal imports were petroleum derivatives, machinery, and agricultural equipment.

As in Uruguay, bilateral trade agreements have a notable bearing on Paraguay's direction of trade. Of greatest importance was the agreement with Argentina. Barter agreements with Iron Curtain countries have not worked too well and the announcement has been made that these are to be re-examined.

Colombia Changes Trade Regulations

Faced with a drop in gold and dollar reserves and outstanding commercial debt of $135 million, the Colombian Government has taken steps to restrict imports and balance country's current account. This may mean temporary slow-up in Canadian sales to Colombia, but long-term prospects should remain unchanged.

W. B. McCULLOUGH,
Commercial Counsellor, Bogotá.

COLOMBIA HAS EXPERIENCED a shortage of foreign exchange to meet the demand for imports ever since late 1954. New exchange control regulations were introduced in 1955, but when gold and foreign exchange reserves dropped to the low point of $130·6 million, further controls were imposed and became effective in October of last year. These controls, which restricted the import of less essential commodities, were designed to bring foreign exchange spending on imports more in line with foreign exchange earnings. The new restrictions should show results in the import figures for the first quarter of 1956.

By mid-March of this year, reserves of gold and foreign exchange had dropped to $137·6 million, compared with $152·6 million at the end of December 1955 and $269·6 million in December 1954. By the end of March, however, the situation had improved and reserves were unofficially estimated at $144 million. However, for some months the Banco de la Republica (the Colombian Central Bank) has been three to four months behind in remittances and now it is over five months behind.

The last releases of foreign exchange, to March 7, covered applications registered up to November 3, 1955. A few million dollars were released the first week of April to cover some outstanding drafts registered before November 3. The outstanding commercial backlog totals at least $135 million.

New Regulations Introduced

The measures of control introduced in October 1955 obviously did not have the intended result of reducing the demand for exchange at the official rate of 2·50 pesos per dollar, nor did they bring Colombia's current account towards balance. In 1955 import licences granted for official exchange totalled $620 million ($631 million in 1954) and $44·3 million at the free rate, which was about the same as the previous year. Foreign exchange earnings in 1955 reached $545 million, some $114 million less than in 1954 but only $24 million below 1953. As reserves dropped and the delay in remittances increased, and in view of the probability that foreign exchange earnings in 1956 will be lower than in 1955, the Government of Colombia suspended the issuing of import licences from the third to the ninth of April to review the situation and issued new regulations and decrees on April 5 and 11.

The new regulations basically tighten up the controls already in force, with the express intention of reducing Colombia's annual imports at the official rate of exchange to $360 million.

On April 6th a considerable number of commodities were removed from the preferential and first group—which is granted exchange cover at the official rate of 2·50 pesos to the dollar—and put in second group special and second group, which must be covered with exchange from the free market, now quoted at about 4·47 pesos to the dollar. (*Lists and latest changes are available from the International Trade Relations Branch, Department of Trade and Commerce.*)

On April 11 a further series of regulations was issued to complete for the present the series of measures designed to restrict imports, bring Colombia's current account into balance, and permit the liquidation of the $135 million commercial backlog.

Previous Deposits and Import Surtaxes

Previous deposits have been raised across the board as follows

GROUPS

Preferential	from	20	per	cent	to	40	per	cent	f.o.b. value
First	"	24	"	"	"	50	"	"	" "
Second special	"	24	"	"	"	50	"	"	" "
Second	"	30	"	"	"	60	"	"	" "
Third	"	40	"	"	"	80	"	"	" "
Fourth	"	60	"	"	"	100	"	"	" "

Import surtaxes, as established last year, remain unchanged as follows:

GROUPS

Preferential	3 per cent
First	10 " "
Second special	10 " "
Second	30 " "
Third	80 " "
Fourth	100 " "

Bank Credit Restrictions

- Legal cash holdings of private banks with the Banco de la Republica are set at 18 per cent of demand deposits and 8 per cent of term deposits. To this has now been added 60 per cent of any future increase in deposits.

- No letters of credit may be established without a previous deposit by the drawee of 25 per cent of the value of letters of credit with the Banco de la Republica.

