CANADA

foreign trade

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cover Our cover graph shows the course of Canada's foreign trade in the last ten years and illustrates the postwar rise to new peaks. On page two the reader will find an article which discusses our import and export trade during the past year.

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CANADA'S FOREIGN TRADE IN 1955

With value of exports up 10 per cent and imports up 15 per cent, Canada's total trade attained new peak last year. Rise in import surplus with the U.S. and export surplus with the U.K., plus certain changes in commodity pattern, featured year's trading.

MARCEL LANDEY, *International Trade Division, Dominion Bureau of Statistics.*

NEW PEACETIME RECORDS for Canada's foreign trade were set during 1955. The value of total trade exceeded the peak of 1953 by 6 per cent and the more moderate level of 1954 by 13 per cent. The value of total exports (domestic exports plus re-exports) was 10 per cent above 1954 and virtually at the record level of 1952. Imports were substantially above the peak of 1953 and surpassed the 1954 value by 15 per cent. The import balance was more than twice as great as in 1954, but equalled only 4 per cent of total trade.

The average prices of exports and imports rose slightly during 1955; hence the increase in the volume of Canadian trade was somewhat less than the increase in value. However, the volume of exports in 1955 set a new peacetime record and import volume also exceeded the previous peak by a wide margin. The table of summary statistics illustrates the value, price and volume developments since 1951.

The record level of Canada's foreign trade during 1955 had as its background the most prosperous postwar year for the world economy as a whole. Particularly stimulating was the marked recovery in business activity both in Canada and the United States and the continued boom in the United Kingdom and Western Europe. This situation was reflected in a new peak set by world trade which seems likely, on the basis of preliminary statistics, to have increased some 6 per cent in value above the previous record of 1951, and perhaps some 15 per cent in volume. As in 1954, the total value of Canadian foreign trade was surpassed only by the United States, the United Kingdom, and the Federal Republic of Germany; Canada accounted for about 6 per cent of world trade. On a trade per capita basis, Canada appears to have ranked second only to New Zealand.

Changes in Flow of Trade

In 1955 the bilateral imbalance of Canadian trade was markedly accentuated. Although exports to the United States went up very substantially, the rise in imports from that country was twice as large; this produced a 42 per cent increase in our import balance with the United States. Exports to the United Kingdom, our second leading trading partner, increased by 18 per cent, but Canadian imports from Britain were not very much higher. This resulted in a 40 per cent rise in Canada's export balance with the United Kingdom. The amount of the increase, however, was much more than offset by that in the import balance with the United States. Exports to the Commonwealth and Europe also went up more than imports from those areas; exports to Latin America fell while imports from Latin America rose. The remaining countries taken together were the only area with which Canada's bilateral imbalance was reduced. As a result of all

Summary Statistics of Canadian Trade

	1951	1952	Calendar Year 1953	1954	1955	Change from previous peak %	Change from 1954 to 1955 %
VALUE OF TRADE			$'000,000				
Total exports	3,963	4,356	4,173	3,947	4,351*	− 0·1	+10·2
Imports	4,085	4,031	4,383	4,093	4,712*	+ 7·5	+15·1
Total trade	8,048	8,387	8,555	8,040	9,063*	+ 5·9	+12·7
Trade balance	−122	+326	−210	−146	−360*	....	....
PRICE INDEXES			1948=100				
Exports	123·0	121·8	118·3	115·1	117·8*	− 4·2	+ 2·3
Imports	126·2	110·4	109·4	109·5	110·5†	−12·4	+ 0·9
Terms of trade	97·5	110·3	108·1	105·1	106·6†	− 3·4	+ 1·4
CONSTANT DOLLAR VALUES			$'000,000 of 1948				
Total exports	3,221	3,581	3,531	3,432	3,698*	+ 3·3	+ 7·8
Imports	3,237	3,651	4,006	3,738	4,264†	+ 6·4	+14·1
Total trade	6,458	7,232	7,537	7,170	7,962†	+ 5·6	+11·0

* Preliminary.
† Estimated.

these regional changes in the flow of trade, Canada's import balance in 1955 was considerably in excess of that in 1954.

