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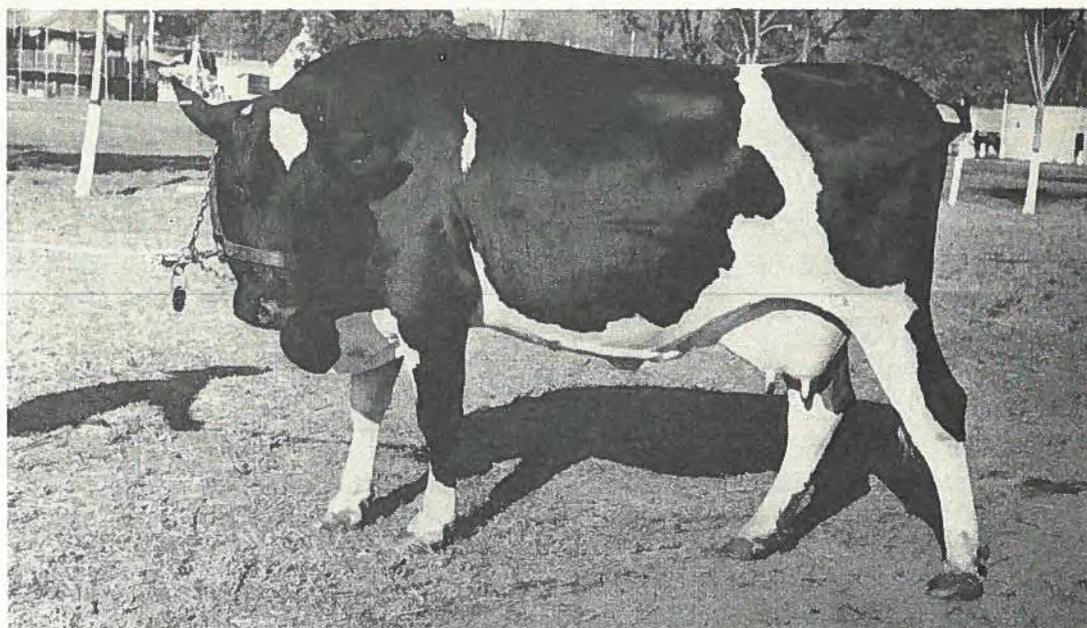
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COVER This Holstein-Friesian bull, jauntily wearing an airline pilot's cap, left Malton airport last February bound for a new home in Colombia. Raised on a farm at nearby Brampton, Ontario, the bull—All-Canadian bull calf for 1955—was sold to two Colombian breeders for \$15,000. For a report on the promising market for Canadian purebred cattle in eight Latin American countries, see pages 2 to 14. Photo courtesy Holstein-Friesian Association of Canada.



Latin American Markets for Purebred Cattle



Argentina

Colombia

Cuba

Dominican Republic

Mexico

Peru

Puerto Rica

Venezuela

ONE OF OUR INTERESTING AND GROWING EXPORTS to Latin America is purebred cattle, raised on Canadian farms and transported (often by air) to any one of 16 countries in that area. These sales have grown from some 607 animals, valued at about \$226 thousand, in 1945, to 2,395, valued at \$1.16 million, last year. The outbreak of foot and mouth disease in Canada in 1952 slowed up this trade temporarily but it increased remarkably in 1955 and, in fact, reached an all-time high both in volume and in value.

Perhaps the main influence in this increase is the fact that a number of Latin American countries have embarked upon government-sponsored programs to improve the cattle population by importing purebred stock. Under these programs a government department or agency acts as the importer and resells the cattle which it buys abroad to individual breeders on long-term credit. Canada has been the source of many purchases made under these programs.

The following table shows how this trade in purebred cattle has developed in the last ten years.

CANADIAN EXPORTS OF PUREBRED CATTLE TO LATIN AMERICA

Year	Number	Value
1945	607	\$ 225,692
1946	412	313,386
1947	315	212,009
1948	1,090	519,355
1949	377	223,705
1950	768	488,127
1951	597	359,209
1952	151	117,170
1953	720	407,118
1954	931	614,589
1955	2,395	1,161,662
	<u>8,363</u>	<u>\$4,642,022</u>

Nearly all the purebred cattle that move from Canada into Latin American markets are dairy cattle, and by far the largest proportion are Holstein-Friesians. Some farmers in these countries buy high-priced show-ring cattle, but the demand is concentrated largely on moderately priced animals with good production records.

The table below breaks down exports of Canadian purebred cattle to Latin America by countries:

(Above, left) At the Maracay Fair in Venezuela, "Deliciosa", a Canadian-bred Holstein-Friesian, took first place as the best example of the breed. She seems modest about her triumph.

(Below, left) Another purebred Holstein-Friesian from Canada disembarks from a plane in Peru. In recent months some 580 head of Canadian purebreds of this breed have gone south to Peruvian buyers.

CANADIAN EXPORTS OF PUREBRED CATTLE TO LATIN AMERICA 1945-1955

Country	Number	Value
Argentina	292	\$ 499,932
Brazil	94	112,279
Chile	220	197,469
Colombia	1,028	725,942
Costa Rica	11	9,825
Cuba	246	108,532
Dominican Republic	217	73,498
Ecuador	271	130,967
El Salvador	14	9,600
Guatemala	4	5,237
Mexico	2,179	1,091,816
Panama	34	9,116
Peru	605	268,052
Puerto Rico	734	270,681
Uruguay	157	168,879
Venezuela	2,257	960,197
	<u>8,363</u>	<u>\$4,642,022</u>

In the following pages we present brief reports on the market for Canadian purebred cattle in eight Latin American countries, prepared by Canadian Trade Commissioners stationed in that area.

Argentina

Demand for Canadian Holstein-Friesian dairy cattle should strengthen as foreign exchange position improves; some opportunities also for Aberdeen Angus breed.

THE MODERN ARGENTINE ECONOMY has been built to a considerable degree on the herds of wild cattle which developed from the few head left in the country by unsuccessful settlers of the 16th century. During the past fifty years the quality of these herds has been continually improved by the regular import of up to 1,000 head a year of high-quality purebred cattle. Up to the end of the Second World War the great majority of these were Shorthorn, Hereford and Aberdeen Angus sires from the British Isles, with a strong emphasis on both beef and dual-purpose Shorthorns. Small numbers of other breeds were also imported during that time, especially Friesian cows and bulls from the Netherlands. Imports from North America were small, sporadic, and limited almost exclusively to Holstein-Friesians.

During the last fifteen years, however, interest in dairy breeds (mainly Friesian types) has grown rapidly. So has the popularity of Aberdeen Angus. In 1955 more than half of the total imports of over 600 head were dairy breeds and almost one-fifth were Aberdeen Angus. North America has also become a much more important source, supplying in 1955 more than 100

animals, of which 28 were said to be Canadian Holstein-Friesians and the remainder Holstein-Friesians, Aberdeen Angus, Herefords, Polled Herefords and Polled Shorthorns from the United States.

Canadian Holstein-Friesians Well Received

Canada's sales to Argentina of Holstein-Friesians from 1945 to 1955 totalled 305 animals with an export value of over half a million dollars. The average value of these animals was several times that of the average of animals exported to all destinations. These valuable high-quality Canadian animals and their progeny have gained wide recognition in Argentina for their productive capacity and their show-ring prowess. To cite one example, the Canadian cow Lochinvar Bonheur Rocharm holds the absolute Argentine production records for both milk and butterfat, as well as the South American records for her category, division and class. As a second example, in 1954 at the internationally famous Palermo Show the Canadian cow Princess May Sky Rocket was the Grand Champion female, and the Grand Champion bull was a son of Spring Farm Lochinvar.

From 1953 to 1955, inclusive, Argentina imported 650 Friesian-type cattle. Of these, 45 bulls and 74 females are reported to have come from Canada, 47 bulls and 66 females from the United States, and most of the remainder from the Netherlands. The figures for Canada are somewhat lower than those given in Canadian export statistics and this suggests that some of the animals credited to the United States may actually have originated in Canada. In any event, viewed in relation to Canada's dairy cattle population, our share of this market in recent years has been considerable. A further indication of the esteem in which Canadian dairy cattle and dairy cattle breeders are held is the fact that in recent years a Canadian judge has been invited to officiate at more than one of the major Argentine dairy shows.

Herd-Improvement Programs

In an effort to improve the quality of Argentine cattle, the Government controls and/or supports three main programs:

- Careful inspection of all breeds and in the case of dairy breeds, pre-selection of all animals imported for breed improvement. Animals which do not meet the required standards are re-exported or slaughtered.
- For purebred dairy cattle, the recording of production and future selection based on these records: inscription of cows in Advanced Registry when minimum records are met for the different age groups of up to 5,000 kilograms (11,020 lb.) and 7,000 kilograms (15,428 lb.) of milk (and comparable fat minimums) for twice and three times a day milking; and

inscription of bulls in Herd Sire Registry, where minimum records of their dams and granddams are the limiting factors.

- For the Holando Argentino (Friesian) breed, the stimulation of the registration and recording of production of "Puros por Cruza" (pure by crossing) to promote herd improvement among the many large herds which probably will never become purebred.

Import Regulations

Each year, in the light of Argentina's total import needs and the availability of foreign exchange, an overall quota of foreign exchange is set aside for the import of purebred cattle. However, before the Central Bank will issue an import permit covering any part of that exchange, the prospective importer must obtain from the Ministry of Agriculture and Livestock a certificate confirming the necessity of the import from the national standpoint. In most instances, the Ministry gives these certificates only to breeders and the imported animal must not be sold for a given period. In the case of beef cattle, this certificate is generally given for a certain number of animals to a certain value of foreign currency and the selection of the individual animals is left to the importer or his agent. The animals upon arrival must pass inspection by a committee composed of government officials and representatives from the Rural Society and the breed association. Failure to meet the quality requirements of this committee means in practice that the animal will be slaughtered.

Unless the animals are to be bought at public auction, the Ministry will only issue a certificate of necessity for specific animals for which the following information has been supplied: breed, sex, country of origin, foreign exchange required, destination, extended pedigree (five generations with type classification and milk and fat production of all females in kilograms), certificate of inscription in official Herd Book, unretouched photographs of both profiles, production records of full sisters and daughters if they exist, and proof of fertility in bulls or the result of a gynaecological examination for a female. If the animal is bought at auction, this information must be supplied as quickly as possible after purchase.

Specifications Outlined

To qualify for import, the animal must meet the following specifications:

- The animal and all his or her ancestors up to the fifth generation must be inscribed in the official Herd Book of the country of origin.
- If a producing female, individual production records of the animal, and of the dams and granddams must meet the following minimum standards: for lactations

completed up to the age of five years 3,500 kilograms (7,714 lb.) and 5,000 kilograms (11,020 lb.) for twice and three times a day milking respectively, and 5,000 kilograms and 6,500 kilograms (14,326 lb.) respectively, for records as a mature animal.

- For a bull, the minimum type classification for the antecedents are: sire XX, dam and maternal granddam "very good"; and of a female: sire XX dam and both granddams "good plus", or their equivalent ratings in other systems.

- The animals must be at least six months old when their documents are presented.

Some exceptions may be made to the fulfilment of these requirements, (and also other minor ones not mentioned), but in all cases the final entry of animals depends on their passing the visual inspection of an import committee.

Future Market Prospects

A number of factors in the Argentine economic scene make it difficult to predict accurately the trend of future imports of purebred cattle, and especially dairy cattle. In recent years, cattle imports have been effected at a rate of exchange of $7\frac{1}{2}$ pesos per U.S. dollar. This was slightly more than one-half the official "free" rate of about 14 pesos per dollar and between a quarter and a third of the prevailing black market rate during those years. Thus the rate structure encouraged imports. Since October 1955 the import rate has been 18 pesos per dollar. The change came just at the time that sales were being negotiated, especially in North America, and as a direct result a large percentage of the sales were cancelled. Purchases at the 1956 beef cattle sales in Britain were also well below previous levels. It is not yet possible to determine whether this attitude to the new rate is permanent or more in the nature of an initial "scare" reaction. Much will probably depend on the current and future health of the Argentine livestock economy. At present the livestock industry as a whole is suffering from a combination of heavy production, inadequate marketing facilities, especially transportation, and controlled prices which are low in relation to other agricultural commodities. The latter is particularly true of fluid milk.

Producers' organizations and government officials are giving a good deal of attention to these problems and it is reasonable to assume that they will eventually be solved. The present government is dedicated to the revival of Argentina's agriculture in all its phases, and will probably support the import of high-quality animals for the herd-improvement programs. Thus, after a period of adjustment during which internal prices of livestock and products are expected to increase, the Argentine market should again absorb

large numbers of purebred cattle imports. Because of the higher exchange rate, a smaller percentage of females may be imported than in recent years—it is easier to spread the initial high cost of a bull over a large number of animals, especially if artificial insemination is used. The high-quality requirements of the market will undoubtedly be maintained and probably strengthened, especially in the dairy breeds. The major export opportunities for Canada will probably be in the Holstein-Friesian breed and the demand for this breed should grow as Argentina's foreign payments position improves. The Netherlands and the United States will probably continue to provide most of the competition. Any improvement in Argentina's foreign exchange position and any move towards convertibility should help the position of dollar area exporters.

Outlook for Beef Cattle

For beef cattle, the outlook is less promising. Argentine Shorthorn breeders are considered to be permanently aligned with Scotland although determined "sales efforts" for Canadian animals carrying Scotch bloodlines might prove this opinion to be wrong. Similarly, Canadian Hereford breeders will be hard put to compete with the greater selection available from British and United States producers. For the Aberdeen Angus breed, the prospects seem a little brighter; it continues to gain in popularity and the import demand is relatively strong. Argentine breeders desire a bigger and more rugged animal than Scotland has recently developed. Furthermore, several of the larger breeders have already imported this breed from the United States, to their satisfaction. If Canadian producers can supply this type of Aberdeen Angus at competitive prices, with a stronger sales effort, they should be able to obtain a larger share of this growing market. A start was made when a well known Argentine breeder purchased a Canadian Aberdeen Angus bull last year.

—W. F. HILLHOUSE,

Agricultural Secretary, Buenos Aires.

World Meat Trade

The volume of international trade in meat last year reached its highest level yet, a new FAO survey shows. The survey estimates that total exports of all categories of meat totalled 1.85 million metric tons in 1955 compared with 1.74 million in 1954. The greatest rise shown was in beef but exports of pig meat, lamb and mutton were also higher. Those of canned meat dropped slightly.

The major exporting countries—Argentina, the United States, Denmark and the Netherlands—all showed marked increases.

Colombia

Record purchases of top-quality Canadian Holstein-Friesians marked 1955 but new import control regulations may affect sales adversely.

THE YEAR 1955 was a record one for the export of Canadian purebred cattle to Colombia. Statistics show that 592 head valued at \$373,253 were sold to Colombia during the year, compared with 60 head valued at \$60,208 in 1954.

Colombian buyers figured prominently in the Sale of Stars at the Royal Winter Fair last November and at private sales during the summer and fall. Some of these purchases were not delivered until early this year and are not counted in the 1955 exports.

Colombia, in common with other South American countries, looked to Canada for top-quality Holstein-Friesians and our exports consisted almost exclusively of this breed. Most of the Colombian breeders, as well as the Ministry of Agriculture, are interested in highly bred stock, particularly bulls, for show purposes and artificial insemination.

In the vicinity of Bogotá and in other centers there are some excellent herds of Holstein-Friesians and breeders want top-quality stock. However, there is also a demand for good-quality breeding animals to use as foundation stock. The interest in Canadian Holstein-Friesians continues.

Other Breeds

Colombia is crossed by three mountain ranges and the terrain is mountainous with temperatures varying from tropical to below freezing, depending on the altitude. Much of the farming land in the valleys and plains is turned over to grazing and the "sabana" (or plain) at 8,600 ft. on which Bogotá stands provides an excellent climate for dairy cattle. At the lower levels the climate is tropical and one of the problems in some of these areas is the prevalence of ticks. For these regions both the beef and dairy breeds are crossed with Cebu, whose offspring are better adapted to tropical conditions. These programs provide an outlet for the beef and other dairy types.

New Exchange Control Regulations

A decree dated March 23rd removed imports of all cattle from all countries, whether by government entities or private importers, from Group 1 category to Group 2 Special. Imports in Group 1 category are paid for at the official rate of exchange of 2.50 pesos

to the dollar but imports in Group 2 are paid for at the free rate of exchange, now about 4.50 pesos per U.S. dollar. On April 3rd a decree removed a large number of tariff items from the Preferential and First Groups to Second Group Special and, at the same time, the reimbursable deposit for First Group and Second Group Special was increased from 24 to 50 per cent of the f.o.b. value. The import surtax of 10 per cent remains unchanged for both groups.

Colombia has been suffering from a shortage of foreign exchange since late 1954 and the new regulations are designed to lessen the demand for official exchange, bring exchange spending for imports in line with exchange earnings, and balance the current account.

Effect of New Regulations

The obvious effect of the new regulations is that the exchange to cover imports of cattle will cost nearly twice as much as it did previously. This will seriously curtail volume in 1956. Some breeders who want certain animals are in a position to pay the higher cost, but many others who are looking for good-quality animals for foundation stock cannot meet the new prices. On the other hand, some importers are of the opinion that prices for local breeding stock may advance to the point where the cost of imports will bear a closer relationship to local prices than it does at present.