- Private banks may no longer maintain deposit warehouses.

The main purpose of these bank restrictions is to prevent a drain on dollar reserves through the use of local credit.

Among other measures taken to cope with the situation are the following:

- The abolition of the strictly bilateral trading system, under which all imports had to be paid for with exchange derived from the exports to the country from which the imports came. This system had not proved effective since its introduction in May 1955. However, the Government might, should it see fit, re-establish the system.

- Official and government imports are to be subject to the same dispositions as private imports.

The Minister of Finance, in his remarks on making public the new measures, stated emphatically that there would be no devaluation of the peso from the present rate of 2·50 pesos to the dollar.

Effect of New Regulations

The new restrictions, combined with the limitations on bank credit, should prove an effective brake on imports at the official rate of exchange. Imports at the free rate will increase, but as these goods will cost substantially more in pesos, it remains to be seen what volume the market can absorb. Altogether 1955 was one of Colombia's most successful business years, and that was one of the reasons for the heavy demand for foreign exchange. The new measures reflect the intention and the serious efforts of the Colombian Government to bring about a settlement of its foreign current account and live within its income, rather than to let the situation deteriorate seriously. With normal prices being maintained in the coffee market, these measures should result in a reduction of the commercial backlog and a return to a normal payments position, perhaps by the end of the year.

Canadian exporters should expect a slow-up in the demand for some commodities during this period, but long-term prospects in this market should remain unchanged.

Tours of Territory

A. G. KNIEWASSER, Assistant Commercial Secretary in Caracas, Venezuela, plans a tour of the Netherlands Antilles from June 3-9, during which he will visit Curaçao and Aruba.

W. J. MILLYARD, Canadian Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland, will tour the Copperbelt towns in Northern Rhodesia May 29-June 6. From June 10-16 Mr. Millyard will be in Bulawayo, Southern Rhodesia.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

General notes

Argentina

NEWSPAPER PRICES RAISED—On the first day that the new newspaper prices of 35 centavos to the distributor and 80 centavos to the public were in effect, many distributors refused to operate on the grounds that the traditional division of the retail price of papers in Argentina has been 50 per cent for the newspaper publisher and 50 per cent for the distributor. The Argentine Government immediately took over as arbiter and established new prices, effective immediately, of 30 centavos for both the publisher and the distributor, making a retail price of only 60 centavos. The prevailing price before the recent changes was 40 centavos, equally divided—Buenos Aires, May 7.

Australia

WHALING COMMISSION'S ASSETS SOLD—The assets of the Australian Whaling Commission at Carnarvon, Western Australia, will be sold to a private company, the Nor' West Whaling Co. Ltd., for £800 thousand. This was the highest offer made; the West Australian Government had offered £620 thousand. Net profit from the sale will be about £750 thousand. The Minister for Trade introduced two bills in the Federal Parliament to enable the Government to sell the assets and to establish a Fisheries Development Trust fund with the money. He said the Australian Whaling Commission has fulfilled the purpose for which it was originally established, and the sale of the business would not decrease activity in the whaling industry—Melbourne, April 30.

Brazil

POLYETHYLENE PLANT—Union Carbide do Brasil, a subsidiary of Union Carbide and Carbon, will shortly begin construction of a plant in São Paulo to produce polyethylene. The plant will be located close to the Cubatao refinery which will supply the basic raw material—São Paulo, April 30.

Federation of Rhodesia and Nyasaland

WORLD BANK APPROVES KARIBA LOAN—After intensive investigations over the past two years, the World Bank in Washington has announced that it will make a loan to help finance the giant Kariba Dam hydro-electric project in Southern Rhodesia, the first stage of which will cost an estimated $215 million and the second stage a further $110 million. The amount of the loan has not yet been fixed but some months ago the Bank stated that $75 million would be the maximum it could consider, although the actual figure may be somewhat less. Preliminary work on the project was begun by the Government of the Federation last year and the fact that the World Bank will definitely support the project is a matter for great satisfaction and relief—Salisbury, May 8.