Trade with the United States

The United States remained Canada's leading trading partner in 1955, continuing to take 60 per cent of Canadian exports and increasing its share of Canada's imports to 73 per cent. Exports to the United States increased very substantially and were well above the previous peak of 1953. The largest gain, over $100 million, was made in forest products. Sales of lumber, accounting for close to one-half of it, showed an especially pronounced rise in response to the construction boom in the United States. In this group very substantial absolute increases also took place in wood pulp and newsprint and there were large percentage increases in shingles and in plywoods and veneers. Most non-ferrous metals (particularly nickel and copper, but also zinc and aluminum) made marked advances. So did chemicals and some steel products, especially farm implements, pigs, ingots, blooms and billets, and engines. The sharpest upward movement developed in iron ore, which had the largest absolute increase of all individual commodities, and in petroleum, with the highest percentage rise. On the other hand, exports of animal products declined somewhat, and those of agricultural and vegetable products decreased very considerably. This was true especially of oats and barley, but also rye, bran, wheat and fresh fruits; however, sales of wheat flour doubled. There was also a sharp decline in shipments of guns, cartridges and aircraft, because of the completion of some defence contracts.

Direction of Canadian Trade

	1953	1954	1955	1953	1954	1955
	Value in $'000,000			% of total		
TOTAL EXPORTS TO:						
United States	2,463	2,367	2,612	59·0	60·0	60·0
United Kingdom	669	658	774	16·0	16·7	17·8
Other Commonwealth and Ireland	248	205	251	6·0	5·2	5·8
Other Europe	373	346	383	8·9	8·8	8·8
Latin America	199	188	162	4·8	4·7	3·7
Others	221	181	168	5·3	4·6	3·9
TOTAL IMPORTS FROM:						
United States	3,221	2,961	3,162*	73·5	72·3	73·1*
United Kingdom	453	392	372*	10·3	9·6	8·6*
Other Commonwealth and Ireland	171	183	198*	3·9	4·5	4·6*
Other Europe	173	179	186*	4·0	4·4	4·3*
Latin America	290	284	293*	6·6	6·9	6·8*
Others	74	93	113*	1·7	2·3	2·6*

* January-November 1955 only.

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Imports from the United States in 1955 were very considerably above 1954 levels and well above the previous peak of 1953. The increase was widespread and took place in every one of the nine major commodity groups. The greatest gain was registered in iron and steel products; it was particularly pronounced in automobile parts and non-farm machinery. There were also considerable increases in purchases of tractors, rolling mill products, passenger and freight automobiles, engines and iron ore. Other principal imports from the United States showing substantial gains were aircraft and electrical apparatus. But sizable declines took place in shipments of railway cars and coaches, and in pipes, tubes and fittings.

Trade with Britain

The United Kingdom's share of Canadian exports increased to 18 per cent in 1955, but its proportion of Canada's imports declined to about 9 per cent. Exports to the United Kingdom, which were considerably above the 1954 level, surpassed the previous record of 1952 mainly because of a rising demand for such Canadian products as grains, non-ferrous metals and forest products. Particularly large increases in value were registered by aluminum, wheat and barley. Seeds, tobacco, newsprint, chemicals, copper, nickel and zinc also achieved substantial gains. Imports from the United Kingdom were adversely affected by rail, dock and seamen's strikes in that country, by severe competition in the Canadian market, and by very active demand generated in a booming domestic economy. With the exception of aircraft, which advanced sharply, most of the principal imports—such as textiles, chemicals and electrical apparatus—showed moderate increases over 1954. But shipments in the iron and steel category declined substantially—particularly non-farm machinery, but also passenger automobiles, engines, and various primary and semi-manufactured steel products. Total imports from the United Kingdom, which at mid-1955 were substantially below the level of a year ago, picked up during the second half of the year sufficiently to exceed the 1954 value for the full year, but were still considerably below the previous peak of 1953.

Trade with Other Areas

The increase in exports to the Union of South Africa, Australia, New Zealand and India together about equalled the total increase in exports to the Commonwealth. And the last three, jointly with Malaya, Singapore and Ceylon, accounted for the rise in imports from that area. The gain in exports to Europe was shared by all major trading partners, and particularly by France, the Netherlands, Norway and Germany. The latter accounted for about one-half of the increase in imports from Europe; Italy, Belgium and France contributed to most of the remainder. Larger purchases from Venezuela and Mexico produced a rise in imports from Latin America. However, a very sharp drop in almost all principal exports to Brazil, only partly offset by considerably larger sales to Mexico and moderate increases to some other countries in the area, resulted in lower total exports to this region. Japan's sales to Canada doubled but remained less than half as great as the more moderate level of exports to that country. This development, in conjunction with a sizable increase in imports from the Netherlands Antilles, produced a decrease in Canada's export balance with all other countries.