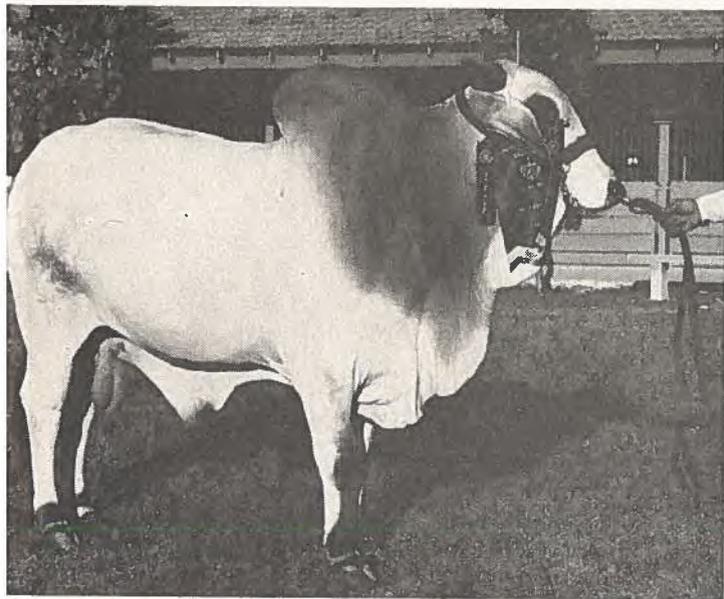
As in the past, all imports of cattle require an import permit and the prior approval of the Ministry of Agriculture.

—W. B. McCULLOUGH,
Commercial Counsellor, Bogotá.

Cuba

Industry improving herds and purebred imports growing. U.S. holds large part of market but some opportunities for Canadian Holstein-Friesians.

MEAT PRODUCTION AND DAIRYING constitute, in combined value of products, Cuba's second largest agricultural industry but there is still room for improvement in the cattle raising industry; it is generally acknowledged that it has not kept pace with the increase in population. However, in spite of the handicaps of a prolonged dry season and pegged prices for on-the-hoof beef and for milk for the canneries, Cuban cattlemen are gradually improving their herds. Figures covering estimated imports of purebred animals in 1955—which substantially exceeded those of 1954—plus



Brahman cattle like this champion (known locally as Cébus) lead all other breeds of beef cattle in Cuba because they adapt well to the hot, humid climate and resist local diseases.

increasing entries and good performance of show animals at the country's ten annual fairs, give a good indication of progress.

Breeds Preferred

Purebred imports are largely limited to Brahmans (Cébu is the name used locally), Holstein-Friesians and Brown Swiss, although some Charollais, Shorthorns, Aberdeen Angus, Santa Gertrudis, Jerseys and Guernseys are also imported.

The reason for the preponderance of Brahman imports over all other beef strains is the extraordinary adaptability of this breed to the hot, humid climate of Cuba and its greater resistance to hunger, thirst and diseases, particularly the dreaded "garrapata" or tick fever which is so prevalent in the savannahs. Because of these characteristics the Cébu is best suited to prevailing conditions on Cuban cattle ranches where, admittedly, a good deal is still left to nature. The Santa Gertrudis, which combines the best qualities of the Shorthorn and the Brahman, has lately been gaining a firmer foothold and it is not unreasonable to expect that in the years to come the Cuban beef-breeders' preference will be equally divided between these two breeds.

In dairy breeds the Cubans seem to prefer Holstein-Friesians and Brown Swiss. The former, reputed to be champion quantity producers, had an early start in this market. The Brown Swiss, already a close second to the Holstein-Friesian in volume of milk and fat production, is gaining popularity as a sturdier, more resistant animal (except perhaps for calf raising,

which requires more time and care). This breed may eventually equal the Holstein-Friesian in the dairyman's choice. Although there are occasional imports of purebred Jerseys and Guernseys, the current trend is definitely to Holstein-Friesian and Brown Swiss. Large population centres favour Holstein-Friesians, but the dairy products districts have a comparable share of Brown Swiss.

Imports Growing

Recent import statistics, still preliminary, are not broken down by breed and sex. An estimate, based on lists of approved applications for duty-free entry maintained at the Ministry of Agriculture, shows probable imports in the calendar years 1954 and 1955 as follows:

<i>Beef</i> —Brahman, Santa Gertrudis, Charollais, Shorthorn and Aberdeen Angus	
1955	1,667 animals
1954	406 animals
<i>Dairy</i> —Holstein-Friesian, Brown Swiss, Jersey and Guernsey	
1955	3,668 animals
1954	1,765 animals

The Cuban cattleman, generally speaking, favours a moderately-priced animal that will give him satisfactory service. Prize animals brought in specially for show purposes are the exception, although a few such ribbon-winners are seen at the annual shows. Price continues to be an important factor but more breeders are learning the advantages of buying selected animals.

There are, in addition to the national and several provincial cattlemen's associations, a number of specialized breeders' groups (Brahman, Brown Swiss, Santa Gertrudis and just recently Holstein-Friesian), but the services they offer are not comparable to those of similar groups in the United States and Canada. Government assistance is mainly in control of epidemics and rigid inspection of imports to prevent the introduction of disease, especially foot-and-mouth disease. Three government-operated artificial insemination centres provide service on a fee basis from purebred stock of various breeds. This modern technique is gradually becoming popular with cattlemen and at least one privately-owned centre is nearly completed. Official support is given to and attendance encouraged at the various annual cattle shows, the most important of which is the international cattle show at Rancho Boyeros near Havana.

Market Opportunities

As a precaution against the introduction of foot and mouth disease, cattle imports from a long list of countries are prohibited. This, for practical purposes, leaves the United States and Canada as the only approved sources. Of these two countries, the United States is by far the major supplier—the result of proximity,

long-standing trading ties, and vigorous advertising. In 1955, Canada shipped 31 purebred animals to Cuba worth \$16,767. Although the higher landed price of Canadian animals compared with American is frequently advanced as the reason for U.S. dominance of the market, some breeders and cattle importers are inclined to attribute it rather to greater and more active U.S. interest and effort.

—N. LORENZO,

Office of the Commercial Secretary, Havana.

Dominican Republic

Improvement of herds gives scope for imports, especially Holstein-Friesians, but should be limited to young cattle because they resist tick infection better U.S. is the leading supplier.

THE RAISING OF PUREBRED BEEF AND DAIRY CATTLE has become a growing and important industry in the Dominican Republic in the last few years. Previously, mixed breeds and the Brahman breed—the latter used principally on sugar estates—provided most of the beef and milk for the domestic market. As a matter of fact, the Dominican Republic has for some years had a surplus of these types of cattle and as a result has exported both cattle and beef to other countries in the Caribbean.

These exports during the past three years were:

Country	CATTLE					
	1955 (first eight months)		1954		1953	
	Quantity	\$	Quantity	\$	Quantity	\$
British West Indies .....	.....	.....	1	70	7	680
French West Indies	302	18,120	1,755	130,670	..	.....
Dutch West Indies	255	15,300	800	61,668	..	.....
Venezuela	200	40,000	190	25,000	..	.....

	BEEF					
	1955 (first eight months)		1954		1953	
	Kilos	\$	Kilos	\$	Kilos	\$
Dutch West Indies ..	39,714	25,242	195,346	124,100	121,929	77,767
Puerto Rico	604,627	384,755	1,693,268	1,072,817	2,146,000	1,386,000
Cuba	6,256	3,976	.....	.....	.....	.....

The Dominican Government and the cattle breeders have made concerted efforts to improve the quality of cattle in the Republic both for beef and dairy purposes. As a result, imports of purebred cattle for breeding purposes have been fairly substantial and have come mainly from the United States. Statistics of cattle imports for breeding purposes into the Dominican Republic are not available, but U.S. export statistics show the following sales of breeding cattle to this area:

Number of Cattle	1955 (11 months)		1954		1953	
	\$		\$		\$	
589	198,672		274	150,995	452	366,921

Breeds Preferred

The breeds preferred in the Republic are Holstein-Friesian, Brown Swiss, Jersey, Brahman and, to a lesser degree, Aberdeen Angus and Guernsey. Cross-breeding of the Aberdeen Angus and the Brahman is currently being carried out successfully.

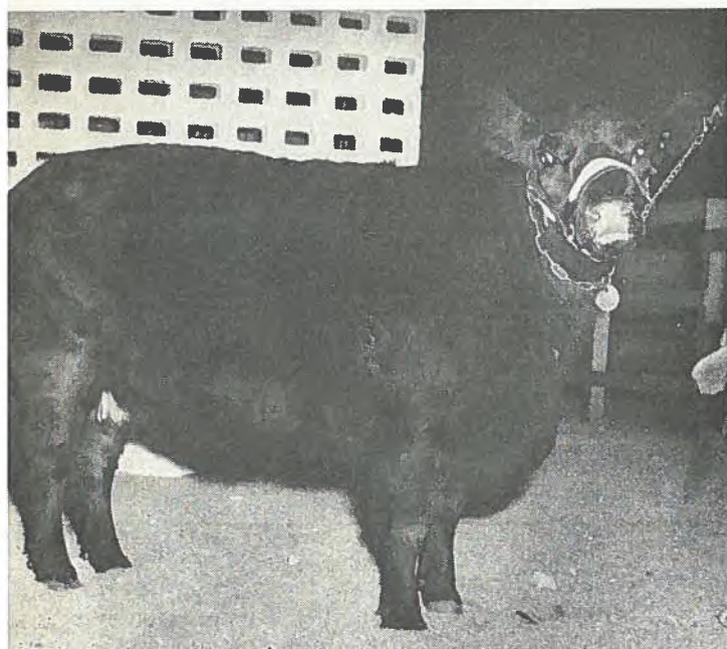
Because of the heavy incidence of ticks, mature cattle are not recommended for shipment to the Dominican Republic; they are not able to throw off tick infection as successfully as young cattle do.

The Dominican Department of Agriculture gives expert advice to cattle breeders and assists in other ways, such as supplying farms with purebred cattle for breeding purposes on a loan basis.

International Cattle Fair

In January 1956 the first International Cattle Fair was held at Ciudad Trujillo in conjunction with the International Fair of Peace and Fraternity of the Free World. Three countries exhibited purebred cattle—

(Left) Entering the show-ring at the International Cattle Fair held at Ciudad Trujillo, Dominican Republic, in January 1956 is a Canadian-raised Aberdeen Angus bull. Cross-breeding of Aberdeen Angus with the Brahman strain is being carried out.



the United States, Cuba and Canada. Some 77 head of cattle were shown by two Canadian exhibitors and comprised Holstein-Friesians, Aberdeen Angus, Guernseys, and Ayrshires. One Canadian exhibitor had two Junior Grand Champions in the Ayrshire class, one Junior Grand Champion in the Holstein-Friesian class, and several firsts and seconds in the Angus, Holstein-Friesian, Ayrshire and Guernsey competitions. The other Canadian exhibitor had one Reserve Champion Holstein-Friesian and several seconds and thirds. At the conclusion of the Fair all the cattle shown by Canadian exhibitors were sold to local farmers.

Imports from Canada

Only small numbers of Canadian cattle have been imported in past years. There is, however, a substantial potential market in the Dominican Republic for Canadian purebred cattle, particularly Holstein-Friesian, Jersey and Ayrshire. Guernsey and Aberdeen Angus are also of interest to specialized breeders.

Cattle for breeding purposes in the Dominican Republic should not be too highly priced but rather good animals at reasonable prices. Breeders contemplating selling to this market should quote only on young cattle. The only competition comes from the United States, whose exporters are at present quoting attractive prices.

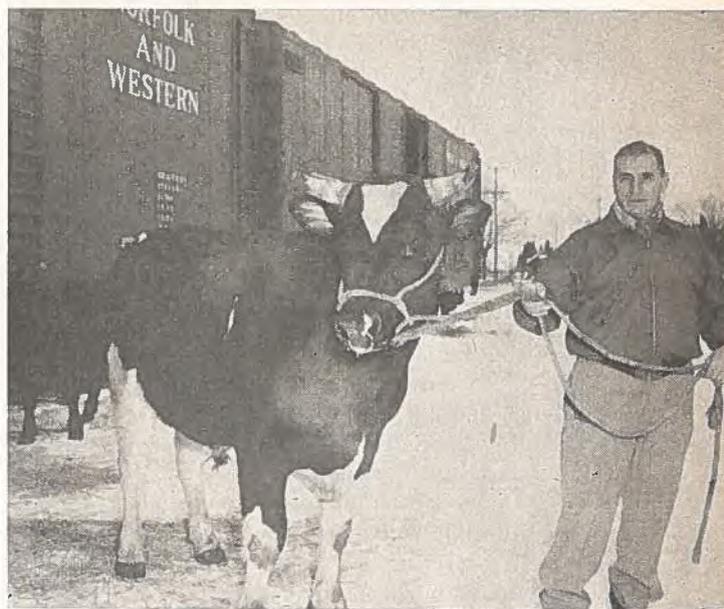
—M. B. BURSEY,
Commercial Counsellor, Ciudad Trujillo.

Mexico

Cattle herds being rebuilt after recent epidemic of foot and mouth disease and market good, especially for heavy milk producers such as Holstein-Friesians. Demand for Ayrshires should grow because of adaptability to tropical conditions.

FOR THE LAST FOUR YEARS Mexico has been a fluctuating market for purebred Canadian cattle. From a value of \$59,050 in 1952, sales more than doubled in 1953 to \$120,995 and then declined in the following year to \$50,700. During 1955, however, cattle imports from Canada reached \$198,106 and a further increase is expected this year. This prediction is based on the fact that, at the end of 1955, the Mexican Government initiated a program of rebuilding its dairy herds which were seriously reduced by the epidemic of foot and mouth disease. This program will be in full swing throughout 1956. It is expected

JUNE 9, 1956



Mexico is the destination of this Holstein-Friesian bull raised in Jerseyville, Ontario. He will be used in one of 27 artificial insemination centres which the Government has set up.

that a large share of the government purchases will be made in Canada.

Because of this rebuilding program, Mexico should be regarded as a good market for some years. Mexican dairymen already have a high regard for Canadian cattle and Canadian exporters should see that this reputation is maintained in order to meet keen competition, especially from the United States.

Breeds

There is a definite shortage of milk in Mexico and for this reason the Mexican authorities are interested in purchasing heavy milk producers. At the present time the most popular breed is the Holstein-Friesian, which makes up 90 per cent of the imports. The Ayrshire follows with 7 per cent and the Jersey with 3 per cent. The popularity of the Holstein-Friesian will continue but in the near future the demand for Ayrshire will grow because of their adaptability to tropical conditions.

Types Required

The area in which dairy farming is concentrated centers around the Federal District. The principal producing states are the Federal District itself, Mexico State, Michoacan, San Luis Potosi, Jalisco, Queretaro, Guanajuato and Puebla. The dairy cattle population in this area totals approximately 350 thousand head but it is estimated that a more realistic number is about 700 thousand. The Mexican problem is not only one of numbers but also of individual output. Some of the

cows at present are producing as little as six liters* a day. The hope is that the introduction of registered cattle will raise this individual production to between 15 and 20 liters a day. The Government is interested in importing only registered cattle with good records of production. Cattle for show purposes do not figure in its program but there will always be a small market for this type in Mexico among the more wealthy cattlemen.

Government's Part in Herd Improvement

The Mexican Department of Agriculture, in its efforts to rebuild the dairy cattle population, has budgeted for a large amount of money to be used for cattle imports. Representatives of the Department supervise these purchases in foreign countries and the farmers receive a three-year credit after an initial down payment of approximately \$100 per head. The original money will serve as a revolving credit to be used each year until the program ends. It is expected that it will take 10 to 15 years of continuous purchases to rebuild cattle herds which were decimated by the outbreak of foot and mouth disease a few years ago, when approximately 500 thousand head were slaughtered.

In addition to the purchasing of cows, the Government is also pushing vigorously a program of artificial insemination and at present 27 centres are in operation. The first was started with a Canadian prize-winning bull and 80 per cent of the bulls used in the present centres are Canadian. The ultimate goal of the Department of Agriculture is to have one or more centres in every State.

Future Prospects and Competition

The program outlined shows the potential of the Mexican market for Canadian cattle and has been designed especially to help the small farmer—though the large ranchers are also taking advantage of it to strengthen their herds. Since Canada is already well established as a source of supply, it remains for our exporters to continue handling this trade with the care it deserves.

The main competition will come from the United States and it should not be taken lightly. The Mexicans are shrewd buyers. Although Canadian cattle are regarded as more hardy, United States cattle are considered to be better producers in the short run. Transportation costs and a slight differential in exchange also favour the United States. These points should be carefully considered by our exporters, if they wish to continue enjoying a large share of this lucrative market.

—C. O. R. ROUSSEAU,

Assistant Commercial Secretary, Mexico, D.F.

* 10 liters=2.2 imperial gallons.

Peru

Imports of beef and dairy cattle large, with Argentina and Nicaragua dominating market. Recent shipment of Canadian Holstein-Friesians well received, but high transportation costs limit sales.

PERU DOES NOT PRODUCE enough meat or milk products for its own needs and is, and will continue to be, a large importer of dairy cattle, cattle for herd improvement and for slaughtering, and (on a decreasing scale) milk products. Its eight to nine million people have a relatively low standard of living; the per capita average annual income is estimated at less than \$100. Those living in Lima, the capital, have a much higher standard and probably because of this, milk production and consumption is centred around that city.

The cattle population at the end of 1954 was estimated at 3,476,000 head. In 1954, the Department of Agriculture reports, 55,000 metric tons of beef were produced and 376 million litres of milk. Much of the latter was consumed as fluid milk; the remainder was used to produce butter (2.4 million kilograms) and cheese (8.8 million kilograms). In 1953, Peru imported milk products to a value of more than soles 65 million (Can. \$3.2 million); in 1954 the figure exceeded soles 82 million (Can. \$4 million).

Breeders have not placed particular emphasis on beef cattle for breeding, possibly because of price controls in effect on meats, which reduce the margin of possible profit.