Finland

STRIKE IN WOOD PRODUCTS INDUSTRY—According to the Swedish *Timber and Wood Pulp Journal,* the general strike in Finland between March 1 and 19 resulted in a loss of output in the timber branch of about 3,500 standards per wasted working day, and also caused a severe drop in the production of pulp and paper. For example, each day of the strike resulted in a loss of over 3,000 tons of chemical pulp and 1,500 tons of newsprint. Because of the shutting down of digesters, etc., and the delay in starting up again when the strike ended, the drop in export quantities of cellulose is estimated at approximately 70,000 tons and of paper and paperboard at nearly 65,000 tons—Stockholm, May 5.

Italy

PAPER MILL—As a result of loans from the International Bank of Reconstruction, a paper mill will be constructed in central Italy, near Avezzano. It is estimated that the mill will use 33,000 tons of poplar a year for wood pulp manufacture. Power available is estimated at 42 million kwh., and it should be possible to produce approximately 24,000 tons of paper a year—Rome, May 6.

Japan

WATERPOWER SURVEY—The Japanese Ministry of International Trade and Industry has decided to undertake, in collaboration with the Power Development Co-Operation and various electric power companies, an extensive ground and air survey of waterpower resources. Purpose of the survey, which is expected to extend over the next three years, is to ascertain the volume of unused waterpower available for electric power generation and to provide data for future plans related to the overall development of waterpower and atomic power generation. It is estimated that the waterpower resources could produce seven million kilowatts—Tokyo, May 1.

United Kingdom

TRADE FIGURES—The United Kingdom adverse trade balance in April reached £57·2 million compared with £45·5 million in March. Total exports were valued at £270·1 million; imports were worth £327·3 million. In the first four months of 1956, exports increased by 5·8 per cent over the same period last year. Imports, on the other hand, have declined by 0·7 per cent in the same periods. As a result, the monthly average adverse trade balance, at £56·4 million, was £18 million less than a year ago.

Exports to North America—£33·8 million—were up over March by £3·3 million, and in the period January-April were 22½ per cent higher than a year earlier. Exports to Canada rose in April by £2·5 million to £15·9 million—London, May 11.

United States

CHEMICAL INDUSTRY—According to a survey in Washington by the Manufacturing Chemists Association, Texas again led the nation in chemical plant construction during 1955, and the South as a region once more enjoyed a major share of this. Texas, currently the nation's third-ranking chemical-producing state, led with 66 projects (costing an estimated $414·8 million) completed, under way, or definitely scheduled—New Orleans, May 7.

trade and tariff regulations

Australia

IMPORT RESTRICTIONS ON HOPS RELAXED—Advice has been received that the Australian Government has now placed hops under the global import licensing system. This means that individual Australian importers may purchase hops from whatever source they wish, the only limitation being that total imports may not exceed a prescribed amount. Discrimination in import controls as between currency areas has been abolished, therefore, for this product.

Indonesia

EXPORT PREMIUM ON TEA AND TOBACCO—The Indonesian Monetary Council has announced that the export premium on tea is increased from 10 per cent to 20 per cent of the f.o.b. export proceeds, effective May 5. Beginning on the same day, exports of Virginia tobacco receive a premium of 10 per cent—Djakarta, May 9.

Jamaica

IMPORT DUTIES—Effective April 11, Jamaican import duties on beer were increased by 9½d. per imperial gallon. In addition, a similar increase was made in the excise duty on locally brewed beer. Locally-produced fermented liquors, other than beer and spirits, were made subject to the new rate of excise duty on locally brewed beer; previously these liquors were free of excise duty. The purpose of the increase is to raise public revenue.

Most of the beer consumed in Jamaica is brewed locally. Canadian and other imported beers are drunk principally in clubs and hotels and constitute a luxury trade. The higher taxation has resulted in a slight increase in the retail cost of both kinds. However, no more than a moderate fall in the demand for imported beer is expected—Kingston, April 20.