Leading Commodities in Canada's Trade

DOMESTIC EXPORTS

Commodity	*1953*	*1954*	*1955*
	Calendar Year		
	$'000,000		
Newsprint	619	636	666
Planks and boards	283	325	385
Wheat	568	375	338
Wood pulp	249	271	297
Nickel and products	163	182	215
Aluminum and products	178	185	213
Copper and products	125	135	175
Fish and fishery products	111	130	125
Grains (other than wheat)	225	137	105
Iron ore	31	40	100
Asbestos and products	85	84	98
Farm implements and machinery	74	77	76

IMPORTS

Commodity	*1953*	*1954*	*1955*
	January-November		
	$'000,000		
Machinery (non-farm)	365	351	407
Automobile parts (except engines)	204	166	229
Petroleum, crude	192	194	214
Electrical apparatus, n.o.p.	181	186	207
Farm implements and machinery	201	136	163
Petroleum products, n.o.p.	133	119	132
Aircraft and parts (except engines)	103	91	130
Rolling mill products (steel)	115	90	114
Fruits	98	109	110
Engines and boilers	108	84	102
Automobiles, freight and passenger	93	70	102
Coal	129	97	98

Factors in Export Rise

The decline of Canadian exports in 1953 and 1954 from the peak of 1952 resulted mainly from two developments. Sales of grain, which were at unprecedented heights in 1952 and in 1953, declined to more normal levels following an improvement in the international supply situation. In addition exports of automotive products fell sharply from peaks achieved because of special demand and market allocation factors. In 1955, exports of automotive products were almost half as large again as in 1954. But exports of grains were smaller and there was also some decline in sales of cattle and fish.

The increase in Canadian exports in 1955 reflected especially the growth of markets for this country's forest, mineral and chemical products, the value of which was higher than ever before. Main individual commodities showing new value records were planks and boards, which for the first time in recent years ranked second among the leading exports; newsprint, which remained the leading export commodity; and iron ore, aluminum, copper, nickel, asbestos, petroleum, fertilizers and primary plastics. Because of an acute steel shortage in the United States and overseas, there were also substantial increases in exports of scrap iron, pigs, ingots, blooms and billets, and rolling mill products. The sharp advances registered by iron ore and petroleum reflected the vigorous pace of the exploration and development of Canada's resources. The increase in iron ore resulted from the opening up of the northwestern Ontario and Quebec-Labrador fields. Petroleum exports rose in response to increasing markets in the midwestern and northwestern United States. Canada in 1955 became a large world exporter of iron ore and is on the way to moving into the top ranks in petroleum.

Leading Countries in Canada's Trade

DOMESTIC EXPORTS

Country	1953	1954	1955
	Calendar Year		
		$'000,000	
United States	2,419	2,317	2,559
United Kingdom	665	653	769
Japan	119	96	91
Germany, Federal Republic	84	87	91
Australia	40	46	58
Union of South Africa	51	40	56
Belgium and Luxembourg	70	55	53
Netherlands	42	40	48
Norway	37	44	47
France	32	34	43
Mexico	36	31	31
Venezuela	36	31	31

IMPORTS

Country	1953	1954	1955
	January-November		
		$'000,000	
United States	2,974	2,718	3,162
United Kingdom	415	359	372
Venezuela	143	152	175
Germany, Federal Republic	33	41	51
India	25	27	33
Japan	12	16	32
Brazil	30	28	28
Netherlands Antilles	7	18	28
Malaya and Singapore	21	17	26
Belgium and Luxembourg	27	24	26
Australia	22	23	26
Mexico	15	13	24

Trends in Import Trade

Imports, which declined from their 1953 peak in 1954, were by mid-1955 at almost the 1953 level. The rate of increase continued very sharply in the third quarter, when imports were at their highest seasonally adjusted level on record; this peak was again slightly surpassed in the fourth quarter. For the second half of 1955 as a whole, imports reached a record annual rate of $5,000 million. The rate of increase in imports in 1955 kept pace with the general upswing in the Canadian economy, as evidenced by greater consumer spending and a rising level of industrial activity and investment. The overall rise in imports was fairly evenly spread over all main commodity groups. Automobile parts and fibres and textiles, purchases of which declined sharply in 1954, showed particularly large increases; so did non-farm machinery, which remained the largest import category. There were also markedly higher purchases of chemicals, mainly in synthetic resins; aircraft, automobiles, farm implements, rubber and products, rolling mill products, and electrical apparatus. Engines, scrap iron and iron ore also displayed substantial increases. Almost all of Canada's leading imports shared in the expansion, except for coffee, cocoa, anthracite coal, and pipes, tubes and fittings. Both coffee and cocoa were affected by lower prices and, as a result, their value was considerably less than in 1954, even though the volume of coffee imports increased and that of cocoa imports showed little change. Anthracite coal imports were again reduced because of the growing use of oil for residential heating. Imports of pipes, tubes, and fittings fell because of a pause in oil and gas pipeline construction.