Imports Large

In 1953 and 1954, 5.4 million kilograms of fresh, chilled or frozen meat were imported, practically all from the Argentine. Imports of beef on the hoof came principally from Nicaragua, as the following table shows:

IMPORTS OF CATTLE INTENDED FOR SLAUGHTER					
Country	1955	1954	1953	1952	1951
	<i>(first nine months)</i>				
Argentina .....	.....	200	23	.....	.....
Bolivia .....	.....	.....	3,529	9	141
Costa Rica .....	.....	965	.....	.....	.....
United States .....	.....	989	1,196	.....	.....
Honduras .....	.....	2,984	2,323	.....	.....
Mexico .....	.....	686	.....	.....	.....
Nicaragua .....	.....	11,233	27,492	17,305	12,358
Total number	10,921	17,057	34,563	17,314	12,499
Total value (millions of soles)	23.6	37.6	58.4	25.7	16.3

The Argentine has consistently been the chief supplier of quality cattle to Peru. The following tables which cover imports since 1951 emphasize its position.

IMPORTS OF DAIRY CATTLE OF HIGH QUALITY WITH OR WITHOUT PEDIGREE

Country	1955 (first nine months)	1954	1953	1952	1951
Argentina			739	1,749	605
Bolivia				12	
Chile				166	
Germany		8			
Netherlands ..			50		35
United States ..			73		39
Uruguay			108	231	
Total number	90	8	970	2,158	679
Total value (millions of soles) .....	.879	.116	5.1	7.5	4.0

IMPORTS OF PEDIGREE CATTLE FOR BREEDING PURPOSES

Country	1955 (first nine months)	1954	1953	1952	1951
Argentina			341	749	200
Brazil			345		
Canada			1	2	
Chile			94	24	
Germany		2		2	
United Kingdom		2	8	4	11
Netherlands ..			4	145	262
Ireland		2			
Mexico		1,438			
Spain				96	1
United States..		11	44	1,375	41
Uruguay			288		
Total number	124	1,455	1,125	2,397	515
Total value (millions of soles) .....	.89	3.2	3.5	5.2	2.4

Government Assistance

Through its Agricultural Development Bank, which was revitalized recently under new management and with an increase in capitalization, the Government is encouraging an increase in milk production and the improvement of dairy herds. It is doing so by providing low-cost loans to individual farmers to assist them in farm and plant improvements and to help them purchase high-pedigree stock. The Bank also handles bulk imports of high-quality calves, heifers, cows and bulls which in turn are sold to individual herd owners, and encourages herd improvement by sponsoring an annual livestock show, which has become in a few years the major exhibition in the country.

In general terms, the dairy industry is in the hands of well-to-do owners of large farms who at the present time are interested in importing high-quality pedigree stock. They want particularly to increase production

and show most interest in breeds which are high-volume milk producers. Nearly 80 per cent of the cattle (more than 300 of the 400 shown) at the Sixth Annual Livestock Show were Holstein-Friesians.

Live cattle enter Peru free of customs duties but must meet rigid health requirements and be fully documented.

Canadian Sales and Prospects

In late 1955 and early 1956, two shiploads of high-quality purebred Holstein-Friesians arrived from Canada. The 583 head, principally heifers in calf, were very well received and the placing of further orders in Canada is being considered.

Transportation charges from Canada to Peru are high. This limits sales to high-quality animals and in turn makes the laid-down price per head high. This tends to give Argentina, particularly, a price advantage which can only be offset by the high quality and ready acceptance by the Peruvian breeders of Canadian purebred Holstein-Friesians. Should the market soften, or the breeders turn to non-pedigree stock, it will be extremely difficult for Canadian cattle exporters to meet the competition.

—H. J. HORNE,
Commercial Secretary, Lima.

Puerto Rico

FOR SOME YEARS, the Department of Agriculture and Commerce in Puerto Rico has been endeavouring successfully to develop and improve the cattle industry in Puerto Rico. Programs are in operation for disease control, better pastures, artificial insemination and dairy herd improvement.

Private breeders have imported Canadian purebred cattle into Puerto Rico for some years. The Holstein-Friesian is preferred and some buyers have in fact stated that the Canadian Holstein-Friesian is really the only type which interests breeders for dairy purposes. Canadian exports of purebred cattle to Puerto Rico have risen from 27 in 1953 to 65 in 1954 and 217 in 1955.

The import of purebred cattle for beef purposes is not too important in Puerto Rico. United States beef supplies and imports of beef from the Dominican Republic take care of the market, although local raising of beef cattle has increased somewhat in recent years, but without much improvement in the quality of the stock.

It is reported that the present Puerto Rican health regulations on the import of cattle are to be revised. It is suggested that, before making shipments to Puerto Rico, Canadian exporters obtain full information on the regulations in effect, either from the Agricultural Research Office of the United States Department of Agriculture at San Juan or from the importer.

Main Suppliers

Apart from Canada, the main suppliers are breeders of purebred cattle in the continental United States. Canadian exporters must therefore compete with United States suppliers who have in some cases certain advantages, particularly in transportation facilities.

High-priced cattle are not required in Puerto Rico; the market is for moderately-priced animals for breeding and milk production. The Holstein-Friesian is the favourite for this purpose and exporters of Canadian Holstein-Friesians should be able to maintain substantial sales to this market if Puerto Rican import regulations do not discriminate against them.

—M. B. BURSEY,
Commercial Counsellor, Ciudad Trujillo.

Venezuela

Interest centres around imports of good milk producers to cut down on purchases abroad of dairy products. U.S. dominates market, but Canadian Holstein-Friesian often command premium.

VENEZUELA IMPORTED 5,399 head of purebred cattle during 1955 and over 60 per cent were beef breeds suited to tropical conditions, such as Cébu and Santa Gertrudis. There is practically no interest in the types of beef cattle available for export from Canada, but demand for Holstein-Friesians and Jerseys is increasing as Venezuela makes efforts to become self-sufficient in dairy products. Canadian exporters supplied 403 head of purebred dairy cattle valued at \$165,009 last year, and could supply more.

Imports Increasing

There are at present about six million head of cattle in Venezuela, of which as many as 1½ million may be dairy animals. The bulk of these dairy cattle are "creole" or native types, descendants of those originally brought into the country by the Spanish settlers centuries ago. Over the years they have developed

resistance to heat, drought and native diseases, but they are generally poor milk producers. As a result, Venezuela—a country famous for its cattle long before petroleum became the most important industry—is now obliged to import powdered milk and other dairy products worth approximately \$35 million a year.

The Venezuelan Government is keenly concerned about the problem and a program designed to make this country self-sufficient in all dairy products has been under way for some time. Its principal features are strict animal disease control regulations, herd selection and improvement schemes, government encouragement for the construction of modern pasteurizing and milk powder plants, improved communications and, more recently, low-cost loans to farmers for the import of quality breeding stock. Milk production, as a result, is rising. However, population and national income are also increasing rapidly and the milk deficit continues.

Holstein-Friesians Popular

Farmers here have approached the problem of increasing production in two ways. Some have undertaken a program of crossing imported Holstein-Friesian, Brown Swiss and Jersey bulls with their creole cattle; others have replaced their creole cattle entirely with imported dairy breeds. There are now a number of modern dairy farms which have herds of purebred animals comparable to the best in North America.

Holstein-Friesians are by far the most popular imported dairy breed, although there are some farmers who bring in Brown Swiss, Jerseys and, to a lesser extent, Ayrshires. One of the reasons for this preference for Holstein-Friesians is that only one grade of milk for pasteurizing is recognized for subsidy purposes, and a high-production cow therefore gets the preference over a high butterfat animal. Holstein-Friesians are generally used in the temperate regions of higher altitude; Brown Swiss and Jerseys appear to be more adaptable to semi-tropical conditions and are frequently imported for farms at an intermediate altitude. Dairy farmers in low tropical areas find that they must introduce heat and disease resistance into their herds by crossing with creole types—a practice which generally results in lower production per animal.

Canadian Cattle Highly Regarded

Canadian livestock exporters and associations serving this market have done a splendid job of selecting and delivering quality cattle. As a result, farmers here are willing to pay premium prices for Canadian animals. In fact, a number of leading government officials and executives of dairy associations have cattle from Ontario and Quebec on their private farms. Some show animals have been purchased but the main interest is in purebreds with a record of good milk production.

Venezuelan Purebred Cattle Imports, 1955

DAIRY CATTLE

	Male	Female	Total
<i>Holstein-Friesian</i>			
United States	67	1,089	1,156
Canada	12	323	345*
Jamaica .....	.....	22	22
	<hr/>	<hr/>	<hr/>
	79	1,444	1,523
<i>Brown Swiss</i>			
United States	111	483	594
Canada .....	.....	10	10*
Cuba	9	2	11
	<hr/>	<hr/>	<hr/>
	120	495	615
<i>Jersey</i>			
United States	17	105	122
Jamaica .....	.....	20	20
	<hr/>	<hr/>	<hr/>
	17	125	142
<i>Guernsey</i>			
United States	2	.....	2
Total Dairy Cattle Imported	<hr/>	<hr/>	<hr/>
	218	2,064	2,282

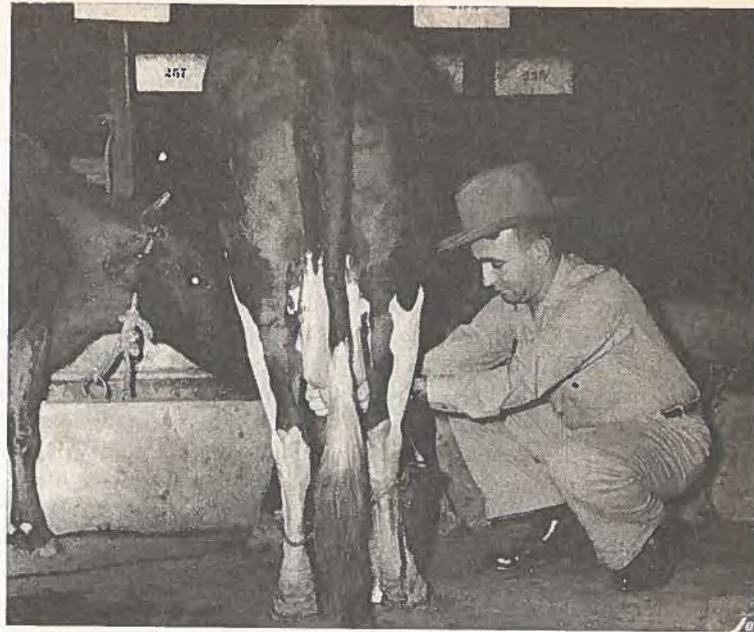
BEEF CATTLE

	Male	Female	Total
<i>Cébu</i>			
United States	1,875	582	2,457
<i>Santa Gertrudis</i>			
United States	117	36	153
<i>Other Cébu Types</i>			
United States	3	231	234
Dominican Republic .....	.....	203	203
Jamaica .....	.....	37	37
	<hr/>	<hr/>	<hr/>
	3	471	474
<i>Other Beef Types</i>			
United States	11	22	33
Total Beef Cattle Imported	<hr/>	<hr/>	<hr/>
	2,006	1,111	3,117

Source: Venezuelan Ministry of Agriculture and Livestock.

* Dominion Bureau of Statistics figures are somewhat higher. They include exports to Venezuela via the United States.

Our main competition comes from United States exporters who generally have a considerable freight advantage. American cattle, too, are better known. Exporters from the United States visit this country frequently and they benefit also from the fact that many Venezuelan farmers and government officials have had agricultural training at U.S. universities. Only two Canadian cattle exporters visited Venezuela during 1955 and not more than five Venezuelan importers visited Canadian farms during the same period. A program of distributing literature is being carried on, and a Spanish language film on Canadian



The Venezuelan Minister of Agriculture, Dr. Armando Tamayo Suarez, milks one of the Canadian Holstein-Friesians on his private farm. Well known to Canadian cattle exporters, Dr. Suarez is keenly interested in herd-improvement programs.

cattle is in circulation. There is no substitute, however, for direct personal contact.

The table on the left outlines the dominant position of United States exporters in the Venezuelan beef and dairy cattle trade.

A knowledge of the Spanish language is desirable for exporters planning to do business here. Many farmers import directly rather than through agents in Caracas and few of them are in a position to deal with English correspondence. Business visits, too, can be much more profitable if an exporter is able to speak directly to farmers and government officials rather than through an interpreter.

Imports and Shipping

Purebred cattle enter Venezuela duty-free and, although import licences are required, these are freely granted. There are no exchange restrictions. All transactions to date have been financed on an irrevocable letter of credit basis, redeemable at the point of export in Canada upon presentation of the negotiable shipping documents, consular invoices and health and insurance certificates. Cattle are insured for the voyage and for thirty days after arrival in Venezuela.

Shipping can present problems. Stalls and attendants are required for shipments by boat from eastern Canadian ports and only carload and planeload lots make sense when cattle are sent by rail or truck to Miami and then by air to Venezuela. Exporters have had generally good results on both routes, though there have been difficulties. A preference seems to be developing for direct shipments from Montreal during the summer months and from Maritime Province ports when navigation is closed on the St. Lawrence. Much depends

on the attendants who should, of course, carry passports and valid Venezuelan visas.

Two important problems facing Venezuelan dairy farmers are the shortage of good pastures and high interest rates on loans for imported cattle. Some headway is being made in planting new types of grasses, but the likelihood is that dairy farmers here will have to continue feeding their animals a high percentage of concentrates. A modern animal-feeds industry has already developed in response to this demand and is now producing a fairly complete range of dairy feeds. This is one reason, however, why consumers in Venezuela pay the equivalent of 34 cents per quart for pasteurized milk; farmers receive 24 cents per quart for milk delivered to pasteurizing plants of which 5 cents is a government subsidy.

The second problem of high interest rates is a result of a boom in business possibly unparalleled in the world today. Competitive business opportunities are so attractive that investment in expensive imported dairy cattle is frequently justified only when low-cost government loans are available or when investors are prepared to take something less than the going rate of return for capital because of their interest in cattle. Many importers are in fact prominent businessmen who consider dairy farming an agreeable if not entirely remunerative sideline. It is clear that imports of purebred dairy cattle would increase sharply if more funds were made available for low-cost loans. The Government has stated that it will increase its appropriations for this purpose; to date, however, the amount of these new credits has not been announced.

Future Prospects Good

The essential consideration in any appraisal of future business prospects for Canadian livestock exporters is the overall business boom based on petroleum. The outlook is for sharply increasing production and exports of oil over the next ten years and, consequently, for continuing gains in population and national income. The demand for milk and thus for imports of purebred cattle is bound to increase. In this situation more visits by exporters, greater publicity, and encouragement to Venezuelan farmers and government officials to visit Canada are desirable. Over the longer run, however, the most important thing that Canadian exporters can do to maximize sales possibilities here is to guard their reputation for delivering only high-quality cattle. Our prices are above those of our competitors and farmers pay the difference only because of the high quality of Canadian cattle. One or two bad shipments could jeopardize sales in a market which could easily become the most important in Latin America in a few years' time.

—A. G. KNIWASSER,
Assistant Commercial Secretary, Caracas.

Winter Frosts and Dutch Crops

THE SEVERE FEBRUARY FROSTS will affect agricultural trade in The Netherlands as in other European countries; the result may be increased Canadian exports of certain agricultural products to the Dutch market.

Official estimates indicate that frost destroyed about 20,000 hectares (40 per cent) of the winter wheat crop and cut total yield by some 80,000 metric tons. About half of this will probably be made up by a 10,000-hectare increase in the spring wheat plantings; the remainder, 40,000 metric tons, will come from larger imports in the 1956-57 crop year. Meantime, further imports of 30,000 metric tons of milling wheat are needed to cover the diversion of local milling stocks into seeding material both in the Netherlands and elsewhere.

The rye crop was damaged only slightly but barley seedings showed an 18 per cent loss. However, both rye and barley seedings were considerably larger last fall and additional imports will probably not be needed.

Most of the horticultural crops which figure so largely in Dutch export trade came through the severe winter without much damage. Night frosts in early May occasionally affect tree fruit production but provisional estimates are for a larger crop than last year, especially of apples. Some damage to currant and berry crops foreshadows smaller fruit pulp exports. Flower bulbs escaped serious harm but cut flower and shrub nurseries suffered losses and exports may shrink.

Because the dairy industry normally takes precautions against abnormal winters, the February cold spell had only a short-term influence on production; feed supplies were adequate, and export prices for dairy products have not increased appreciably from the pre-winter level.

Dutch exporters of table potatoes have faced heavy demands over the past winter because of smaller production in importing countries like Britain and Sweden. Frost damage to storage potatoes in France and Belgium has apparently accentuated this demand and since mid-April the Netherlands Government has banned exports to ensure supplies for domestic consumption.

As a result, a number of Dutch exporters have expressed interest in securing Canadian supplies to meet their export commitments, and this may mean new sales for Canadian dealers in table potatoes.

—F. ABELL,
Office of the Commercial Secretary, The Hague.



GATT Negotiations Completed

The fourth general round of multilateral tariff negotiations under the General Agreement on Tariffs and Trade took place recently in Geneva, with twenty-two countries taking part. Here is a summary of the principal tariff concessions which Canada obtained and of those which Canada granted, plus a table of the new rates to be implemented by the United States.

THE TARIFF CONFERENCE which opened in January 1956 in Geneva and was concluded recently, constitutes the fourth general round of multilateral tariff negotiations under the General Agreement on Tariffs and Trade, and followed similar GATT conferences held at Geneva in 1947, at Annecy in 1949 and at Torquay in 1951. Twenty-two countries participated in these latest negotiations and the new agreements concluded among them are an extension of the agreements drawn up among GATT countries in the previous years. As in the past, the negotiations were carried on between pairs or groups of countries, on a selective, product-by-product basis.

Canada negotiated new agreements with the United States and with twelve other countries in Europe and Latin America. Under the most-favoured-nation principle which is basic to the GATT, all tariff concessions agreed to at Geneva will become available to Canada, whether or not these concessions were negotiated directly with Canada. Similarly, Canada will automatically extend its own tariff concessions to each of the other participating countries, and to non-GATT countries with which Canada has most-favoured-nation agreements.