Mauritius

IMPORT RESTRICTIONS RELAXED—It was announced in *Foreign Trade* of February 18 that the Mauritius authorities would permit imports of the following goods from Canada: newsprint, prepared foods, box shooks, farm implements, tools and aluminum products.

On April 10, 1956, the Mauritius Controller of Supplies announced that "additions have been made to the list of commodities which may henceforth be imported from Canada". It is understood that a considerable variety of goods will be permitted import under this further liberalization.

Canadian exporters interested in taking advantage of these opportunities should contact either Mr. K. F. Noble, the Canadian Trade Commissioner for Mauritius, or the International Trade Relations Branch, Department of Trade and Commerce, Ottawa. Mr. Noble's address is P.O. Box 715, Johannesburg, Union of South Africa.

Sweden

IMPORT FEE ON LIVER AND TONGUE—The Ministry of Agriculture has stipulated that the import fee on liver and tongue of horse, pig or cattle, entering Sweden after February 12, 1956, will be 90 öre per kilogram. This constitutes a moderate increase in the import fee on liver, but almost doubles the fee on tongue—Stockholm, April 23.

Trinidad

COMBINED BILLS OF LADING—To avoid paying minimum bill of lading charges, exporters sometimes ship several consignments to Trinidad on a combined bill of lading. The entire shipment is then consigned to one person, who attends to the proper issuing of sub-delivery orders covering the goods destined for individual buyers.

The banks in Trinidad, acting on the advice of their lawyers, will no longer accept the responsibility for issuing sub-delivery orders for several reasons. One reason is that the wharf authorities do not hold themselves responsible if, after making delivery to a person presenting a sub-order, it is discovered that an unauthorized person received the goods. Furthermore, the acceptance of sub-orders by the wharf authorities does not relieve the depositor of the relative bill of lading of responsibility for the removal of goods which are refused by the holder of a sub-order for any reason such as deterioration, damage, discrepancy of marking, etc., or for the payment of rent or other charges on the shipment. These and similar clauses place a definite responsibility on the person issuing sub-delivery orders. The banks are unable to accept this responsibility because it is impossible for them to confirm that proper delivery has been made.

Foreign exporters who intend shipping on combined bills of lading are therefore advised to consign such shipments to a responsible person who is in a position to handle them, and the drawer's local agents are the most suitable choice. The shippers must, of course, give proper authority to the bank collecting the relative drafts to have such bills of lading handed, free of payment, to the persons attending to the issuing of sub-delivery orders.

Where exporters have no local agents or when the banks receive a combined bill of lading with no definite instructions about the person to whom it should be handed to be split, the bill will be passed to the bank's regular brokers who will arrange delivery and will free the bank concerned from responsibility. The brokers make a nominal charge of about 52 cents (B.W.I.) for each order issued—Port-of-Spain, April 24.

United Kingdom

PREFERENCE REGULATIONS REISSUED—A revised edition of Customs Notice 27A explaining the Imperial Preference regulations of the United Kingdom has recently been released. The new Notice is dated March 1956 and cancels all previous editions.

There are no changes in the basic principles of preference. The main changes are in the texts of the various certificates of origin and form of cost accounts, which have been modified in several respects in form, rather than in intent. No date has been set after which the new forms will become compulsory, and reasonable time will be given to permit disposal of existing stocks.

A copy of the new Notice is available on application to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Transportation

A new edition of "Canadian Foreign Trade Routes," giving more detailed information on sailings from Canadian ports, is now available from the Transportation and Trade Services Division. "Canadian Foreign Trade Routes" contains an index to foreign ports of discharge and to steamship companies and their Canadian agents, plus a table of steamship services from eastern Canadian ports and from Canadian Pacific ports, including ports of discharge, loading ports, number of sailings, space accommodation and other information.

To obtain this directory and other information on water, rail, air and road transport services to and from Canada, write to the Director of the Transportation and Trade Services Division, Department of Trade and Commerce.

Countries Served by Foreign Trade Service

This list shows the countries included in the territories of Canadian Trade Commissioner offices abroad and the post responsible for the promotion of Canadian trade in each.