Present and Future Developments

The most important price development in world markets during 1955 was, on the one hand, the strength of industrial materials in general and base metals and rubber in particular, and, on the other, the weakness in foodstuffs and fibres and textiles. Those two contrasting trends, combined with a fairly steady price level for manufactured goods, resulted in no change in the average world price index. Prices of the individual commodities entering Canadian trade moved in accordance with world market trends, and average exports and import price indexes showed only a small net increase. The terms of trade ratio rose, slightly moderating the increase in Canada's import balance.

As the year 1955 came to a close, there were indications that in the months just ahead economic activity in this country and among Canada's main trading partners, especially the United States, would continue at a vigorous pace. Barring a downward trend, therefore, it seems likely that Canada's foreign trade will carry over at high levels into at least the early part of 1956.●

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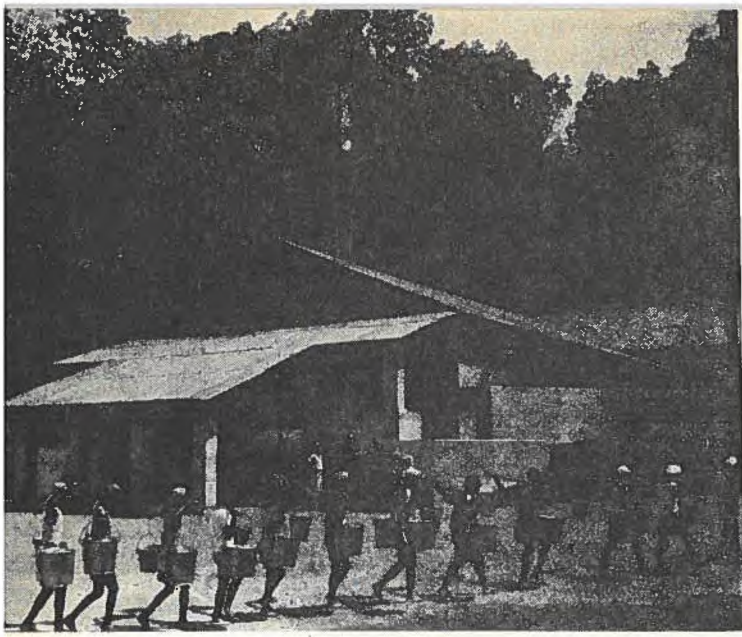

—Schaler, Butler & Associates.

Workers on a Firestone rubber plantation, their day's tapping done, carry their pails of rubber latex to a collection station.

LIBERIA

C. E. BUTTERWORTH,
Consul and Trade Commissioner, New York.

LIBERIA, the only negro republic in Africa, offers a small but free market where there are few trading restrictions, no import regulations or foreign exchange controls, and where customs duties are levied on only a few products. Goods are paid for in United States dollars.

Settled in 1822 with the help of the American Colonization Society which sponsored the return of emancipated negroes to Africa, Liberia is about the same size as Newfoundland. Situated on the coast within the West African rain forest zone, it has a population of about 1·5 million. Most of the economic activity goes on in the belt of rolling hills some 50 miles wide along the 350-mile coastline. Beyond this is the hinterland, a country of rising mountains covered by bush or high forest. Four-fifths of the people are engaged in agriculture in this humid tropical climate where the temperature remains throughout the year at about 80 degrees F, and the yearly rainfall averages from 150 to 170 inches. Farming is generally primitive and wasteful. Because the native can do little more than sustain himself and because marketing facilities are still underdeveloped, Liberia depends on imports of food, particularly rice and other cereal grains.

Wartime Development Continues

It was the Second World War that really provided the initial stimulus for Liberia's rapid economic development. Strategically located on the western bulge of Africa, it became one of the important ferrying points for the steady stream of aircraft that crossed the South Atlantic during the war. With the Japanese occupation of South East Asia, Liberia's important rubber industry was catapulted into a position of prominence almost overnight and before the war was over, the country's export earnings had increased four times. In the last 15 years development has continued; in fact, the Republic has made greater progress in that period than during the previous century.

President Tubman has been the country's chief executive since 1944 and was inaugurated on January 4, 1956, for a third term. During his tenure of office a modern port has been built at Monrovia and this serves as a free port for both Liberia and neighbouring countries. A nine-year development plan has extended transportation facilities, promoted rural education, and stimulated agricultural production of such products as coffee, cocoa, rice, palm kernels, piassava fibre, kola nuts and calabar beans.