The complete schedules of all tariff concessions negotiated at this Conference were made public on June 7th. They are incorporated in a Protocol of Supplementary Concessions to the GATT which is being formally signed by representatives of participating countries at Geneva. Mr. L. D. Wilgress, Canadian Ambassador to NATO, signed this Protocol on behalf of Canada on May 23rd.

Coming into Effect

The new tariff concessions will come into effect in the various countries on dates to be announced by each government. It is not expected that any country will bring its concessions into effect until June 30th at the earliest. The United States concessions will be implemented in three stages over the next two years, as required by U.S. legislation. Under the terms of the GATT, all the concessions agreed upon are bound against increase, subject to certain procedures permitting countries to renegotiate particular concessions from time to time.

The following review indicates the main concessions which Canada secured and the main concessions which Canada granted as a result of these negotiations. For further details, inquiries about the tariffs of other countries should be addressed to the International Trade Relations Branch of the Department of Trade and Commerce and those about the Canadian tariff to the International Economic Relations Division of the Department of Finance.

Tariff Concessions Obtained by Canada

THE UNITED STATES

THE UNITED STATES concluded agreements at this Conference with Canada and all other participating countries and granted concessions on a wide range of goods. The agreement concluded between Canada and the United States was one of the major single agreements resulting from this Conference.

The United States conducted these negotiations under the authority of its Trade Agreements legislation, which permits maximum reductions in the United States tariff of about 15 per cent of the rates of duty in force on January 1, 1955. Under United States legislation, these reductions must be implemented in three approximately equal steps of about 5 per cent of present rates, with an intervening period of 12 months between each stage. The first 5 per cent stage of U.S. duty reductions will be made effective on June 30, 1956. Within these limitations, Canada secured the maximum possible reductions in U.S. duties on a large number of products. Concessions were obtained on almost all the items of interest to Canada on which the United States was prepared to negotiate. The delay in the complete implementation of United States concessions was taken fully into account by both countries in arriving at a satisfactory balance of concessions.

The United States schedule of concessions resulting from this Conference contains some 650 tariff items of which approximately 150 are of interest to Canadian exporters; they represent imports into the United States from Canada totalling over \$200 million in 1954. These concessions include items of interest to Canadian producers and manufacturers in various regions.

The United States list of concessions includes a variety of chemical products, such as synthetic rubber, vinyl acetate, vanillin, barytes and a number of chemical compounds; a number of metals, including crude aluminum and its alloys, aluminum bars and sheets, steel ingots and billets, ferro-silicon; a few agricultural products, such as lettuce, turnips, hay, blueberries; some paper products, such as book and printing paper, wrapping paper and hanging paper; a number of more highly processed products, such as manufactures of aluminum, of iron and steel, of wood and of glass, various types of machinery, and electrical goods.

Details of the main items of interest to Canada, showing the present United States rates of duty and the final U.S. negotiated rates of duty which will be in force at the end of two years are given below. A table showing the three stages of reduction for all items of interest to Canada appears on page 17.

● *Chemicals*—Concessions were obtained on the following products: synthetic rubber, from 10 per cent to 8½ per cent; vinyl acetate, from 7½ per cent and 1½¢ lb. to 6¼ per cent and 1¼¢ lb.; acetic anhydride, from 1¾¢ lb. to 1½¢ lb.; acetone, from 10 per cent to 8½ per cent; vanillin, from 22½ per cent and 3½¢ lb. to 19 per cent and 3¢ lb.; methyl alcohol, from 18¢ gal. to 15·3¢ gal.; barytes ore, crude, from \$3 ton to \$2.55 ton; aluminum salts and compounds, not specially provided for (nspf), paints, chlorine and all chemical elements, salt and compounds, nspf, from 12½ per cent to 10½ per cent.

● *Metals and Metal Manufactures*—In this field, reductions were obtained on a number of important items: aluminum and alloys, in crude form, from 1½¢ lb. to 1¼¢ lb.; in sheets, bars, and specified shapes,

from 3¢ lb. to 2½¢ lb.; steel ingot and billet, valued not over 5¢ per pound, from 10 per cent to 8½ per cent; wire and cable of aluminum, copper, and other base metal, from 17½ per cent to 15 per cent; forgings of iron or steel, from 12½ per cent to 10½ per cent; storage batteries and parts, except alkaline type, from 20 per cent to 17 per cent; aluminum table and household ware, from 20 per cent and 4¼¢ lb. to 17 per cent and 3½¢ lb.; electrotype plates, from 12½ per cent to 10½ per cent; electric therapeutic apparatus, from 17½ per cent to 15 per cent; electric motors, and electrical goods and devices, n.e.s., from 12½ per cent to 10½ per cent; parts for automobiles, from 12½ per cent to 10½ per cent; airplanes and parts, from 15 per cent to 12½ per cent; pleasure boats, sail, steam or motor-propelled, under \$15,000 each, from 7½ per

cent to 6 per cent; pulp and paper machinery, from 10 per cent to 8½ per cent; mining machinery, sawmill and woodworking machinery, and all machinery not specially provided for, from 13¾ per cent to 11½ per cent; articles of aluminum, and articles of iron or steel, not specially provided for, from 22½ per cent to 19 per cent. The statutory rate on copper, which is presently suspended, is reduced from 2¢ lb. to 1.7¢ lb.

● *Wood Manufactures*—In this group are concessions on paint-brush handles and broom and mop handles, from 10 per cent to 8½ per cent; canoes and paddles, from 10 per cent to 8½ per cent; furniture, from 12½ per cent to 10½ per cent; parts of furniture, from 20 per cent to 17 per cent; doors, from 16¾ per cent to 15 per cent.

● *Agricultural and Fisheries Products*—Concessions were secured on the following: edible offal, from 1½¢ lb. to 1¼¢ lb., (6 per cent minimum); pickled or salted salmon, from 10 per cent to 8½ per cent; caviar and other fish roe (except sturgeon), from 5¢ lb. to 4¢ lb.; canned herring, not in oil, from 6¼ per cent to 5 per cent; biscuits and baked articles, from 10 per cent to 8½ per cent; frozen blueberries, from 8¾ per cent to 7½ per cent; berry jams and jellies, from 10 per cent to 8½ per cent; soy beans, certified seed, from 2¢ lb. to 1.7¢ lb.; sweet clover seed and bromegrass

seed, from 1¢ lb. to ⅘¢ lb.; turnips from 6¼¢ 100 lb. to 5¢ 100 lb.; lettuce, from 1¢ to 0.85¢ lb.; cauliflower, from 12½ per cent to 11 per cent; hay, from \$1.25 ton to \$1.06 ton.

● *Papers*—New concessions under this heading are: uncoated book and printing paper, nspf, from 5 per cent and ½¢ lb. to 4 per cent and 0.17¢ lb.; surface coated paper, nspf, from 7½ per cent and 2½¢ lb. to 6½ per cent and 1¼¢ lb.; greaseproof and imitation parchment paper, from 7½ per cent and 1½¢ lb. to 6½ per cent and 1¼¢ lb.; hanging paper, from 5 per cent to 4 per cent; wrapping paper, sulphate, from 10 per cent to 8½ per cent.

● *Miscellaneous*—Among the concessions under this heading are the following: asbestos brake and clutch lining, from 10 per cent to 8½ per cent; abrasive coated paper and cloth, from 10 per cent to 8½ per cent; glove and garment leather, from 10 per cent to 8½ per cent; manufactures of leather, nspf, from 12½ per cent to 10¼ per cent; boots and shoes, made by welt process, from 40¢ pr. to 34¢ pr.; laminated sheets of synthetic resin, from 12½ per cent and 7½¢ lb. to 10½ per cent and 6¼¢ lb.; piano parts, from 20 per cent to 17 per cent; and mud dispersant derived from coniferous bark, from 10 per cent to 8½ per cent.

Concessions Obtained from the United States

Principal items of interest to Canada on which concessions were obtained under the General Agreement on Tariffs and Trade at Geneva in 1956.

U.S. Tariff Para.	Short Description	Present Rate	Geneva (1956) Agreement Rate		
			1st Stage	2nd Stage	3rd Stage
CHEMICALS, OILS AND PAINTS					
1	Acetic anhydride.....	1¾¢ lb.	1.65¢	1.55¢	1.5¢
1	Acetic acid.....	⅝¢ lb.	0.59¢	0.56¢	0.53¢
2	Vinyl acetate.....	1½¢ lb. and 7½%	1.4¢ and 7%	1.3¢ and 6½%	1¼¢ and 6¼%
3	Acetone.....	10%	9½%	9%	8½%
4	Methyl alcohol.....	18¢ gal.	17.1¢	16.2¢	15.3¢
5	All chemical elements, salts and compounds, not specially provided for.....	12½%	11½%	11%	10½%
6	Aluminum salts and compounds, nspf.....	12½%	11½%	11%	10½%
16	Calcium carbide.....	½¢ lb.	0.47¢	0.45¢	0.425¢
18	Carbon tetrachloride.....	1¢ lb.	0.95¢	0.9¢	0.85¢
27(b)	Phenol.....	3½¢ lb. and 20%	3¼¢ and 19%	3.1¢ and 18%	3¢ and 17%
28(a)	Vanillin.....	3½¢ lb. and 22½%	3¼¢ and 21%	3.1¢ and 20%	3¢ and 19%
31(a) (1)	Cellulose acetate: powder or flakes and waste....	12½¢ lb.	11½¢	11¢	10½¢
52	Whale oil.....	3¢ gal. and 1½¢ lb. IRC	2.8¢ gal. and 1.4¢ lb. IRC	2.7¢ gal. and 1.3¢ lb. IRC	2½¢ gal. and 1¼¢ lb. IRC
52	Sperm oil, crude.....	1¼¢ gal.	1.15¢	1.1¢	1¢

U.S. Tariff Para.	Short Description	Present Rate	Geneva (1956) Agreement Rate		
			1st Stage	2nd Stage	3rd Stage
CHEMICALS, OILS AND PAINTS (cont'd.)					
66	Paints	12½%	11½%	11%	10½%
66	Pearl essence	12½%	11½%	11%	—
67	Barytes ore, crude	\$3 ton	\$2.85	\$2.70	\$2.55
EARTHS AND GLASSWARE					
207	Clays or earths artificially activated	½¢ lb. and 15%	0.11¢ and 14%	0.11¢ and 13½%	0.1¢ and 12½%
219	Glass, not over 384 sq. in.	0.8¢ lb.	0.76¢	0.72¢	0.7¢
	not over 864 sq. in.	1¢	0.95¢	0.9¢	—
230(d)	Manufactures of glass, nspf.	25%	23½%	22½%	21%
METALS AND MANUFACTURES OF					
302(i)	Ferrosilicon	1¢ lb.	0.9¢	—	0.8¢
302(j)	Silicon aluminum and aluminum silicon	2½¢ lb.	2⅔¢	2¼¢	2⅓¢
304	Steel ingots, . . . billets, valued over 2½¢ but not over 5¢ lb.	10%	9½%	9%	8½%
316(a)	Telegraph, telephone, and other wires and cables composed of iron, steel, or other base metal . . .	17½%	16½%	15½%	15%
319(a)	Forgings of iron or steel	12½%	11½%	11%	10½%
320	Storage batteries and parts, except alkaline type, nspf.	20%	19%	18%	17%
339	Table, household, kitchen, and hospital utensils, and hollow or flat ware, nspf. of aluminum . . .	4½¢ lb. and 20%	3.85¢ and 19%	3.65¢ and 18%	3½¢ and 17%
341	Electrotype plates	12½%	11½%	11%	10½%
353	Electric therapeutic and diagnostic apparatus and parts	17½%	16½%	15½%	15%
353	Electric motors and parts	12½%	11½%	11%	10½%
353	Electrical goods and parts, n.e.s. including signal- ing, welding, ignition apparatus, instruments and devices	12½%	11½%	11%	10½%
360	Scientific apparatus, appliances or instruments, nspf.	30%	28½%	27%	25½%
369(c)	Parts for automobiles	12½%	11½%	11%	10½%
370	Airplanes and parts	15%	14%	13½%	12½%
370	Pleasure boats, sail, steam or motor propelled (valued not over \$15,000 each)	7½%	7%	6½%	6%
372	Textile looms	20%	19%	18%	17%
372	Mining machinery	13½%	13%	12%	11½%
372	Sawmill and wood-working machinery	13½%	13%	12%	11½%
372	Machinery for making paper pulp or paper	10%	9½%	9%	8½%
372	All machinery, not specially provided for, and parts	13½%	13%	12%	11½%
374	Aluminum, and alloys: —In crude form	1½¢ lb.	1.4¢	1.3¢	1¼¢
	—In bars, blanks, circles, coils, disks, plates, rectangles, rods, sheets, squares, and strips	3¢ lb.	2.8¢	2.7¢	2½¢
382(a)	Aluminum foil	11¢ lb. (min. 20%; max. 40%)	10.2¢ (min. 19%; max. 38%)	9.7¢ (min. 18%; max. 36%)	9¼¢ (min. 17%; max. 34%)
397	Builders' hardware, of iron or steel	22½%	21%	20%	19%
397	Articles of iron or steel, nspf.	22½%	21%	20%	19%
397	Articles of aluminum, nspf.	22½%	21%	20%	19%
WOOD MANUFACTURES					
412	Paint-brush handles, broom and mop handles, of wood	10%	9½%	9%	8½%
412	Canoes, and paddles, of wood	10%	9½%	9%	8½%
412	Furniture of wood (except chairs)	12½%	11½%	11%	10½%

U.S. Tariff Para.	Short Description	Present Rate	Geneva (1956) Agreement Rate		
			1st Stage	2nd Stage	3rd Stage
WOOD MANUFACTURES (cont'd.)					
412	Parts of furniture.....	20%	19%	18%	17%
412	Doors of wood.....	16 $\frac{2}{3}$ %	15 $\frac{1}{2}$ %	15%	—
AGRICULTURAL AND FISHERIES PRODUCTS					
706	Edible offal.....	1 $\frac{1}{2}$ ¢ lb. (7 $\frac{1}{2}$ % min.)	1.4¢ (7% min.)	1.3¢ (6 $\frac{1}{2}$ % min.)	1 $\frac{1}{4}$ ¢ (6% min.)
718(b)	Canned herring, not in oil.....	6 $\frac{1}{2}$ %	5 $\frac{3}{4}$ %	5 $\frac{1}{2}$ %	5%
719	Pickled or salted salmon.....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
721	Caviar and other fish roe (except sturgeon).....	5¢ lb.	4 $\frac{3}{4}$ ¢	4 $\frac{1}{2}$ ¢	4¢
733	Biscuits, and baked articles.....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
736	Frozen blueberries.....	8 $\frac{3}{4}$ %	8 $\frac{1}{4}$ %	7 $\frac{3}{4}$ %	7 $\frac{1}{2}$ %
751	Jams and jellies, of currant and other berries.....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
751	Jams and jellies, other.....	20%	19%	18%	17%
762	Soy beans, certified seed.....	2¢ lb.	1.9¢	1.8¢	1.7¢
763	Sweet clover seed.....	1¢ lb.	0.9¢	—	0.8¢
763	Bromegrass seed.....	1¢ lb.	0.9¢	—	0.8¢
769	Dried peas.....	$\frac{3}{8}$ ¢ lb.	0.84¢	0.79¢	$\frac{3}{8}$ ¢
773	Turnips and rutabagas.....	6 $\frac{1}{4}$ ¢ per 100 lb.	6¢	5 $\frac{1}{2}$ ¢	5¢
774	Lettuce (June 1—Oct. 31).....	1¢ lb.	0.95¢	0.9¢	0.85¢
774	Cauliflower (June 5—Oct. 15).....	12 $\frac{1}{2}$ %	11 $\frac{1}{2}$ %	11%	—
779	Hay.....	\$1.25 ton	\$1.18	\$1.12	\$1.06
WOOL					
1115(a)	Wool clothing.....	25% and 37 $\frac{1}{2}$ ¢ lb.	23 $\frac{1}{2}$ % and 37 $\frac{1}{2}$ ¢	22 $\frac{1}{2}$ % and 37 $\frac{1}{2}$ ¢	21% and 37 $\frac{1}{2}$ ¢
PAPERS					
1401	Uncoated book and printing paper, nspf.....	5% and 1/5¢ lb.	4 $\frac{3}{4}$ % and 0.19¢	4 $\frac{1}{2}$ % and 0.18¢	4% and 0.17¢
1405	Surface coated paper, nspf.....	7 $\frac{1}{2}$ % and 2 $\frac{1}{8}$ ¢ lb.	7% and 2 $\frac{1}{8}$ ¢	6 $\frac{1}{2}$ % and 2 $\frac{1}{8}$ ¢	6% and 2 $\frac{1}{8}$ ¢
1405	Greaseproof and imitation parchment paper.....	7 $\frac{1}{2}$ % and 1 $\frac{1}{2}$ ¢ lb.	7% and 1.4¢	6 $\frac{1}{2}$ % and 1.3¢	6 $\frac{1}{2}$ % and 1 $\frac{1}{2}$ ¢
1409	Hanging paper, not printed.....	5%	4 $\frac{3}{4}$ %	4 $\frac{1}{2}$ %	4%
1409	Wrapping paper, sulphate.....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
1410	Maps, charts, blank books, and engravings.....	12 $\frac{1}{2}$ %	11 $\frac{1}{2}$ %	11%	10 $\frac{1}{2}$ %
1413	Paperboard and pulpboard, (except hardboard) not elsewhere specified.....	\$7.25 ton (7 $\frac{1}{2}$ % min.; 15% max.)	\$6.88 (7% min.; 14% max.)	\$6.52 (6 $\frac{1}{2}$ % min.; 13 $\frac{1}{2}$ % max.)	\$6.16 (6% min.; 12 $\frac{1}{2}$ % max.)
MISCELLANEOUS					
1501	Asbestos packing, and brake and clutch lining....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
1514	Paper and cloth, abrasive coated.....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
1530(b)	Glove and garment leather.....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
1531	Manufactures of leather, nspf.....	12 $\frac{1}{2}$ %	11 $\frac{1}{2}$ %	11%	10 $\frac{1}{2}$ %
1537(b)	Molded insulators, of rubber.....	15%	14%	13 $\frac{1}{2}$ %	12 $\frac{1}{2}$ %
1539(b)	Laminated sheets of synthetic resin.....	12 $\frac{1}{2}$ % and 7 $\frac{1}{2}$ ¢ lb.	11 $\frac{1}{2}$ % and 7.1¢	11% and 6 $\frac{3}{4}$ ¢	10 $\frac{1}{2}$ % and 6 $\frac{1}{2}$ ¢
1541(a)	Piano parts.....	20%	19%	18%	17%
1558	Synthetic rubber.....	9%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
1558	Mud dispersant derived from coniferous bark....	10%	9 $\frac{1}{2}$ %	9%	8 $\frac{1}{2}$ %
Sec. 4541 IRC	Copper-bearing ores and concentrates and articles provided for in paragraphs 316, 380, 387, 1620, 1634, 1657, 1658, or 1659.....	(1)2¢ lb. on copper content	1.9¢ lb. on copper content	1.8¢ lb. on copper content	1.7¢ lb. on copper content

(1)Note:—Duty presently suspended.