Country	Post Responsible
ADEN	Cairo
AFGHANISTAN	Karachi
ALASKA	Seattle
ALGERIA	Paris
ANGOLA	Leopoldville
ARGENTINA	Buenos Aires
AUSTRALIA	Sydney and Melbourne
AUSTRIA	Berne
AZORES	Lisbon
BAHAMAS	Kingston
BAHREIN	Beirut
BALEARIC ISLANDS	Madrid
BARBADOS	Port-of-Spain
BELGIAN CONGO	Leopoldville
BELGIUM	Brussels
BERMUDA	New York
BOLIVIA	Lima
BRAZIL	Rio de Janeiro and São Paulo
BRITISH CAMEROONS	London
BRITISH GUIANA	Port-of-Spain
BRITISH HONDURAS	Kingston
BRITISH TOGOLAND	London
BRUNEI	Singapore
BURMA	Singapore
CAMBODIA	Hong Kong
CANAL ZONE, PANAMA	Guatemala
CANARY ISLANDS	Madrid
CAPE VERDE ISLANDS	Lisbon
CAYMAN ISLANDS	Kingston
CEYLON	Colombo
CHILE	Santiago
CHINA	Hong Kong
COLOMBIA	Bogotá
COSTA RICA	Guatemala
CUBA	Havana
CURAÇAO	Caracas
CYPRUS	Cairo
CZECHOSLOVAKIA	Berne
DENMARK	Copenhagen
DOMINICAN REPUBLIC	Ciudad Trujillo
DUTCH GUIANA	Port-of-Spain
ECUADOR	Bogotá
EGYPT	Cairo
ENGLAND	London and Liverpool
ETHIOPIA	Cairo
FALKLAND ISLANDS	Montevideo
FEDERATION OF RHODESIA and NYASALAND	Salisbury
FIJI	Wellington
FINLAND	Stockholm
FORMOSA	(See Taiwan)
FRANCE	Paris
FRENCH WEST AFRICA	Paris
FRENCH EQUATORIAL AFRICA	Leopoldville
FRENCH GUIANA	Port-of-Spain
FRENCH WEST INDIES	Port-of-Spain
GAMBIA	London
GERMANY	Bonn
GIBRALTAR	Madrid
GOA	Karachi
GOLD COAST	London
GREECE	Athens
GREENLAND	Copenhagen
GUATEMALA	Guatemala
GUIANA (BRITISH, DUTCH, FRENCH)	Port-of-Spain
HAITI	Port au Prince
HAWAII	San Francisco
HONDURAS	Guatemala
HONG KONG	Hong Kong
HUNGARY	Berne
ICELAND	Oslo
INDIA	New Delhi and Bombay
INDONESIA	Djakarta
IRAN	Karachi
IRAQ	Beirut
IRELAND, REPUBLIC OF	Dublin
IRELAND, NORTHERN	Belfast
ISRAEL	Athens
ITALY	Rome
JAMAICA	Kingston
JAPAN	Tokyo and Kobe
JORDAN	Beirut
KENYA	Salisbury
KOREA	Tokyo
KUWAIT	Beirut
LAOS	Hong Kong
LEBANON	Beirut
LEEWARD ISLANDS	Port-of-Spain
LIBERIA	New York
LIBYA	Rome
LIECHTENSTEIN	Berne
LUXEMBOURG	Brussels
MACAO	Hong Kong
MADAGASCAR	Johannesburg
MADEIRA	Lisbon
MALAYA	Singapore
MALTA	Rome
MAURITIUS	Johannesburg
MEXICO	Mexico
MOROCCO, FRENCH	Paris
MOROCCO, SPANISH	Madrid
MOZAMBIQUE	Johannesburg
NETHERLANDS	The Hague
NETHERLANDS ANTILLES	Caracas
NETHERLANDS GUIANA	Port-of-Spain
NEW GUINEA	Sydney
NEW ZEALAND	Wellington
NICARAGUA	Guatemala
NIGERIA	London
NORTH BORNEO	Singapore
NORTHERN IRELAND	Belfast
NORWAY	Oslo