Two Chief Resources

Liberia ranks as one of the largest producers of rubber in the Free World and rubber accounts for 60 per cent of its total export trade. Since 1926, when a long-term rubber planting agreement was signed with the Government, the Firestone Tire and Rubber Company has done a great deal for the Liberian economy. Today over 25,000 Liberians are on its payroll, 90,000 acres are under plantation, and the latest figures show that in 1954 some 75,771,000 pounds of natural rubber were produced. Firestone's two plantations contain over 10,000 homes, two hospitals and 39 dispensaries, 12 schools and churches, 225 miles of primary roads, a modern telephone system and a hydro-electric power plant. In addition the research department of the company assists the 600-odd independent Liberian rubber producers by giving them seed, high-producing plant materials, and technical advice.

Liberia will continue to profit from its rubber industry. Firestone recently announced that its production goal within the next few years is 100 million pounds. About a year ago, a large concession was granted to the B. F. Goodrich Company, which has already started on a multi-million dollar planting program. Production is scheduled to begin in the early 1960's.

Liberia's second important export is top-quality open-hearth iron ore, mined in the Bomi Hills only 40 miles

a small but growing dollar market

A small market but a free one, this African republic has dollars earned largely from rubber and iron ore to spend on goods. Canadians can make sales to buyers there through Liberian representatives in New York.

from the coast. The Liberian Mining Company Limited, employing over 1,800 persons, started production in 1951. In 1955, output exceeded 1·8 million tons and a $4·5 million development program is planned to step up production to 2·6 million tons by 1957. Reserves are estimated at 300 million tons. Sixty per cent of output goes to the United States and the remainder to Britain, the Netherlands, Canada and Germany.

Recently another concession was granted to an American-Swedish syndicate headed by the Grangesberg Company to exploit the deposits in the Putu Mountains.

Attracting Foreign Capital

Liberia has profited greatly from foreign capital and technical know-how. Some of the country's advantages are natural ones—such as its resources, location, and labour force—but others have been added by the administration. The official language is English, the United States dollar is the monetary unit, and the Bank of Monrovia, operated by the National City Bank of New York, provides the principal banking facilities. The judicial system is based on Anglo-American common law and there are no foreign exchange controls nor any limitations on the transfer of royalties, earnings or dividends. The practice of granting long-term leases and concessions has interested not only U.S. capital, but also British, French, German, Swedish and Spanish.

Foreign corporations need only be represented by a qualified resident agent; they are not required to make financial or operating statements, nor are they subject to income taxes on their earnings from sources outside the country. As for corporations actually operating in Liberia, their income taxes do not exceed 25 per cent.

During the last two years, more vessels have registered under the flag of Liberia than that of any other country. The total merchant shipping registered in Monrovia, the capital, exceeds 4·5 million tons, one of the largest merchant fleets sailing the seas.

Liberia's total exports before the war were valued at $2·8 million; by 1954 they had risen to $26·4 million and at the end of the first nine months of 1955, they had already passed $30 million. Imports were affected in the same way, rising from $2 million before the war to $22·7 million in 1954 and about $17·5 million for the first nine months of 1955. These impressive gains were the result primarily of the five factors already mentioned: the war, rubber, iron ore, the building of the free port, and the improvement of the road system. Liberia traditionally enjoys a favourable balance of trade with the rest of the world.

The United States is Liberia's major trading partner, buying over 70 per cent of its exports and supplying just under 70 per cent of its imports. It buys virtually all of Liberia's rubber and is the leading customer for iron ore. The Netherlands, which is the chief buyer of palm kernels, trails as a rather distant second, followed by the United Kingdom, Germany, and Canada.

UNITED STATES TRADE WITH LIBERIA

(millions of dollars)

U.S. Exports	*1952*	*1953*	*1954*	*Jan.-June 1954*	*Jan.-June 1955*
Rice and grains	·6	·2	1·3	·6	·7
Cotton manufactures	·7	·9	·9	·4	·4
Machinery	3·5	1·8	2·7	1·4	·9
Construction	2·0	·5	1·0	·6	·3
Electrical	·8	·5	1·0	·6	·5
Automobiles and parts	1·4	1·3	1·3	·8	·6
Steel mill products	·3	·3	·4	·2	·1
Metal manufactures	·7	·7	1·0	·4	·4
All others	3·9	5·0	5·6	1·9	1·5
Total	11·7	9·4	13·2	6·9	5·4
U.S. Imports					
Crude rubber and latex	32·6	21·2	19·2	8·0	12·8
Iron ore and concentrates	3·2	5·8	6·4	2·9	2·8
All others	·3	·4	·7	·4	·3
Total	36·3	27·8	26·3	11·3	15·9

Sources: U.S. Department of Commerce, Washington, and National City Bank, New York.