EUROPE

CANADA CONCLUDED NEW AGREEMENTS with the following European countries: Austria, Belgium-the Netherlands-Luxembourg, Denmark, Germany, Italy, Norway and Sweden. Extensive tariff concessions had already been obtained from these countries in previous negotiations under the GATT. However, as a result of the latest negotiations, these countries have granted many further concessions of interest to Canadian exporters.

Although direct negotiations between Canada and European countries were not extensive, Canada will also benefit from concessions which these countries granted to the other European countries participating in this conference, including the United Kingdom, and to the United States. Moreover, Canada did not negotiate with Finland, France and Turkey, but some of the concessions which these countries negotiated with others are also of interest to Canada.

In a few cases, the concessions made in European tariffs are reductions in statutory rates of duty which have been temporarily reduced by administrative action. Such concessions ensure that the lower rates resulting from the negotiations will be the maximum applicable rates. It should also be noted that many of the concessions of interest to Canada are on products or in countries where discriminatory restrictions have been removed.

A summary of the more significant European concessions is given below. Lists have been prepared showing in detail the principal concessions of interest to Canada granted by Austria, Benelux, Denmark, Germany, Italy, Norway and Sweden—the European countries with which Canada has concluded new agreements. These lists are not published here because of their length. However, copies of any or all of them may be obtained from the International Trade Relations Branch of the Department.

Austria

Austria was authorized by the Contracting Parties to the GATT to conduct its negotiations on the basis of a new draft tariff which is awaiting approval by the Austrian Government. While rates of duty previously bound under the GATT continue in force under this new tariff, increased duties are scheduled on many items which are not bound. The negotiations thus offered an opportunity for obtaining reductions from this higher level.

Canada obtained a reduction on whisky from the draft tariff rate of 3,500 schillings per 100 kilogs. to a rate of 2,450 schillings per 100 kilogs. This reduction brings the bound rate on Canadian whisky to the level of the rate on bourbon whisky which the United States negotiated with Austria in the course of GATT tariff renegotiations in 1955.

Other Austrian concessions of interest to Canada included a reduction in the duty on sheer nylon dress and lingerie fabrics, from 35 per cent with a minimum of 14,000 schillings per 100 kilogs. to 32 per cent, with a minimum of 11,000 schillings per 100 kilogs.; and a reduction on bookkeeping and calculating machines from 1,400 to 1,000 schillings per 100 kilogs. The duty-free entry of tallow for technical purposes was bound.

Benelux

The common customs tariff of Belgium, the Netherlands and Luxembourg is not high and many leading Canadian exports to these countries are bound under the GATT either duty-free or at low levels of duty. Nevertheless, the negotiations provided a useful opportunity for obtaining concessions which are of interest to Canada. The three Benelux countries offer a substantially open market for Canadian goods, free from exchange and import restrictions.

The following are among the more important concessions from the Canadian point of view. Although lumber is admitted into the Benelux countries duty-free on a temporary basis, the existing legal duty on larger sizes of coniferous lumber was reduced from 10 per cent to 3 per cent, which is also the rate of duty for standard sizes. The duty on a narrow range of odd sizes of coniferous lumber was reduced from 10 per cent to 5 per cent. The legal rate of duty on canned salmon was reduced from 20 per cent to 15 per cent; the existing duty on wood alcohol for the production of formaldehyde was reduced from 18 per cent to 12 per cent, on sparkplugs from 12 per cent to 10 per cent, and on parts of calculating and bookkeeping machines from 8 per cent to 6 per cent. Reductions were also granted in the duty on frozen tongues of

bovine animals and pork, kraft paper, pressure cooking stoves of copper, loudspeakers and microphones for telegraphy and telephony, and on organs. The existing duties on crude rapeseed oil, on salted and pickled horse meat, and on some grades of paper and paperboard were bound against an increase.

Denmark

Concessions on most of Canada's principal exports to Denmark were obtained at earlier GATT conferences. Duty-free entry is bound on many of these items, and the duties on some others are bound at low levels. At the present conference, the duty-free entry of flaxseed was bound and the duty on sparkplugs was reduced from 0.10 krone to 0.05 krone per kilogram. Canadian exports of these products to Denmark increased considerably following removal of import restrictions last year.

Among other concessions of interest to Canada, the duty on canned peaches was reduced from 0.65 krone to 0.55 krone per kilogram, and the existing duties on planks and boards of Douglas fir and on radio navigation apparatus were bound.

Finland

Canada did not negotiate directly with Finland. However, in its agreements with other countries, Finland granted some concessions which are of interest to Canada, including the elimination of the existing duty of 9 marks per kilogram, on mineral and vegetable blacks, a reduction in the duty on thin aluminum foil from 150 marks to 75 marks per kilogram, and the binding of duty-free entry on rubber substitutes and on certain machines for the pulp and paper industry.

France

At the previous GATT conferences, concessions were negotiated by France on about two-thirds of the items in the French Customs Tariff. Among the products on which new concessions have been granted are the following: aluminum hydroxide, bound against increase at 15 per cent ad valorem; lecithin, reduced from 20 per cent to 18 per cent; patent leather, reduced from 17 per cent to 15 per cent; and certain types of sewing machines, reduced from 12 per cent to 11 per cent ad valorem.

Germany

Germany granted concessions on a wide range of products. Those of primary interest to Canada include

reductions in the duty on whisky from 375 marks to 325 marks and from 575 marks to 525 marks per 100 kilograms respectively, depending on the size of the containers; a binding of the duty on canned salmon at 20 per cent and a reduction on canned lobster from 30 per cent to 20 per cent; elimination of the 8 per cent duty on unbleached sulphate pulp and a reduction on bleached sulphate pulp from 10 per cent to 5 per cent; a reduction on ferro-silicon of high silicon content from 12 per cent to 11 per cent; a reduction on radio control and radio navigational-aid equipment from 15 per cent to 12 per cent; and a reduction on polyvinyl chloride resins from 25 per cent to 21 per cent in three annual stages.

Duty reductions were also granted on fresh and frozen eels, kraft paper and paperboard, and domestic electric washing machines. Statutory duties were reduced to the level of temporary reduced rates on small outboard motors, tires and tubes for motor vehicles, unwrought magnesium, calculating machines, typewriters and cash registers, and on metal-working machine tools. The existing duty on polystyrene was bound.

Italy

The negotiations resulted in concessions by Italy covering approximately 20 per cent of Canadian exports to that country in 1955. A number of the products on which concessions were obtained have been freed from restrictions.

Italy eliminated the statutory duty of 8 per cent on salted cod, which has been admitted duty-free on a temporary basis. Similarly, the duty-free entry of chemical wood pulp was bound, from a previous statutory rate of 6 per cent. The 10 per cent duty on flaxseed and the 3 per cent duty on crude cobalt were eliminated. Reductions were granted on planks and boards of Douglas fir from 10 per cent to 6 per cent; on outboard motors from 35 per cent to 27 per cent and 25 per cent respectively, depending on their cylinder volume; and on fork-lift trucks from 35 per cent to 32 per cent.

Reductions to the level of the temporary duties were obtained on prepared moulding and drawing powders of polystyrene and of similar plastics; on spades, shovels, hoes and similar tools; on calculating machines, automatic electric toasters and on burners operated by gas. The statutory duty on canned salmon was reduced from 25 per cent to 14 per cent. In addition, reductions were granted on certain iron and steel items imported from countries not belonging to the European Coal and Steel Community, including Canada, within an annual quota.

Norway

The duty-free entry granted by Norway on many important Canadian products was bound at earlier GATT negotiations. At this conference, Canada obtained new concessions on a number of products. Reductions in duty were obtained on nylon fishing nets, from 25 per cent ad valorem with a minimum of 10 kroner per kilog. to one-fifth of this level, 5 per cent with a minimum of 2 kroner per kilog.; and on synthetic rubber, from 30 per cent to a maximum statutory rate of 10 per cent.

Reductions were also obtained in the duty on canned salmon, from 0.30 krone to 0.25 krone per kilogram, on cotton duck, unworked cellophane, canned peaches, and on certain machines for the paper-making industry. The duty-free entry of pneumatic spade hammers and rammers was bound, and the existing duties on red clover seed, patent leather, certain grades of upper leather, and on fork-lift trucks were bound against increase.

Sweden

Sweden granted concessions on various items of interest to Canada, many of which have been freed from import restrictions. Duty-free entry was bound on natural aluminum oxide, which alone accounted

for 15 per cent of all Canadian exports to Sweden in 1955. The duty on raw beaver skins was reduced from 15 per cent ad valorem plus 350 kroner per 100 kilog. to 5 per cent ad valorem. The duty of 150 kroner per 100 kilog. on raw muskrat, racoon and skunk skins was eliminated. Reductions were also made in the duties on phtalic acid and anhydride; developed motion picture film; dressed fur skins of beaver, chinchilla, mink and fox; motor vehicle tires; machine felt containing up to 20 per cent of continuous synthetic fibres; screw taps and dies; darning, sewing, and knitting machine needles; certain gasoline engines; radio receiving sets and factory trucks. Duty-free entry was bound also on planks and boards of Douglas fir and on nickel anodes. The existing 10 per cent duty was bound on certain machines for the papermaking industry and for mining. On whisky, the former bound rate of 200 kroner per 100 litres was reduced to the existing level of duty at 135 kroner per 100 litres.

Turkey

Commodities of interest to Canada on which Turkey will reduce the rates of duty include calculating machines and cash registers, from 15 per cent to 5 per cent; typewriters, from 10 per cent to 5 per cent; refrigerators and refrigerating equipment; and office furniture of metal.

LATIN AMERICA

CANADA CONCLUDED NEW AGREEMENTS at this Conference with Cuba, the Dominican Republic and Haiti. Successful negotiations took place with these countries at previous GATT conferences and the new agreements are necessarily somewhat limited. It should be noted that these three Caribbean countries provide open dollar markets, without import or exchange restrictions affecting Canadian goods. Canada will also benefit from concessions granted by Chile and Peru in their negotiations with other countries.

Cuba

Canada obtained a number of useful concessions as a result of these negotiations. Duties on five commodities of interest to Canada will be reduced to the same level as the duties applicable to the U.S. under the preferential tariff treatment which Cuba grants to the United States exclusively. These reductions are on copper tubing or pipe, from 5.11 to 3.90 pesos per 100 kilog.; aluminum sheets, not corrugated, undulated or grooved, from 4.00 to 3.25 pesos per

100 kilog.; phosphorus, from 5 to 3.5 centavos per kilog.; linseed oil, from 50 to 40 centavos per 100 kilog.; and sewing machines, from 5 to 4 per cent ad valorem. Some of these reduced rates were previously in effect but were not bound under GATT. In addition to the above concessions, the most-favoured-nation rates on refrigerators and electric ventilators will be lowered correspondingly, with reductions made in the preferential rates to the United States on these products.

Dominican Republic

A wide variety of commodities have been included among the concessions granted by the Dominican Republic. Among these, the following are of interest to Canadian exporters: aluminum ingots, reduced from 10 to 8 pesos per 100 kilog.; typewriters, calculating machines and cash registers, from 20 to 18 per cent ad valorem; mimeographs, dictating machines and addressographs, from 20 to 18 per cent ad valorem; electricity and water meters, bound duty-free; passenger car and bicycle tires, reduced from 25 to 22 per cent ad valorem; synthetic resin and other plastics in original solid state, from 15 to 13.5 centavos per kilog.; plastic toys, bound against increase at 1.20 pesos per kilog.

Haiti

Canada will benefit from several new concessions supplementing those previously negotiated with Haiti at Annecy and Torquay. The duty on dried fish and shellfish other than codfish has been bound against increase at 0.33 gourde per kilog. or, if higher, 20 per cent ad valorem. Other concessions of interest to Canada include: electric refrigerators and air conditioners, reduced from 10 to 5 per cent ad valorem; typewriters, dictaphones and mimeographs, from 20 to 15 per cent ad valorem; cash registers and calculat-

ing machines, from 20 to 15 per cent ad valorem; oat cereals, reduced from 0.25 to 0.15 gourde per kilog. or, if higher, from 20 to 15 per cent ad valorem; canned soups, from 0.35 to 0.25 gourde per kilog. or, if higher, from 20 to 15 per cent ad valorem.

Peru

A few concessions granted by Peru are of interest to Canada. Among them are the following: rubber water hose over 8 cm. in diameter, bound against increase at 0.10 sol per kilog.; water wheels and turbines, bound at 0.03 sol per kilog. There is also a customs surtax in the Peruvian tariff applicable to all items which, in the case of the above products, is also bound against increase at 12½ per cent ad valorem.

Chile

Negotiations concluded by Chile with other countries resulted in a number of concessions, of which the following are of interest to Canada: leaf tobacco, reduced from 6 to 4 gold pesos per kilog.; cash registers and automatic vending apparatus, reduced from 2.80 to 2.40 gold pesos per kilog.; sodium phosphate, bound against increase at 0.35 gold pesos per kilog.; ferro-nickel and ferro-chrome alloys in bars, bound against increase at 0.15 gold pesos per kilog.

JAPAN

CANADA DID NOT NEGOTIATE with Japan at this Conference, because negotiations between the two countries took place in 1955 at the time of Japanese accession to the GATT. However, Japan concluded new agreements with other countries and granted concessions on a number of items of interest to Canadian exporters.

Reductions in Japanese rates of duty of interest to Canada will apply to the following commodities: vegetable soups and juices, from 20 per cent to 17 per cent; synthetic resins of vinyl chloride and vinyl acetate series, from 30 per cent and 22½ per cent to

20 per cent; antibiotics and preparations thereof, from 17½ per cent to 17 per cent; containers of paper and cardboard, excluding bags, from 15 per cent to 13 per cent; peaches and pears, canned or bottled, from 30 per cent to 27 per cent; varnishes, from 22½ per cent to 20 per cent; insulated cable and wire for electricity, from 20 per cent to 18 per cent.

Items on which the rate of duty will be bound against increase include: whisky, polyethylene, polystyrene, pressure gauges, internal combustion engines, paper and pulp mill machinery, cream separators, electric refrigerators.

Tariff Concessions Granted by Canada

THE TARIFF CONCESSIONS MADE BY CANADA at the 1956 Geneva Tariff Conference cover 180 items or sub-items in the Canadian Customs Tariff. Of these, 115 are reductions in the present most-favoured-nation tariff and 55 are bindings of the existing rates of duty, many of which Canada had lowered unilaterally since the last tariff conference. For five items Canada undertook not to raise duties above certain specified rates higher than those actually in effect, but which, in all five cases, are lower than the rates previously agreed to under the GATT. The remaining five items are reductions in the British preferential tariff, concurrent with reductions in the MFN tariff. Canada's concessions are shown in Schedule V to the Protocol of Supplementary Concessions. This schedule consists of Part I covering the MFN tariff and Part II covering the preferential tariff. These concessions will not come into effect immediately, but will be implemented at appropriate times having regard to the implementation by other countries of their concessions to Canada. The Canadian concessions to each country will be brought into effect in one step.

Canada's total imports during the calendar year 1955 from all countries under the 115 items or sub-items on which the MFN tariff was reduced at Geneva amounted to \$91 million. Canada's total imports during 1955 from all countries under the 60 items which were bound but not reduced amounted to \$88 million.

Part II of Schedule V contains five items which provide for reductions in preferential rates of duty on certain goods on which the most-favoured-nation rate is also being reduced. During 1955 Canadian imports from British Commonwealth countries of goods covered by these preferential reductions in Part II were valued at \$450 thousand.

The reductions in the MFN tariff cover a wide range of products such as textile machinery, orange juice, lettuce, newsprint, shelled oysters, shrimps, beer, spectacle frames, cigars, sawmill machinery, adding machines, cash registers, road-building machines, electrical precision apparatus (such as is used in oil refineries and chemical works), cameras, and tobacco pipes. Details regarding these and other important MFN tariff reductions are given below.

The most-favoured-nation rates on certain types of machinery were reduced, but all were of a class or kind not made in Canada—namely, textile machinery, Item 413, from 5 per cent to Free; leather-working

machinery, Item 420, from 7½ per cent to 5 per cent; certain road-building machinery and earth-moving machinery, Item 422a, from 10 per cent to 7½ per cent; specialized types of electrical precision apparatus, meters, gauges, etc., Items Ex. 445k and 445n, from 22½ per cent and 15 per cent respectively, to 7½ per cent.

The most-favoured-nation rate on newsprint, Item Ex. 197, was reduced from 22½ per cent to Free; ponderosa pine lumber and California sugarpine lumber, Item Ex. 505, from 10 per cent to 5 per cent; white oak lumber, Item Ex. 505, and Douglas fir lumber, Item Ex. 505, from 10 per cent to 7½ per cent.