Country	Post Responsible
ORANGE FREE STATE	Johannesburg
PAKISTAN	Karachi
PANAMA	Guatemala
PARAGUAY	Montevideo
PERSIA	(See Iran)
PERU	Lima
PHILIPPINES	Manila
PORTUGAL	Lisbon
PORTUGUESE EAST AFRICA	Johannesburg
PORTUGUESE GUINEA	Lisbon
PUERTO RICO	Ciudad Trujillo
RIO MUNI	Madrid
RIO DE ORO	Madrid
RUANDA URUNDI	Leopoldville
EL SALVADOR	Guatemala
ST. PIERRE and MIQUELON	St. John's
SARAWAK	Singapore
SAUDI ARABIA	Cairo
SCOTLAND	London
SEYCHELLES ISLANDS	Salisbury
SIAM	(See Thailand)
SIERRA LEONE	London
SINGAPORE	Singapore
SOMALILAND	Cairo
SOUTH AFRICA, UNION OF	Johannesburg and Cape Town
SOUTH WEST AFRICA	Cape Town
SPAIN	Madrid
SUDAN	Cairo
SURINAM	(See Netherlands Guiana)
SWEDEN	Stockholm
SWITZERLAND	Berne
SYRIA	Beirut
TAIWAN	Hong Kong
TANGANYIKA	Salisbury
TANGIER	Madrid
THAILAND	Singapore
TOBAGO	Port-of-Spain
TRIESTE	Rome
TRINIDAD	Port-of-Spain
TUNISIA	Paris
TURKS and CAICOS ISLANDS	Kingston
TURKEY	Athens
UGANDA	Salisbury
UNITED STATES	Boston, Chicago, Detroit, Los Angeles, New Orleans, New York, San Francisco, Seattle, Washington
UNITED KINGDOM	London and Liverpool
URUGUAY	Montevideo
VENEZUELA	Caracas
VIET NAM	Hong Kong
WALES	Liverpool
WESTERN SAMOA	Wellington
WINDWARD ISLANDS	Port-of-Spain
YEMEN	Cairo
YUGOSLAVIA	Rome
ZANZIBAR	Salisbury

Belgium Breeds Mink

IN NOVEMBER 1954 the Belgian Ministry of Agriculture authorized imports of mink breeding stock. Since then, interest in the business has been growing rapidly, sharpened by the publicity given the 1955 Canadian Fur and Fashion Show in the Belgian press. A Belgian expert in this field says he has received 700 inquiries from people interested in raising mink. Responsible circles, however, are concerned about the danger of inexperienced breeders producing inferior quality pelts, with consequent damage to the reputation of all breeders.

Approximately 30 mink breeding farms are now in operation, and it is evident that there is no element of competition because advice on care and feeding is freely given and sought. It is apparent that an effort is being made to organize the Belgian industry on a firm, scientific footing and help it to reach the high standard set by Canada. The mink population of Belgium is currently about 1,000; the average farm has three females to each male and the average litter numbers four. Therefore, the hope which has been expressed for a population of about 6,000 by the end of 1956 would seem to be based on an assumed import of about 2,000 mink during the year.

Canadian mink breeders will watch the development of this infant industry with interest and, provided the breeders are not set back by some such misfortune as a plague, Canadians should find a growing market for their breeding stock in Belgium.

So that Canadian breeders can compare their feeding costs with those in Belgium, here is one breeder's estimate. He calculates that it costs $1\frac{3}{4}$ cents a day to feed a mink, and about $51 a year to feed a male, a female and their four offspring, assuming the latter are killed for pelts during their seventh month. This same breeder warns the beginner of the importance of buying stock from a reputable farm.

Offers of breeding stock from Belgium's neighbours, who have been raising mink for some time, are very attractive from the price standpoint and it is difficult to convince the beginner that the extra cost (one element of which is the air freight Montreal-Brussels at $1.14 a pound, including weight of cage) of Canadian mink is warranted. But progress is being made. Belgium has no dollar problems and import restrictions are few. We urge Canadian breeders to follow up this new development by helping the Commercial Counsellor's office in Brussels to put them in touch with potential customers. Canadian interest, once established, cannot help but bear fruit.