Liberia's chief purchases from the United States are machinery, motor cars, metal manufactures, rice and other foodstuffs. Countries other than the United States have been important in supplying cotton, textiles, some foodstuffs and beverages, and various other manufactures. Britain continues to be the second largest supplier, though both the Netherlands and West Germany have moved up within challenging range.

Preliminary figures for the whole year of 1955 indicate that both exports and imports increased and 1956 is expected to be another banner year.

Trade with Canada

The table below gives figures of Canadian trade with Liberia. By far the largest item on the list of exports is ships, but flour, fish and other food products, whisky, locomotives, lamps, stoves, copper wire, pharmaceuticals, machinery, gas engines, tires and tubes, etc., also appear.

CANADIAN TRADE WITH LIBERIA

	1952	*1953*	*1954*	*Jan.-June 1954*	*Jan.-June 1955*
Canadian Exports					
Ships	....	$3,062,000	$3,785,974	$2,256,474	$1,005,100
Total	$202,709	3,145,074	4,071,345	2,492,346	1,075,427
Canadian Imports					
Rubber, crude	13,332	....	....	....	....
Iron ore	15,581	371,734	135,202	132,499	....
Total	28,913	371,734	135,202	132,499	....

Source: Dominion Bureau of Statistics.

Canadian purchases from Liberia are decreasing. Shipments of rubber ceased after 1952 and the movement of iron ore is becoming smaller as Canadian resources are developed.

Marketing Techniques

To sell to Liberia it is preferable but not absolutely necessary to visit the country. Fortunately the 10 or 15 general import firms that do most of the purchasing have representatives abroad—one in Manchester, England, one in Akron, Ohio, and nine in New York City. It is usually advisable for a Canadian firm wishing to enter the Liberian market to make its initial approach through the New York representative.

No currency regulations or import controls hinder a firm wishing to sell products or services to the Liberian Republic for United States dollars and both the Government and the country's economic growth have progressed along stable and energetic lines. With the development of new properties for rubber and iron ore, dollar earnings from the sale of these products should increase and with additional earnings, the market will continue to grow. ●

Northern Ireland's Textile Industry

THE NORTHERN IRELAND TEXTILE INDUSTRY no longer works mainly in linen, and local production of cloth from flax will probably be outstripped by man-made fibres within ten years. But linen is not a dying industry; many prosperous firms have plenty of work on hand and increased spending power has stimulated overseas demand. The development of linen fabrics for the women's fashion industry has made progress and linen tweeds, sheers and even tartans have all been featured at displays by the leading London designers.

Approximately four-fifths of the thread and nine-tenths of the finer classes of linen goods produced in the United Kingdom originate in Northern Ireland. Total United Kingdom linen exports in 1954 amounted to £20·8 million; Northern Ireland's share was £18 million.

New types of machinery are being developed and installed to widen the range and bring down the cost of yarns spun from synthetic fibres. New cloth constructions include blends such as viscose staple with a protein fibre; others are 100 per cent terylene. The nylon hosiery and underwear industries are increasing their range. Tire cords made from high-tenacity rayon yarns are now being produced in Londonderry.

New plastic clothes lines (50 per cent each of sisal and plastic) are being exported in quantity to Canada, Australia, Sweden and the West Indies, and large shipments of manila rope are going to the Canadian oilfields. A jute line manufactured in Belfast will be attached to the new transatlantic cable now being laid.

An outstanding feature of the making-up trade is the prosperity at present being experienced by the Londonderry shirt industry. More than a quarter of a million shirts a week are being turned out and only about 1 per cent of the workers in the industry are unemployed. If expected spring orders materialize, the boom is likely to continue well into 1956.

Several firms are now engaged in the spinning of woollen carpet yarns, which are absorbed by local carpet factories. Total annual production in this industry, now estimated at £1,355,000, is likely to be considerably increased when a new factory for the manufacture of needle-loom carpeting comes into operation at the end of 1957.

—E. ROY,
Office of the Trade Commissioner, Belfast.

Financing Export Shipments

Stiff competition in world markets means that Canadian exporters cannot always sell for cash or on letter of credit. In this article, number two in our series on export trade, a banker explains other methods of financing exports and the services which the chartered banks can give.

EDWARD R. ERNST,
Superintendent, Foreign Department, Bank of Montreal.