The most-favoured-nation rate on orange juice, Item 152(b) was reduced from 10 per cent to 7½ per cent; edible offal of beef and veal, Item 7(b), from 1½¢ per lb. but not less than 7½ per cent to 1¼¢ per lb., but not less than 6 per cent; hay, Item 69b, from \$1.25 per ton to \$1.06 per ton; white clover seed (both ladino and white Dutch), Item Ex. 71b, from 2¢ per lb. to 1¢ per lb.; bent grass seed, Item 72e, from 15 per cent to 7½ per cent; the seasonal duty on lettuce was reduced from 1¢ per lb. to 0.85¢ per lb.; tomato paste, Item 89 Ex.(c), from 2¢ per lb. to 1½¢ per lb.; cigar tobacco unstemmed, Item 142(b) Ex. (i), from 15¢ per lb. to 12½¢ per lb., and cigar tobacco stemmed, Item 142(b) Ex.(ii), from 22½¢ per lb. to 20¢ per lb.

The most-favoured-nation rate on cobalt metal, Item Ex. 208t and Ex. 711, was reduced from 20 per cent to 10 per cent; on copper beryllium alloys, dutiable under various items, to 7½ per cent; manufactures of lead, Item 339, from 27½ per cent to 25 per cent; coin locks of bronze, Item 352c, from 35 per cent to 30 per cent; retarder for plaster, classified under Item Ex. 220a and Item Ex. 711, from 20 per cent to 10 per cent; rough building stone, Item 305, from 12½ per cent to 10 per cent.

The most-favoured-nation rate on fire engines, Item 424, was reduced from 22½ per cent to 20 per cent; fish hooks for non-commercial fishing, Item Ex. 440j, from 15 per cent to 10 per cent; open pleasure boats, Item Ex. 440a, from 25 per cent to 20 per cent; guns and rifles of a class or kind not made in Canada, Item 441e, from 10 per cent to 7½ per cent; cameras of a class or kind not made in Canada, Item 462(ii)(a), from 17½ per cent to 15 per cent; slide projectors, Item 463, from 20 per cent to 15 per cent; spectacle frames, Item 328, from 17½ per cent to 15 per cent; cigars valued at more than \$6.00 per lb., Item Ex. 143, from \$1.75 per lb. plus 15 per cent to \$1.50 per lb. plus 10 per cent; beer in casks, Item 146,

from 35¢ per gal. to 15¢ per gal. and beer in bottles, Item 147, from 50¢ per gal. to 15¢ per gal.

The most-favoured-nation rate on oysters, prepared or preserved, Item 123 Ex.(c) was reduced from 22½ per cent to 15 per cent; oysters, shelled and frozen, Item Ex. 133, from 17½ per cent to Free; shelled oysters in bulk and in cans, Items 124, 125, 126 and 127, from various rates to Free. Shrimps, presently dutiable at various rates, reduced to 10 per cent.

The most-favoured-nation rate on cash registers, Item Ex. 519(a) (2) was reduced from 25 per cent to 22½ per cent; cash register parts, Item 519b, from 15 per cent to 12½ per cent; adding machines, Item 414d, from 17½ per cent to 15 per cent; adding machine parts, Item 414e, from 15 per cent to 12½ per cent.

Since GATT negotiations relate only to the Most-Favoured-Nation tariff, there was no occasion to negotiate preferential rates of duty. Some margins of preference in the Canadian tariff as well as in the tariffs of other Commonwealth countries were reduced in the course of negotiations with non-Commonwealth countries. Of the items on which Canada reduced margins of preference those which covered the largest volume of trade were orange juice, electrical precision apparatus, and textile machinery. The great bulk of Canadian imports of these products in 1955 were from non-Commonwealth sources.

United Kingdom: Modifications in Preferences

CANADA DID NOT NEGOTIATE with the United Kingdom. However, a number of tariff preferences accorded by each country to the other will be modified to some extent as a result of agreements which Canada and the United Kingdom concluded with other countries. The changes are not significant in total and, in general, the cuts are not very deep. Some margins of preference will be narrowed and there are also instances of reductions in the preferential rates of duty. Changes in preferences in the Canadian tariff are indicated in a separate section.

Modifications in the United Kingdom tariff of interest to Canada include the following: printing paper, a reduction in the MFN rate of duty from 20 per cent to 16¾ per cent, with imports from the Commonwealth remaining duty-free; kraft paper and most machine-glazed papers, a reduction in the MFN rate from 16¾

per cent to 14 per cent, with imports from the Commonwealth remaining duty-free. On a range of miscellaneous machinery and parts, a reduction in the MFN rate from 20 per cent to 17½ per cent, with imports from the Commonwealth remaining duty-free. Motor vehicles and various classes of accessories and component parts, a reduction in the MFN rate from 33¼ per cent to 30 per cent, and a reduction in the preferential rate accorded Commonwealth products from 22⅔ per cent to 20 per cent. Artificial silk yarn, a reduction in the MFN rate from 9d. plus 22½ per cent ad valorem to 9d. plus 20 per cent, with imports from the Commonwealth accorded, as formerly, a preferential rate of five-sixths of the MFN rate. Papermakers' felts containing artificial silk, a reduction in the MFN rate from 25 per cent to 15 per cent, and a reduction in the preferential rate accorded Commonwealth products from 20⅔ per cent to 12½ per cent. Artificial silk dresses, a reduction in the duty applicable to all countries from 30 per cent to 27½ per cent, the alternative specific rate of 6s. 9d. lb. (chargeable when higher than the ad valorem rate) to be replaced by a rate of 9s. lb.

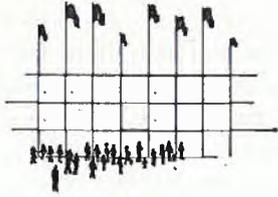
Olive Oil Prices Rise

World prices for olive oil rose considerably in the first quarter of this year, says the Food and Agriculture Organization. Between January and March Tunisian olive oil, as an example, rose from \$818 to \$1,100 per metric ton compared with \$616 per metric ton in March 1955.

Estimates of the recently completed crush show that world production may drop as low as 860 thousand tons, compared with 1.1 million tons in 1955 and 1.3 million in 1954. The short supply situation is concentrated in Western Mediterranean regions and has been partly responsible for the sharp rise in prices of other food oils recently.

FAO does not expect heavy supplies later this year because the severe winter has injured olive trees in France, Italy and (to a lesser extent) in Spain, and brought prospects of another poor harvest in 1956-57.

However, supplies of other edible oils should be more plentiful as the United States intends to dispose of large amounts of cottonseed and soyabean oil; Nigeria and French West Africa expect their largest peanut harvest yet and Argentina will harvest sunflower seed from an area twice as large as in the previous two years. In addition, sizable increases are predicted for other edible oilseed crops.



fairs and exhibitions

Why Not Stop Off at Lausanne?

MAY WE SUGGEST that if you are planning a trip to Europe this year you try to include a day or two at the Comptoir Suisse (September 8-23) in Lausanne, Switzerland. Canada is the guest exhibitor this year at this wholly national show. The presence of Canadian businessmen interested in this market will undoubtedly enhance the usefulness of Canada's exhibit. The Department of Trade and Commerce also hopes that Swiss agents of Canadian firms will plan to spend some time at the exhibit. It would be helpful if businessmen planning to attend the fair would notify the Commercial Secretary (Canadian Embassy, Kirchenfeldstrasse 88, Berne) in advance (*For a story on the Lausanne Fair, see the March 17, 1956, issue of "Foreign Trade".*)

Show for Restaurateurs

"PROFITS FOLLOW GOOD FOOD AND SERVICE" was the 1956 theme for the 37th National Restaurant Association Show, the biggest yet, which opened in Chicago on May 7th and ran for five days. Every bit of space in Chicago's huge tandem exhibition halls at the Navy Pier was taken by the 602 manufacturers and producers exhibiting in 1,067 individual booths. Visitors, buyers and convention delegates from every state and from Canada, Mexico, Asia, Africa and Europe brought the total registration to a record 33,800, compared with 30,000 in 1955.

Everything a restaurant or institutional kitchen operator could desire was displayed along the 4½ miles of Navy Pier aisles, from the latest in door checks to a completely equipped 40-ton diner. Some of the attention-getters were:

- Infra-red grilles, roasters, broilers and toasters, designed to save time, fuel, labour and product shrinkage.
- Automatic dishwashing machines, one as big as a fair-sized yacht.
- Restaurant furniture and fixtures, particularly chairs with unsupported cantilever armrests designed to hang on tables for easy floor cleaning.
- Canadian fish fillets and portions, Idaho potatoes, Maine sardines, Gulf shrimp, Rocky Mountain rainbow

trout, and Chicago-packed meats featuring portion control.

- Merchandising materials and methods, and advertising ideas.
- Decorator ideas and materials.

Perhaps the following figures will help to explain the great interest this show aroused in the United States: an average of 78 million meals are served in the U.S. every day in 194 thousand restaurants, cafeterias and lunch counters, 26,200 industrial restaurants, and 15,100 hotels. Colleges, hospitals, clubs and other institutions helped to account for the estimated \$17 billion spent in 1955 by Americans dining away from home. Operators engaged in this industry, and looking for ways to increase efficiency and profits, were able to attend demonstrations and lectures at the convention. Handling, cooking and storage problems were explored, and outstanding authorities delivered talks on personnel problems and the trend to automation and led group discussions.

The National Restaurant Convention and Exposition has built up such a successful reputation that about



Snowshoes made of magnesium, light and durable, boots and skates, hockey equipment, and many other types of products were featured at the show of winter sporting goods presented at the Canadian Showroom in Rockefeller Centre, New York.

90 per cent of the exhibitors participate year after year. Canadian manufacturers will be welcome at the next show, to be held May 6-10, 1957. Cost of booth space ranges from \$400-\$450 and prospective exhibitors would be well advised to forward their applications before the end of June to the National Restaurant Exposition Director, 8 S. Michigan Avenue, Chicago.

—R. F. RENWICK,
Consul and Trade Commissioner, Chicago.

Canadian Trade Shows

IF YOU WOULD LIKE a list of the principal Canadian trade shows and agricultural fairs being held from June to December this year, write to the Information Branch, Department of Trade and Commerce. The schedule gives the range of products to be shown, location of the shows, and where to apply for information. It also tells whether foreign exhibitors are invited and whether the public is admitted.

Canada at Utrecht

FOR THE FIFTH TIME since the war Canada participated in the Royal Netherlands Industries Fair held at Utrecht from March 13-22. This year the Canadian exhibit consisted of various types of lumber and plywood, leather board, wallpaper and fine papers. It was located on the first floor of the new Juliana Hall which was officially opened by Her Majesty, Queen Juliana on March 12. During a tour of the hall the Queen spent some time at the Canadian stand and showed particular interest in the cut-away section of a typical Canadian wooden house.

The Canadian stand was highly praised by the fair authorities and the public, and drew interested architects, builders, lumber and plywood consumers, furniture makers and other business visitors. A special attraction in the exhibit was a moving belt of printed Canadian newsprint crowned with an open globe. Through the world in a continuous stream passed the mastheads of some 60 foreign newspapers which are printed on Canadian newsprint.

More than 4,000 exhibitors took part in the 1956 Utrecht Industries Fair, occupying approximately 55,000 square yards of space. The total attendance, largely business visitors, reached about 200 thousand. This fair is held twice a year, in the spring and autumn, and is considered one of the most important international fairs in Europe.

—V. L. CHAPIN,
Commercial Secretary, The Hague.



Part of the Canadian exhibit at Milan's International Trade Fair played up our pulp and paper industry and particularly newsprint. Note at top left the sample pages from papers in many parts of the world printed on Canadian newsprint.

Autumn Fairs in Germany

THE NEW COLOGNE has developed into a centre of German trade and industry and the home of several important trade fairs. Two of these, the Household Goods and Hardware Fair and the Textile and Clothing Fair, are held twice a year, in the spring and autumn. They run consecutively under the name, International Cologne Fair.

The 1956 Household Goods and Hardware Fair opens September 7 to 9. It will include exhibits by both German and foreign producers of such lines as household and kitchen cooking, heating and electric appliances; plastics; locks and fittings; cutlery; tools; garden implements; wire goods; brooms and brushes; wood and basketware, and shop fittings.

The autumn version of the Textile and Clothing Fair, September 16-18, features a "Gentleman's Fashion Week", with ready-made clothing for men and boys. In addition to this special feature, the fair presents the basic products of the textile industry—materials, haberdashery and fashion goods, clothing, home textiles, bedding—and also shop window and shop equipment.

THE INTERNATIONAL FRANKFORT FAIR provides a varied display of consumer and utility goods twice a year, in March and September. The autumn

fair runs from September 2 to 6 and includes the following product groupings: textiles and clothing of all kinds, handicrafts and arts and crafts, paper goods and cartons, office and business equipment, packing materials, cosmetics, chemical consumer goods, sport and camping equipment, food and drink, and smokers' goods.

For information about these German fairs, write to the German-Canadian Trade Promotion Office, 185 Bay Street, Toronto.

Japan's Third Trade Fair

TWENTY-THREE COUNTRIES EXHIBITED and 3,629 foreign buyers from 64 countries visited the third Japan International Trade Fair, according to the fair officials. Contracts with a total value of \$5,750,000 were concluded during the fair, comprising \$3.5 million worth of exports, \$750 thousand worth of imports, and \$1.5 million in domestic transactions.

Outstanding among the Japanese exhibits were the handicrafts and sundries and the wide range of machine tools and heavy industrial equipment. The Canadian Government stand told the story of Canadian wheat from production to export—with photographs, colour transparencies and samples of grain. Set against a background of wheat fields, a spout, resembling that on a combine harvester, spewed forth grain in an endless stream and attracted many visitors to the stand.

Held this year in Osaka from April 8-22, the Japan International Trade Fair will move to Tokyo next year and run from May 5-19. Information about the 1957 fair can be obtained from the Canadian Embassy in Tokyo.

Fairs in Britain

4th International Handicrafts, Homecrafts and Hobbies Exhibition, London, September 6-21.

National Pharmacy Exhibition, London, September 10-13.

Building Plant Exhibition, Newcastle, September 12-19.

2nd International Watch and Jewellery Trade Fair, London, September 20-27.

International Commercial Motor Transport Exhibition, London, September 21-29.

47th Shoe and Leather Fair, London, October 1-5.

Fashion in Footwear Exhibition, London, October 1-5.

Engineering Industries Association, 9th London Regional Display, October 10-12.

For information about these fairs apply to the United Kingdom Trade Commissioners in Ottawa, Edmonton, Halifax, Montreal, Toronto, Vancouver and Winnipeg.

Travelling Trade Fair from Israel

ISRAEL'S FIRST TRAVELLING TRADE FAIR will open in Montreal in the Windsor Hotel on June 28th. Now visiting United States cities, the exhibition features products from all branches of Israeli industry, including agriculture. The travelling fair was organized by a public fairs and exhibitions committee, consisting of representatives from government ministries and the Israel Manufacturers Association, in an effort to increase Israel's exports to the United States and Canada.

More than sixty Israeli manufacturers have contributed products to this show, including diamonds, sewing machines, giftware, arts and crafts, religious articles, wines and brandy, chocolates and candy, cement, plywood, twine and canvas, raincoats, woollens and worsteds, knitwear, shoes, detergents, soap and toilet preparations. A special panel will illustrate Israeli purchases from Canada.

The show will remain in Montreal until July 3rd. Friday, June 29, will be designated a special "buyers' day" and Canadian buyers will be able to meet Canadian representatives of the Israeli firms which are exhibiting in the fair.

Tours of Territory

D. B. LAUGHTON, Canadian Trade Commissioner in Port-of-Spain, Trinidad, will tour British and Dutch Guiana for ten days, beginning in the second week of July.

A. P. SAVARD, Commercial Secretary in Bogotá, Colombia, will visit the two principal cities of Ecuador—Quito and Guayaquil—from June 17-29.

M. P. CARSON, Trade Commissioner in Singapore, will visit Sarawak, Brunei, and North Borneo July 1-12 and Rangoon, Burma, and Bangkok, Thailand, July 25-August 7.

A. W. EVANS, Canadian Trade Commissioner in Cape Town, South Africa, will visit Port Elizabeth from June 17 to 22.

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

Credit Problems in Foreign Markets

Where should an exporter turn for the information on which to base his credit policies towards foreign customers? What are the factors in a good credit report and how often should one be obtained? This article, eighth in our series on the techniques of export trade, answers these and other pertinent questions.

A. S. GILLOW,
Manager, Foreign Credit Information Department,
The Royal Bank of Canada.

THE SALE OF MERCHANDISE OR SERVICE anywhere in the world involves the problem of credit. In the domestic market the matter is relatively simple: the seller is often in close contact with the buyer and can obtain firsthand information about his customer's affairs without much trouble. Any important adverse change is usually ascertained quickly and investigated without much delay. Selling in foreign markets, on the other hand, although it involves those problems usual in the domestic market, presents several additional factors all of which have an important bearing on credit policy.

Let us consider a firm which is entering a foreign market for the first time. Probably the first decision it has to make is through what channels it should sell. It can sell direct from the home office without representation, or it can appoint a local agent on a commission basis. On the other hand, the firm may wish to appoint a local distributor who will buy for his own account. Although the final decision may be a matter of company policy, it will also depend to a large extent on practices common in that market.