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

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

Conversion into Canadian dollar equivalent 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 exporters. 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 1·00724.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 10	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05516	18·13	(1)
		Free	·02669	37·47	
Australia	Pound		2·2315	·4481	
Austria	Schilling		·03819	26·18	
Belgium-Luxembourg	Franc		·01989	50·28	
Belgian Congo	Franc		·01989	50·28	
Bolivia	Boliviano	Official	·00523	191·4	
British West Indies	Dollar		·5811	1·721	(2)
	Pound		2·7894	·3585	(3)
	Dollar	British Honduras	·6973	1·434	
Brazil	Cruzeiro	Effective selling*			
		* Category 1	·00916	109·21	
		Category 2	·00668	149·76	tax 10% (4)
		Category 3	·00512	195·31	*April 17
		Official buying	·05407	18·49	(5)
Burma	Kyat		·2085	4·796	
Ceylon	Rupee		·2092	4·780	
Chile	Peso	Free	·00212	471·7	(15)
Colombia	Peso	Basic	·3971	2·518	(7)
		Free*	·2140	4·672	*May 8
Costa Rica	Colon	Official	·1768	5·656	
		Controlled free	·1495	6·688	
Cuba	Peso		·9928	1·007	tax 2% (4)
Czechoslovakia	Koruna		·1379	7·252	
Denmark	Krone		·1437	6·959	
Dominican Republic	Peso		·9928	1·007	
Ecuador	Sucre	Official	·06619	15·11	
		Free	·05593	17·88	
Egypt	Pound	Official	2·8509	·3508	(6)
Fiji	Pound		2·5129	·3979	
Finland	Markka		·00432	231·6	
France	Franc		·00284	352·5	(8)
French Africa	Franc		·00567	176·2	(9)
French Pacific	Franc		·01560	64·10	(10)
Germany	D Mark		·2356	4·244	
Greece	Drachma		·03309	30·22	
Guatemala	Quetzal		·9928	1·007	
Haiti	Gourde		·1986	5·035	
Honduras	Lempira		·4964	2·015	
Hong Kong	Dollar	Free*	·1695	5·901	*April 27
		Official	·1743	5·737	
Iceland	Krona	Official	·06096	16·40	
		Special buying	·04641	21·54	
		Special selling	·03561	28·08	(11)
India	Rupee		·2092	4·780	
Indonesia	Rupiah	Basic	·08743	11·44	(12)
Iran	Rial	Certificate	·01311	76·30	
Iraq	Dinar		2·7799	·3597	
Ireland	Pound		2·7894	·3585	
Israel	Pound		·5516	1·813	
Italy	Lira		·00159	627·4	
Japan	Yen		·00276	362·6	
Lebanon	Pound	Free	·3082	3·245	
Mexico	Peso		·07943	12·59	

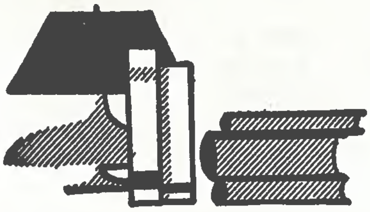
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent May 10	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2593	3·857	
Netherlands Antilles	Guilder		·5225	1·914	
New Zealand	Pound		2·7894	·3585	
Nicaragua	Cordoba	Effective buying	·1504	6·649	
		Official selling	·1408	7·101	
Norway	Krone		·1390	7·194	
Pakistan	Rupee		·2092	4·780	
Panama	Balboa		·9928	1·007	
Paraguay	Guarani	Official	·01655	60·42	(6) (13)
Peru	Sol	Certificate	·05225	19·14	
Philippines	Peso		·4964	2·015	
Portugal	Escudo		·03465	28·86	(14)
El Salvador	Colon		·3971	2·518	
Singapore & Malaya	Straits dollar		·3254	3·073	
South Africa (Union of)	Pound		2·7894	·3585	
Spain & Dependencies	Peseta	Basic buying	·04533	22·06	
		Basic commercial selling	·06046	16·54	(6)
		Free	·02549	39·23	
Sweden	Krona		·1919	5·211	
Switzerland	Franc		·2317	4·316	
Syria	Pound	Free*	·2811	3·56	*April 16
Thailand	Baht	Free	·04799	20·84	(6)
Turkey	Lira		·3546	2·820	
United Kingdom	Pound		2·7894	·3585	
United States	Dollar		·99281	1·007	
Uruguay	Peso	Official	·6542	1·529	tax 6% (4)
		Principal buying	·5806	1·722	(6)
		Principal selling rates	·4728	2·115	
			·4452	2·246	
Venezuela	Bolivar		·2964	3·374	
Yugoslavia	Dinar		·00331	302·2	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
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 most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports.