THE MAJOR PORTION of Canada's foreign trade is financed and facilitated by the chartered banks under arrangements with their foreign branches and correspondent banks abroad. This system provides Canadian importers and exporters with a smooth-working, efficient banking service at reasonable cost. In addition to making outright advances against bills of exchange supported by documents of title covering both incoming and outgoing shipments, banks in Canada offer their customers a comprehensive range of financial and information facilities. Such services have been developed throughout the years to meet demands created by the steady growth of Canada's foreign trade.

Foreign Departments Established

Following the First World War, most Canadian banks established administrative departments in their head offices to deal with the many new problems presented by international trade and payments. It was during those years that the United States dollar began to challenge the pound sterling as a medium of payment on international account, and New York, for the first time in history, seriously rivalled London as banker for the world at large. With many currencies, including sterling, cut adrift from gold and fluctuating widely in terms of one another, foreign exchange quotations became a vitally important factor in the day-to-day calculations of traders and, consequently, their bankers.

Canada's rapidly expanding interest in world commerce, accompanied by complex problems for the individual trader arising out of the first war and its aftermath, made it imperative for the banks to consolidate the general administration of their foreign business under the direction of specialized departments at head office. The functions and operations of these head office departments have been augmented from time to time to meet the changing needs of those engaged in foreign trade in all parts of Canada. Our bank, for instance, has sent representatives periodically to practically every part of the world since the last war to gather information at first hand to improve our services to the public.

Credit Risks

In export trade, as in the domestic market, the seller must assess the credit risk and quote terms of sale accordingly. In foreign trade, however, the credit risk must be considered in conjunction with the financial standing of the country to which the goods are being sent. The buyer may be perfectly willing and able to pay in his own currency but if his country suffers from a chronic shortage of foreign exchange, and particularly of dollars, the Canadian supplier may be faced with lengthy delay in obtaining settlement. He may even suffer outright loss.

Where buyers and sellers have an inter-company relationship or are otherwise well and favourably known to each other, and where there are no serious exchange transfer difficulties, exports are often arranged on an open account or consignment basis. Such sales are generally settled by mail or cable transfers through banking media and present no particular financing problems. These transactions are known as clean payments, and a large volume of these payments is handled daily by Canadian banks on instructions from correspondent banks around the world. Cash with the order is another relatively simple and effective method of settlement. This procedure is, however, seldom used in these highly competitive days.

The Documentary Draft

A large and growing proportion of Canadian export trade is financed by means of sight or time drafts drawn by shippers on buyers abroad. Such drafts are known as bills of exchange. They are usually accompanied by documents of title consisting of commercial and customs invoices, marine insurance policy or certificate, and a full set of ocean bills of lading, made out to the order of shipper and endorsed in blank—or, in other words, in negotiable form. In the case of sight drafts, these documents are normally released to importers only against payment, but when thirty-day or longer-time drafts are used, surrender of documents usually takes place solely on the strength of the importer's written acceptance on the face of the bill. In every instance, the exporter must supply his bank with complete collection and settlement instructions.

The export may be financed by discount of the relative bill of exchange at the exporter's bank at time of shipment. Alternatively, the bill could be handed to the bank with instructions to collect before making settlement. Still another financing procedure is for the Canadian exporter to pledge the bills to his bank as partial or full security for a general line of credit.

Principle of Documentary Drawings

The basic principle behind documentary drawings is the fact that the seller is satisfied to start the goods on their journey before they are paid for, but he wants to be assured of payment before they actually pass into the physical possession of his customer. If the bill is drawn payable at so many days after sight or date, the buyer's written acceptance definitely establishes his obligation (but not necessarily his ability) to pay at a fixed maturity date. Apart from the exchange conversion feature, which is a serious factor in some countries, the main risk in use of documentary draft procedure is that the buyer may refuse or be financially unable to honour the drawing. Where the draft has been drawn at sight, dishonour usually results in expensive warehousing and other costs for the seller, pending disposal of the goods to another buyer, possibly at a substantial loss. The drawer's position in regard to non-payment at maturity of an accepted time draft is even more insecure, because the goods have already passed into the hands of the buyer and probably have been disposed of to third parties. Costly legal proceedings, followed by partial if not complete loss, are often the result.

It is, therefore, evident that Canadian exporters should be fully satisfied not only with the reliability of buyers but also that foreign exchange resources and general economic conditions in the country of import will permit prompt settlement. Reports on the credit-worthiness and general reputation of foreign firms may be obtained by airmail or cable through your own bank anywhere in Canada. Similarly, the branch of the bank you deal with has ready access to the latest foreign economic and other practical information available at the Foreign Department of its head office.