Determining Credit Policy

The next problem which will arise is general policy on credit terms. Obviously, to sell by letter of credit is an ideal way to do business, but unless the goods are in short supply and badly needed, it is probable that the trade will require more liberal terms. In this situa-

tion, the company's policy will depend on a variety of factors. To first-class clients whose financial position is sound and whose reputation is good, it may concede open account or term drafts which may run as high as 60 or 90 days. Of course, competition is an important factor. Other things being equal, a firm cannot expect to exact sight draft, D.O.P. terms when its competitors are granting 30 to 90 days. The nature of the merchandise also has a bearing on credit terms. The more perishable it is, the quicker the turnover—hence profit margins are smaller. Under such circumstances, credit is usually confined to short terms such as sight draft or letter of credit. Some firms find very satisfactory a practice occasionally used. An arrangement is made between agent and exporter whereby the latter pays a higher rate of commission on the understanding that the agent will guarantee any accounts submitted. That is to say, in the event of an account going bad, the agent will underwrite the debt.

Sources of Credit Information

Once the firm has arrived at the general policy to be pursued in the new market in the light of the factors discussed above, the next and perhaps most important step is to investigate new accounts as they are acquired. The exporter has access to several sources of pertinent information without which he cannot properly assess the credit risk. These are:

1. Canadian branch banks
2. Canadian Trade Commissioners
3. Commercial agencies
4. Canadian and American exporters already selling to the foreign importer.

● *Canadian Branch Banks*—The exporter through his own branch bank has virtual access to the information in the files of foreign banks anywhere in the world. Some Canadian banks maintain foreign branches and are thus well equipped to supply accurate information on firms in those areas where they have branches. Where there are no Canadian branches, the banks can supply similar information obtained from their foreign banking correspondents with whom they maintain a close relationship. Our bank, for example, operates a

special department which maintains voluminous credit files on a world-wide basis and receives a constant flow of information from our foreign branches as well as our correspondents. Credit rating books and exporters' directories covering a large part of the globe are readily available to exporters through their bankers.

● *The Canadian Trade Commissioners*—These men, located on the spot, also have access to the local foreign banks and are well equipped to supply up-to-date information and if necessary to interview the prospective agent or importer. Often the importing firm is well known to the Trade Commissioner who at some time or other may have endeavoured to introduce Canadian lines to him.

● *Mercantile Agency Reports*—These reports, when available, are also useful sources of information. The exporter should realize, however, that in certain countries these reports are considerably more expensive than those available in Canada and the United States, and in certain areas are unknown.

● *Other Suppliers*—Often an importer will give as a reference the names of some of his suppliers, who as a rule will co-operate in providing a report on how the importing firm has met its obligations over the years.

What Makes a Good Report?

What are the factors considered essential in a good credit report? Generally, it should show how long the firm has been in business; the type of business (whether importers, distributors or agents, and the lines carried); names of the principals or partners; the reputation of the firm in the trade and among the banks, as well as the reputation of the individual partners; the company's paying record—i.e., how it meets its obligations to the trade; financial data on the firm; similar information on the principals. In practice, the exporter will frequently find that the reports he receives do not always cover all the points mentioned. Unfortunately, there is no standardization and the way in which a report is prepared depends upon the practice among the banks in the country of origin. Often financial information is not available in detail. In some countries, such information in the files of the bank has been given to it in confidence and the bank is therefore not free to divulge it without the express permission of the client.

In seeking information, an exporter can be most helpful to the reporting bank if he states clearly the nature of the transaction. When a specific amount of credit is involved, he should say whether it is for one shipment or covers a number of shipments to be made over a specified time. Without this information the reporting bank cannot properly assess the credit risk. A bank should never be asked to set a maximum figure to which credit may be extended. This is an unfair question and one which a bank will seldom if ever answer.

Some firms have a tendency to exaggerate the amount of credit which they may extend—a practice which can cause confusion and may result in the wrong inference being drawn. It is better to ask for an expression of opinion for no more than the amount of the order and if, at a later date, the orders increase in volume, then seek a new report based on the new conditions.

Timing of Reports

The problem which arises next is how often to obtain credit reports on one's customers. In the main, most firms find it sufficient to review the information in their files once every year or eighteen months. Of course, circumstances may arise which make it necessary to check more often. This is particularly true where an order is received for a large amount beyond the credit limits already set for the account. Generally speaking—and this refers particularly to South America—the reports are revised by the reporting bank only after receipt of a new balance sheet, usually some time after April or May.

"Case of Need" and Other Factors

Certain other important factors have a bearing on the credit risk and information on them should be obtained at the time the financial situation of the client is investigated. These are: import regulations, exchange restrictions, general business conditions, and the political situation. Where an import permit is required, the exporter should assure himself that the importer holds the required licence; the same applies to the exchange permit where one is needed. The bank and Canadian Trade Commissioner can also help in these matters.

An important factor which an exporting firm sometimes overlooks is the use of a "Case of Need", which is usually the exporter's agent. His value depends on the powers granted to him by his principal. Frequently a simple "Case of Need" is all that is required. This means that the collecting bank will keep the agent advised about the payment record of bills held for collection. The idea is that when the foreign collecting bank has advised the agent that a bill has not been accepted or paid, he can then call upon his customer and often straighten out the difficulty without delay. A "Case of Need", however, cannot give the collecting bank any instructions unless the exporter has given him definite powers. A reputable agent in good standing may be given power to dispose of the merchandise, reduce the amount of the bill, and perform any other act in the interests of his principals which he may deem necessary. This is an extreme case, however, and is granted only to first-class firms.

In short, in matters of credit the exporter has at his command valuable sources of information. He should not hesitate to use these to the full and to profit from them. ●

The Cuban Market: a Current Survey

Here is an up-to-the-minute survey of the business situation in Cuba and market prospects there, prepared by the Commercial Secretary in Havana on the eve of his departure for Canada on leave and tour. Canadian businessmen who wish to consult Mr. Browne during his Canadian tour will find here useful background information about his territory.

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

THE RISING TREND in all Cuban business indices continued through the turn of the year, with the export values index for October-March 1955-56 showing the largest relative increase. According to figures published by the National Bank, all monthly averages for the 1955-56 half-year—from consumer purchasing power and commercial bank loans, deposits, clearings and number of accounts, to wages, salaries, consumption of electric power, automobiles, manufacturing, housing construction and the export-import trade—were higher than in the same period of 1954-55. Under the combined pressure of government measures to finance the public works program and strong demand from the private sector, little available commercial bank credit remains unused in these near-boom conditions.

● Agriculture

The country's principal bread-winner—the sugar industry—has set a slightly higher production for this year, and average prices in both the United States preferential and world markets appear better this spring than last. Tobacco sales have improved and the cattle industry has enjoyed prosperity, but rice and potato growers in general have not had quite such uniform success. Short-term market problems in these fields, however, have not deterred crop investors from new export endeavours and some minor advances have been made in the diversification of agriculture.

● Food Industry

The Cuban fisheries are planning important steps, with other schemes to promote domestic processing of food products, which will reduce the Republic's annual bill for food imports which runs at about \$150 million.

Of particular interest are the plans for a codfish processing plant and a hydrogenated vegetable oil plant. Studies are in progress for a new flour mill at Santiago de Cuba; the cornerstone is scheduled to be laid this month.

● Mining and Petroleum

Mining is booming. Investment in this industry, including some Canadian, has reached unprecedented figures in nickel, petroleum and copper. Most of the current interest is exploratory but it promises a much larger Cuban market for mining plant, equipment and tools in the next few years.

● Manufacturing

Manufacturing generally has maintained its satisfactory 1955 level, with gains noted in the textile industry which is moving ahead as a result of improved control of textile import procedures. Cotton weaving has expanded, and new plants for spun rayon yarns and acetate production are being built. The cement industry is expanding; a new plant at Santiago is now in production and an additional one is slated for erection shortly in a central location.

The metals industry will soon be augmented by a new wire mill—the result of recent tariff modifications. Iron and steel and light metal fabrication capacity is being increased. Notable among new enterprises which have asked for government fiscal and tariff exemptions are aluminum furniture, steel doors, automobile clutch assemblies, a wire cloth plant, and the manufacture of ferro-enamel products such as refrigerator and range cabinets, bathtubs and sinks.



GEORGE A. BROWNE, Commercial Secretary in Havana, Cuba, for the past two and a half years, has returned to Canada and will begin a country-wide tour about June 20. He looks forward to meeting Canadian businessmen who are interested in exporting to

Cuba and to discussing marketing problems with them. When he completes his tour, Mr. Browne will return to Havana.

George Browne began his career in the Trade Commissioner Service in 1945 and his first posting was to Bombay as Assistant Trade Commissioner. Subsequently he served in Karachi as Trade Commissioner and in Washington as Commercial Secretary.

His complete itinerary will be published in our next issue.

● Chemicals

In the chemicals line, applications have been filed for the manufacture of gum dextran, diabetin (a sugar substitute), sodium silicate, aluminum sulphate, glauber salts, inks and herbicides. A new company has been formed to make commercial explosives locally. The opening of a new plant at Havana has brought the Cuban paint industry's production nearer to meeting all domestic needs.

● Merchandising

Merchandising also enjoyed a turn-of-the-year peak unequalled since 1951-52's record sales. Hardware in particular, in demand for the sustained building boom, has done well. The cities have seen an increase in self-service supermarket retail stores; general retail trade has been well above the level of the previous period.

● Capital Investment

Both public and private capital investment programs reflect the trend to expansion in Cuba. The Government is putting the bulk of its heavy public works expenditures on highways, hydro-electric development, harbour improvements, and institutional building. Private investment in mining and petroleum has been particularly important: new refinery investment by Esso, Shell and Texaco totals approximately \$75 million. Continued real estate and new housing development has also kept the construction boom from flagging.

Official Cuban figures for total imports in 1955 (still subject to revision) are higher—\$495 million compared with \$488 million in 1954. In the period October 1954-March 1955, the total import value reached \$247 million, according to Treasury figures. The 1955-56 estimate is not yet available, but it is generally believed that Cuba's principal suppliers, particularly the United States, have surpassed their sales of the same previous period. Havana Customs collections, often a useful index, together with other indicators, support this view.

A Competitive Market

Canada is an exception. Canadian exports to Cuba in the six months October 1955-March 1956 fell to \$6.6 million, compared with \$7.7 million for the same period in 1954-55. Although this fall in value was largely the result of reduced deliveries of newsprint, some small part of it may reflect the more attractive payment terms offered by European and United States competitors.

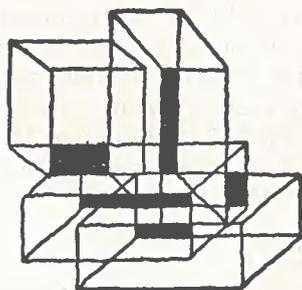
Cuba, with its high standard of living, ranks fourth or fifth in value of imports among the large buyers in Latin America. Because it has neither exchange restrictions nor import controls, it is a highly competitive market. With the added hurdle of the U.S. tariff preference, this market provides a real test of both a product and an exporter's marketing ability.

For additional information on Cuba, see articles in the following issues of "Foreign Trade": September 3, October 29, November 26, and December 24, 1955; January 21 and April 14, 1956.

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.



commodity notes

Australia

NYLON—British Nylon Spinners (Australia) Pty. Ltd. (a subsidiary of British Nylon Spinners Ltd., England) has announced that it will build a new £4 million factory at Bayswater, Victoria. Work is expected to start immediately on the 92-acre site purchased last year and the factory, when it goes into production in three years' time, should take care of most of Australia's nylon needs. Target output is five million lb. a year and the yarn produced is not expected to be cheaper than the present imported product—Melbourne, May 2.

Austria

OIL—In 1955 Austrian mineral oil production reached 3.67 million metric tons, exceeding the 1954 record figure by 8 per cent. Thus, after Rumania, Austria is Europe's most important mineral oil producer. Annual delivery commitments to the U.S.S.R. up to 1965 are 1.2 million metric tons; Austrian refinery capacity is currently limited to two million metric tons. Therefore, the Austrian Mineral Oil Administration envisages investments of over A.Sh.300 million—70 million to be used to modernize and expand oil refineries, 130 million to produce mineral oil and gas, and 40 million to undertake new borings to maintain present output.

Of utmost importance is the sum of A.Sh.65 million intended for the purchase of compressors and pumps to harness the natural gas which is escaping and which has an estimated value of A.Sh.200 thousand a day. To date, Austria is importing this machinery, but the Austrian Mineral Oil Administration is negotiating with the Loebersdorfer Engineering Works to undertake local production of compressors—Berne, May 18.

Federation of Rhodesia and Nyasaland

COAL—According to press reports, the United Kingdom Government is interested in a plan to import five million tons of coal a year from Southern Rhodesia. Southern Rhodesian coal would probably cost half as much as American and would save Britain an estimated \$100 million. To ensure an all-British route to the sea for the coal would involve

constructing a railway from Southern Rhodesia to a West African port, a distance of approximately 800 miles and a formidable undertaking. It is believed that Colonial Development and Welfare Funds could be applied to the project. The line would also be used to transport cattle, chemicals and other products and would serve to open up a largely unexploited region of Africa—Salisbury, May 11.

Finland

PREFABRICATED HOUSES—Exports of prefabricated wooden houses from Finland in 1955 amounted to 296 thousand square metres of floor space, compared with 788 thousand square metres in 1954 and 897 thousand in 1953. The decrease in 1955 exports was, therefore, no less than 490 thousand cubic metres, or 62 per cent. This steep decline resulted principally from smaller purchases by the Soviet Union—750 thousand square metres in 1954 as against only 250 thousand in 1955. Finland's total production of prefabricated wooden houses in 1955 is estimated at approximately 350 thousand square metres—Stockholm, May 15.

France

WINDOW GLASS—At the present time there is an acute shortage of window glass in France because of increased activity in the French glass-using industries such as building construction and automobile manufacture. For this reason, French manufacturers have very little glass available for export and priority in export markets goes to those importers who have been consistent customers. In these circumstances, there is little possibility of French manufacturers accepting orders from new customers abroad. Where orders are accepted, the manufacturers are not committing themselves to making delivery at an early date—Paris, May 15.

Jordan

PHOSPHATES—Exports of phosphates, Jordan's most important mineral deposit, should show a big increase this year as a result of an agreement concluded between the Government and Japanese traders for the sale of 150 thousand tons during 1956.

Negotiations resulted from the visit of a delegation from the Japanese Chambers of Commerce and the Japanese Export-Import Bank.

Jordanian phosphate deposits are the most important between Tunisia and the Pacific and their development is currently Jordan's chief asset in achieving greater economic self-sufficiency. The production goal is 400 thousand tons a year within five years—Beirut, May 8.

Malaya

PINEAPPLE—The Malayan pineapple industry had one of its best years in 1955. Exports totalled more than M\$29 million, an increase of M\$4 million over the previous year. The United Kingdom was the best customer, taking 24,330 tons valued at M\$26 million. Over 2,000 tons were exported to countries in the Middle East, European countries took more than 600, and Canada 283, an increase of 175 tons—Singapore, May 7.

Morocco

MINERALS—Moroccan mineral production, with the exception of coal and iron ore, increased substantially in 1955 over 1954, principally as a result of firm demand on world markets and higher prices. The price of lead in France, for example, increased toward the end of the year from 15.1 cents per lb. to 15.4 cents per lb. In addition, there has been a steady trend in the Moroccan mines towards mechanization and higher salaries which has resulted in greater productivity. This has been apparent in the increase in lead and zinc exports from 115 thousand and 51,000 tons respectively in 1952 to 125 thousand and 77,000 in 1955. Production of various phosphates, manganese and cobalt has also risen. Total mineral exports in 1955 reached a value of some \$114 million—Paris, May 16.

Philippines

NICKEL—A recent government press release states that the Surigao (Mindanao) mineral reservation is reported to contain millions of tons of nickel ore. At present, only a limited area in Philippine government mineral reservations can be controlled by private interests wishing to exploit mineral deposits. Some world-renowned mining firms have conducted preliminary explorations and legislation is being introduced to enable private firms to acquire large mining claims—Manila, May 4.

South Africa

DIAMONDS—The Central Selling Organization reports diamond sales of £16.8 million for the first quarter of 1956, well below the first-quarter sales of £22.2 million last year—Cape Town, May 4.

GOLD—The increasing importance of gold as a contributor to the Union's foreign exchange reserves is evident from the average monthly production figures of the past five years. These are: 1951, £11.9 million; 1952, £12.3 million; 1953, £12.3 million; 1954, £13.7 million, and 1955, £15.2 million—Cape Town, May 4.

Sweden

PLASTICS—The Swedish plastics industry today, with modern machinery and technically well equipped, could increase its production capacity. Principal exports are raw materials (for example, vinyl and melamin) which are produced from imported coal. Synthetic resins are also an important export. The most successful export product, however, is perstorp board which is sold to over 20 countries. Competition from both domestic and foreign producers is keen on the Swedish market and prices have to be kept relatively low.

The Swedish Plastics Association is planning to introduce a new marking system under which all plastics will be labelled with the Association's description of the type of material used in production. The Association is organizing an exhibition of plastic products in Stockholm this autumn in which 65 of its members will participate; since a number of the members are import agents, there will also be foreign exhibits—Stockholm, May 15.

United Kingdom

PHARMACEUTICALS—United Kingdom exports of drugs and medicines amounted to the record figure of £35.9 million in 1955, against £32 million in 1954, an increase of 12.2 per cent. The newer antibiotics, antihistamines, synthetic antimalarials, insulin, vitamins, aspirin, and miscellaneous proprietary medicines (including proprietary forms of prescription drugs) all contributed substantially to the higher exports. Sulphonamides in bulk also showed a marked increase—from £740,000 to £1,026,000, although the value of sulphonamide preparations fell slightly from £1.8 million to £1.6 million. Reduced prices for penicillin and its preparations for injection accounted for a fall in value from £2.8 million to £2.2 million despite an increase in volume of 28 per cent.

Australia was again the most important market for British drugs (£4 million), with India next (£3 million), followed by Pakistan, South Africa, New Zealand, Nigeria, the Irish Republic, Burma and Egypt—all taking between £1 million and £2 million. Exports to the United States reached a record £664 thousand (as against £292 thousand in 1954), surpassing sales to Canada of £612 thousand—London, May 16.