businessman's bookshelf

Year Book and Guide to East Africa

Union Castle Mail Steamship Company Limited. 408 pages + maps. $3.00.

THIS BOOK should prove helpful to Canadian exporters travelling in East Africa. Its 408 pages provide information on governmental structure; legislation on trade and other economic matters; summaries of the customs tariffs; mining, agricultural and industrial production; international trade; banking and currency; the educational system, and climate and health in many African countries including Kenya, Uganda, Tanganyika, Mauritius, the Belgian Congo, Ethiopia, Egypt, the Anglo-Egyptian Sudan and nine other countries. The book contains a folding map of Africa, an atlas showing details of various countries, and plans of a number of cities and towns. Many of the more important travel routes in East Africa are outlined, plus detailed information on hotel accommodation, transportation facilities, restaurants, points of interest and local geography.

Order from: The H. W. Wilson Company, 950-972 University Avenue, New York 52, N.Y.

Dairy Produce, 1955

Intelligence Branch, Commonwealth Economic Committee. 129 pages. 5 shillings.

COMMONWEALTH COUNTRIES have increased their large share of the dairy produce entering world trade, following a record 1954-55 season in Australia, according to this review of the dairy produce industry in the Commonwealth and in the world. In world production and trade in dairy produce, the upward trend which continued in 1954 was checked in 1955 when milk output in Europe was affected by poor grain and hay harvests and a prolonged spell of hot, dry weather. In the future, the writers anticipate, international trade will be affected by the possibility of an increase in liquid milk consumption in the more developed countries, under pressure of rising population and other economic factors. In under-developed countries, including many in the Commonwealth, the growth in purchasing power has led to significant increases in the consumption of condensed milk and other milk products.

Dairy Produce includes statistics for 1954, and in some cases 1955, on world production of, and trade in, whole, condensed and powdered milk; butter; cheese; casein; eggs and egg products, and margarine. Its appendices discuss government measures affecting dairy produce and import duties and controls in a number of countries. For Canada, the review describes price supports and producers' boards and control agencies and lists the import duties on dairy products.

Order from: Commonwealth Economic Committee, 2 Queen Anne's Gate Buildings, London, S.W. 1.

International Investment Quarterly, Summer 1956

Edited by Harley D. Potter. 120 pages. $6.00 a year, $2.00 single copy.

THIS NEWCOMER to the ranks of Canadian periodicals is the brainchild of a former member of the editorial staff of the *Financial Post.* Mr. Potter has conceived the idea of a quarterly specializing in "discussion and information about international investment of private capital", and in an introduction he gives his editorial recipe. It consists of a judicious mixture of detailed economic studies and less comprehensive general articles. To judge by the first number, the results are excellent.

The serious studies cover first, the rebirth and the new role of the investment company in foreign investment and second, the attractions of European securities for the North American investor, with emphasis on offerings in Britain and The Netherlands. The thirteen other, and less weighty, articles treat such topics as non-petroleum investment in Venezuela, foreign investment in Canadian real estate, investment opportunities in Japan and the Philippines, and the attitude of the Indian Government towards the foreign investor.

The objective of the publication—"to serve investors and help increase the role of private capital in world development"—is well served by the initial issue. If succeeding ones maintain this high standard, the success of the venture should be assured.

Order from: International Investment Quarterly, 21 King Street East, Toronto, Ontario.