Fresh Apples for Indonesian Buyers

Canadian apples continue to find buyers in Indonesia, despite tariffs, import surcharges, and freight costs that make them a luxury. Newtowns is preferred type, and consumers look for three-inch size, individually wrapped.

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

FRESH APPLES are considered a luxury in Indonesia because the high tariffs and import surcharges push up the price. Yet substantial quantities are brought in to meet the demand, largely from the European and Chinese population. Over the last four years imports have averaged annually about 785 metric tons; in 1955, however, they fell to about 753 metric tons.

Importing System Changed

Most of these 1955 imports came in under the export inducement system, which gave importers facilities for securing certain import licences. This system was abolished in June 1955, but many certificates were still outstanding and importers were able to buy and use these until the end of the year. Now no more are available and imports must be made in the regular way—that is, by applying for an import licence and making an advance deposit of the c. and f. value, plus the import surcharges.

This system came into force on September 1, 1955, when the Government introduced new import control regulations. Not only was the import licensing system revised, but commodities were reclassified for the purpose of assessing the import surcharges. Fresh apples were put into Group III; the import surcharge for this group is 200 per cent of the c. and f. value of the goods.

Sources of Supply

It is not easy to get accurate statistics on imports of apples into Indonesia. Australia, the United States, and Canada have been the chief postwar sources of supply, but Canada's share of the market has fluctuated and shrank considerably last year. Imports from the United States fell off slightly in 1955; those from Australia increased. A few shipments came in from Japan and some from Singapore, though the latter largely consisted of apples originating in the U.S., Canada, or Australia and re-exported.

The following table summarizes imports of apples for the years 1952 to 1955.

	1952	1953	1954	1955
	(Kilograms)			
Canada	13,224	41,908	37,817	1,680
United States ...	302,564	222,324	236,212	201,262
Australia	413,564	425,967	504,150	526,446
Netherlands	15,749	.....	23,400	975
Singapore	32,264	14,632	.....	10,515
Hong Kong .....	.....	16,000	.....	.....
China .....	.....	.....	.....	1,250
Japan .....	.....	56,023	.....	9,100
Spain .....	.....	.....	.....	1,680
Total	<u>785,523</u>	<u>776,854</u>	<u>824,227</u>	<u>753,416</u>

Canadian figures show that our exports of apples to Indonesia in 1955 totalled 3,185 bushels valued at \$9,779. Of this quantity, some 1,200 bushels worth \$3,512 were shipped in January 1955 and 1,985 bushels worth \$3,512 in December; the latter probably arrived in Indonesia about the end of January 1956.

Canadian and U.S. apples normally arrive in Indonesia between October and February; supplies from Australia are received from April through August. Because of the different growing seasons, apples from these areas seldom compete in the local market.

Varieties and Prices

Extra Fancy Newtowns and Red Delicious have proved to be the most popular varieties of apples from the northern hemisphere; Newtowns are said to account for 90 per cent and Red Delicious for 10 per cent of the imports from Canada and the United States. The most popular Australian apple is the Granny Smith, followed by Democrat, Nickajack and Red Delicious; the Granny Smith accounts for over 80 per cent of the sales. Most of the Japanese imports are Red Delicious. Consumers like the three-inch size, individually wrapped, preferably in dark blue tissue paper.

Local importers place most of their orders for Canadian apples through San Francisco brokers because

they feel they can obtain better quotations than by ordering directly from Canada. Moreover, some San Francisco brokers are prepared to take the risk of making the shipment before the letter of credit is opened. This helps the Indonesian importer by reducing his financing time.

It is reported that Canadian Extra Fancy Newtowns are being quoted c. and f. Indonesia at from \$5.90 to \$7.40 a case of 100 to 138 apples. United States Extra Fancy Newtowns range from \$5.50 to \$7.35 per case, with most sales taking place at about \$6.80 per case. Red Delicious apples from the U.S. are being quoted at \$5.70 per case, c. and f. Indonesia. The Granny Smith apple from Australia is being offered at an average c. and f. price of \$4.81 per case; Democrat, Nickajack and Red Delicious apples are selling at \$4.69 per case, c. and f. Indonesia. The latest c. and f. quotations for Australian Democrat apples are \$3.85 per case for the three-inch size and \$4.30 per case for the two and three-quarter inch size. The trade reports that, as the season progresses, Australian quotations rise as storage charges are added to the cost. Freight from North American Pacific Coast ports averages about \$2.60 per case, compared with average freight from Australia of \$1.21 per case. There is little information on quotations for Japanese apples and they are reported to be not very popular.

At wholesale, there appears to be little difference in the prices for the various varieties. Most imported apples are being offered at a wholesale price of 350 to 360 rupiah* per case, regardless of the source. At retail, apples are seldom sold by the case but by the kilogram. The retail price averages 30 rupiah per kilogram (2.2 lb.).

Entering the Market

The import of apples into Indonesia is subject to import and foreign exchange licences. When he applies for an import licence, the importer must deposit with the Bank of Indonesia, directly or through his own bankers, a sum covering the c. and f. value, plus the import surcharge of 200 per cent payable in rupiah on the c. and f. value of the shipment. In addition, there is an Indonesian tariff of 30 per cent ad valorem payable on the combined c. and f. value increased by the 200 per cent export surcharge. This rate applies to imports from all countries.

Because the importer has to make the full deposit at the time he applies for the import licence, exporters should endeavour to ship immediately the letter of credit is opened. The shorter the delivery time, the more the opportunities for additional business. ●

* Rupiah 11.40=\$1.00 Can.

trade and tariff regulations

Chile

IMPORT REGULATIONS UNDER NEW EXCHANGE SYSTEM—Imports into Chile under the new foreign exchange system require a prior deposit of pesos in a Chilean commercial bank. These deposits are to be made by the importer who must send an authorized receipt to the exporter so that the latter may obtain the necessary consular visa. The deposits required range from 5 per cent to 200 per cent of the value of the shipment, depending on the article to be imported. There are five import categories with percentage requirements as follows:

- | | |
|----------------|----------------|
| A— 5 per cent | D—150 per cent |
| B— 50 per cent | E—200 per cent |
| C—100 per cent | |

Complete details of the regulations and of the classification of imports may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

India

NEW SHIPPING REQUIREMENTS ANNOUNCED—As a result of the India Labour Appellate Tribunal's decision in a labour dispute, the port authorities of Bombay have introduced the piecework system in the handling of cargoes discharged from and loaded into ocean-going vessels at that port. This has been done to stimulate the labour output and to expedite the handling of cargo.

To implement this decision, the Bombay Port Trust announced that, effective March 3, 1956, a special manifest will be necessary showing not only the total weight of shipment but also the weight of individual packages where the packages of a particular consignment are not of uniform weight. This information is required at least six clear working days before the vessel begins to work cargo, otherwise the vessel will not be allowed to discharge.

Shippers are advised to draw up shipping bills, or to supply steamship agents with a weight sheet in duplicate, showing the total gross weight of the shipment, number of packages of uniform weight, the total weight, and the individual gross weight of all other packages not of uniform weight.

The Bombay Port Trust requires all shippers of cargo to that port to stencil the gross weight of each package on two faces thereof. Shipments of individual loose pieces will be excluded from this rule.

Philippines

CONSULAR INVOICES—The Canadian Consul General in Manila, Mr. H. L. E. Priestman, has been informed by the Philippine Government that, in response to his representations, consular invoices covering Canadian merchandise actually being shipped through the port of New York may be certified by the Philippine Consulate General at New York, provided that the country of manufacture is clearly indicated in the certificate of origin covering each shipment.

South Africa

REVISED CERTIFICATE OF ORIGIN—South African Government Notice 541, published March 29, amends, effective three months from that date, the regulations relating to the form of the Certificate of Origin to appear on invoices for goods sent to the Union.

Mimeographed copies of the official text of the documentation regulations, which includes the revised form of the Certificate of Origin, may be obtained from the International Trade Relations Branch of this Department.

Trinidad

IMPORT REGULATIONS EASED FOR BOOKS AND PERIODICALS—Trinidadian importers were advised on May 17 that henceforth their applications for bulk imports of serious books, magazines and periodicals from hard currency sources would be accepted. A large volume of sales cannot be expected but Canadian publishers should ensure that up-to-date listings are available to the major booksellers—Port-of-Spain, May 23.

France Improves Building Techniques

THE FRENCH GOVERNMENT and public are very concerned over the lack of suitable modern housing for a large segment of the French population. It is reported that in only 15 departments out of a total of 90 are lodgings being built at a rapid enough rate to cope with the growing population. These conditions have produced a strong demand for new housing and steps are being taken to meet it.

One obstacle which builders have encountered is delays of as long as twelve months in obtaining building permits. However, late last year procedures were streamlined and the builders can now usually obtain a permit within three months.

Rigid rent controls in low-rent areas have resulted in the deterioration of buildings because landlords have been unable to keep up normal standards of maintenance. A law passed in 1948 which allowed annual rent increases until 1954 has now been extended to 1959, and as a result many landlords are undertaking essential building repairs.

For many years the bulk of new construction financing was provided by private capital. One result was that the money was used to build de luxe apartments which were not subject to rent controls and consequently were beyond the reach of people with modest means. Government-sponsored loan agencies have existed for some time but the formation of the Société Centrale Immobilière in 1954 is doing much to alleviate the shortage of low and medium-rental housing. This agency has programmed 28 thousand lodgings by the end of 1958 and is currently one of the leading investors in medium-priced housing in the Paris area.

The French building industry has traditionally been composed of a great many small organizations. Of over 208 thousand entrepreneurs in France, 90 per cent employ less than six workers. There is also a great deal of specialization in the building trades. However, recent developments such as the introduction of standard door sizes and, in some cases, mass-production of practically all standard items in a building are doing much to improve efficiency and make possible more and better housing from the same capital investment.

J. H. BAILEY,
Assistant Commercial Secretary, Paris.

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 1.010101.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 24	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	05500	18.18	(1)
		Free	02675	37.38	
Australia	Pound		2.2230	4498	
Austria	Schilling		03808	26.26	
Belgium- Luxembourg	Franc		01983	50.43	
Belgian Congo	Franc		01983	50.43	
Bolivia	Boliviano	Official	00521	191.9	
British West Indies	Dollar		5789	1.727	(2)
	Pound		2.7788	3599	(3)
	Dollar	British Honduras	6947	1.439	
Brazil	Cruzeiro	Effective selling*			
		Category 1	00853	117.24	
		Category 2	00650	153.83	tax 10% (4)
		Category 3	00454	220.47	*May 8
		Official buying	05408	18.49	(5)
Burma	Kyat		2079	4.810	
Ceylon	Rupee		2084	4.798	
Chile	Peso	Free	00201	497.5	(15)
Colombia	Peso	Basic	3960	2.525	(7)
		Free*	2106	4.748	*May 22
Costa Rica	Colon	Official	1763	5.672	
		Controlled free	1491	6.707	
Cuba	Peso		9900	1.010	tax 2% (4)
Czechoslovakia	Koruna		1375	7.273	
Denmark	Krone		1433	6.978	
Dominican Republic	Peso		9900	1.010	
Ecuador	Sucre	Official	06600	15.15	
		Free	05640	17.73	
Egypt	Pound	Official	2.8428	3518	(6)
Fiji	Pound		2.5034	3995	
Finland	Markka		00430	232.6	
France	Franc		00283	353.4	(8)
French Africa	Franc		00566	176.7	(9)
French Pacific	Franc		01556	64.27	(10)
Germany	D Mark		2351	4.254	
Greece	Drachma		03300	30.30	
Guatemala	Quetzal		9900	1.010	
Haiti	Gourde		1980	5.051	
Honduras	Lempira		4950	2.020	
Hong Kong	Dollar	Free*	1693	5.908	*
		Official	1737	5.757	
Iceland	Krona	Official	06079	16.45	
		Special buying	04627	21.61	
		Special selling	03551	28.16	(11)
India	Rupee		2084	4.798	
Indonesia	Rupiah	Basic	08718	11.47	(12)
Iran	Rial	Certificate	01307	76.52	
Iraq	Dinar		2.7720	3608	
Ireland	Pound		2.7788	3599	
Israel	Pound		5500	1.818	
Italy	Lira		00159	628.9	
Japan	Yen		00275	363.6	
Lebanon	Pound	Free	3073	3.254	
Mexico	Peso		07920	12.63	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent May 24	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder .....	.....	.2586	3.867	
Netherlands Antilles	Guilder .....	.....	.5211	1.919	
New Zealand	Pound .....	.....	2.7788	.3599	
Nicaragua	Cordoba	Effective buying .....	.1500	6.67	
		Official selling .....	.1404	7.12	
Norway	Krone .....	.....	.1386	7.215	
Pakistan	Rupee .....	.....	.2084	4.798	
Panama	Balboa .....	.....	.9900	1.010	
Paraguay	Guarani	Official .....	.01650	60.61	(6) (13)
Peru	Sol	Certificate .....	.05211	19.19	
Philippines	Peso .....	.....	.4950	2.020	
Portugal	Escudo .....	.....	.03455	28.94	(14)
El Salvador	Colon .....	.....	.3960	2.525	
Singapore & Malaya	Straits dollar	.....	.3242	3.085	
South Africa (Union of)	Pound .....	.....	2.7788	.3599	
Spain & Dependencies ...	Peseta	Basic buying .....	.04521	22.12	
		Basic commercial selling	.06028	16.59	(6)
		Free .....	.02542	39.34	
Sweden	Krona .....	.....	.1914	5.225	
Switzerland	Franc .....	.....	.2310	4.329	
Syria	Pound	Free* .....	.2811	3.56	*April 16
Thailand	Baht	Free .....	.04780	20.92	(6)
Turkey	Lira .....	.....	.3536	2.828	
United Kingdom ..	Pound .....	.....	2.7788	.3599	
United States	Dollar .....	.....	.9900	1.010	
Uruguay	Peso	Official .....	.6517	1.534	tax 6% (4)
		Principal buying .....	.5780	1.73	(6)
		Principal selling rates } .....	.4717	2.12	
		.....	.4444	2.25	
Venezuela	Bollvar .....	.....	.2955	3.384	
Yugoslavia	Dinar .....	.....	.00330	303.0	(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.

General notes



Australia

IMMIGRATION—Net immigration into Australia in 1955 increased by almost 40 per cent, the Acting Commonwealth Statistician has announced. Of the total of 95,317 migrants, 55,864 were males and 39,453 females; 57,201 (43.73 per cent) were British. Estimated assisted passages for the financial year ending June 30, 1956, are: United Kingdom, 30,000; Netherlands, 11,200; Austria, 5,800; Germany, 7,000; United States, Switzerland and the Scandinavian countries, 700. About 26,762 tourists and 11,079 business visitors came to Australia during 1955, and Australians going abroad temporarily numbered 52,180—Sydney, May 4.

Belgian Congo

SUGAR COMPANY—Subject to authorization by Royal Decree, a second sugar company for the Belgian Congo has been formed in Antwerp, with a capital of 440 million Congolese francs. Consumption of sugar in the Congo is steadily rising. The company will produce refined sugar in Central Africa, especially in the Belgian Congo and Ruanda-Urundi, cultivate sugar cane, and exploit, convert and deal in all agricultural products and by-products including those used in the sugar industry. The Government of Ruanda-Urundi and the Comite National du Kivu have given the sugar company a concession of 8,600 hectares (approximately 21,500 acres) in the Ruzizi Valley, and it will have optional rights on a complementary area of 2,500 hectares (6,250 acres) of vacant land. It plans to build a sugar refinery with a daily capacity of 1,200 tons of cane and an eventual production of 15,000 tons of sugar a year. Cultivation tests have been under way since 1953 and the output obtained, both in weight of cane per hectare and in richness of sugar, have been encouraging—Leopoldville, May 8.

Egypt

JUTE FACTORY—A new jute factory, the largest in the Middle East, will be built in Cairo at a cost of £E2 million; the company's capital is now £E600 thousand. The Agricultural and Co-Operative Bank, the Industrial Bank and the Misr Bank have contributed half the capital, and the existing Egyptian jute company has joined the project with a participation in kind of £E250 thousand. Capital will be

increased to £E.1 million in three months, with the Industrial Development Organization in Pakistan contributing £200 thousand. An international tender will be published for the machinery required.

The production program comprises: (1) Expansion of the existing factory at Chubra El Kheima near Cairo to increase its annual production from 2,500 to 8,000 tons. This factory will specialize in hessian cloth. (2) Erection of a new factory producing 17,000 tons of sacks. The equipment must be supplied within 42 months from the date of the signing of the contract—Cairo, May 7.

Mexico

NEW INDUSTRY—French capital will be associated with Mexican public and private investment in two major industrial enterprises—the manufacture of steel and of fertilizers. A plant being built on the Pacific coast at a cost of \$28 million will produce 150 thousand metric tons of steel ingot, 20,000 tons of ferromanganese, and 75,000 tons of other products. Although the firm is scheduled to become exclusively Mexican property within eight years, nearly \$24 million is being advanced by Credit Lyonnais of France to finance the purchase of railway and plant equipment.

Ten million dollars is being invested in a plant at Monclova, in the northern State of Coahuila, which will produce 100 tons daily of anhydrous ammonia from coking plant gases. Mexican and French joint investment will enable farmers of northeastern Mexico to cut their fertilizer imports by 35 per cent, according to the National Bank of Foreign Trade, a government agency—Mexico, D.F., May 16.

United States

FURNITURE DISPLAY BUILDING—Construction of a \$6.5 million furniture display and distribution center in Dallas, Texas, begins this month. The building, to be called the Southwest Home Furnishings Mart, will house year-round displays of home furnishings. It will be a two-storey air-conditioned structure, comprising 434 thousand square feet of floor space and designed to permit additions up to a total of 1.75 million square feet—New Orleans, May 25.