The Bank Act

The financing of Canada's exports not only covers the period between shipment of goods and final settlement from abroad but also begins at the first stages of domestic production. Under the provisions of Sections 86 to 90 of the Canadian Bank Act, the chartered banks are enabled to provide a large volume of short-term working capital to industry and commerce. The purpose is to facilitate the complete series of operations, from processing of raw material to finished product and to eventual disposal of surplus production in markets abroad. In fact, these sections of the Bank Act, which had their origin in "an Act granting additional facilities in commercial transactions" passed by the Parliament of the old Province of Canada in 1859, constitute the very backbone of our industrial production financing and, in turn, have an important bearing on the flow of our export trade.

Commercial Letters of Credit

The history of commercial letters of credit dates back to the earliest days of banking. Their origin is credited to Roman and Lombard money-changers who also are believed to have introduced the bill of exchange. While there are various definitions of letters of credit, the following one, I think, most aptly describes the purpose of the instrument: "A bank issuing a letter of credit furnishes its credit, which is both good and well known, instead of the buyer's credit, which may be good but is not so well known". The wording of definitions may differ but the basic fact remains that the establishing bank gives its own undertaking to pay to sellers stated sums of money against delivery of certain documents within a prescribed time.

Commercial or documentary letters of credit may be issued in various forms but, generally speaking, they fall into two main categories:

- *Irrevocable credits,* which constitute a binding and irrevocable obligation on the part of the establishing bank to honour drawings issued in conformity with terms of the credit. Such credits may not be cancelled or altered without the consent of all parties concerned. The Canadian bank through which the credit has been forwarded will add the following clause on the relative advice to the beneficiary:

This letter is solely an advice of credit opened by the above mentioned correspondent and conveys no engagement by us.

It is the practice, however, of many Canadian exporters to require the written assurance or firm undertaking of a bank in Canada that credits issued by a foreign bank will be honoured in due course. For instance, the issuing bank abroad may not be well known to the Canadian beneficiary or perhaps the importing country has a difficult exchange position which conceivably could interfere with performance of the issuing bank's undertaking. Provided, of course, it is instructed to do so by its foreign correspondent, the Canadian advising bank then assumes complete responsibility for the credit by adding the following undertaking to its letter of advice to the beneficiary:

We hereby confirm this credit and thereby undertake that any drafts drawn and accompanied by documents in order will be duly honoured upon presentation.

• *Revocable credits,* otherwise known as "Authority to Pay" or "Authority to Purchase". These instruments authorize payment to the beneficiary upon presentation of draft and specified documents—subject, however, to modification or cancellation without notice to the beneficiary. Such credits serve mainly as a means of arranging payment and afford the exporter very little protection. They are used infrequently and only where sellers have implicit confidence in the buyer's ability and willingness to carry out terms of sales contracts. The wording of these credits and any relative letters of advice should include this clause:

This credit is subject to revocation or modification at any time without notice to you.

Uses of Letters of Credit

The importance of commercial letters of credit and their usefulness generally in world trade warrants more detailed mention of their functions and use. First, it should be clearly understood that they deal with documents but not goods. Neither the negotiating bank in Canada nor the issuing bank abroad can accept any responsibility whatsoever for the quality or other characteristics of the underlying goods, but they must ensure only that the documents are made out strictly in accordance with terms of the credit. It follows that the importer should satisfy himself thoroughly through his bank of the general standing and reputation of the exporter before placing the order. Second, even an irrevocable credit offers limited, if any, protection to the exporter who is unable to meet the terms of the credit in every respect. If discrepancies occur in documents which cannot be corrected in time for delivery and the exporter furnishes the negotiating bank with a guarantee he has, in effect, automatically signed away his rights under the credit. In other words, the foreign importer if he chose could refuse to take delivery of the documents because they did not agree with his requirements as outlined in the credit. It is easy to imagine what might happen if there had been a sharp drop in the price of the goods following placement of the order.

The United States and a number of other countries have drawn up a code of procedure governing commercial letter of credit transactions which is known as the "Uniform Customs and Practice for Commercial Documentary Credits". Neither Canada nor any other country in the British Commonwealth has subscribed to the rules and conditions of this code but nevertheless it is widely used by banks and commercial houses in this country for reference and general information. In addition, the National Foreign Trade Council Inc., New York, has issued a useful pamphlet containing definitions of trade abbreviations and terms.

The Foreign Exchange Risk

If the exporter sells for Canadian dollars, the exchange risk falls on the foreign importer, but if payment is to be made in the currency of the importer's country, the prudent exporter will protect himself against exchange rate fluctuations between the time of sale and of settlement. This he can do by selling a future to his bank for delivery at the approximate time the foreign funds are due for payment. An uncovered exchange position could easily cost an exporter not only his trading profit on the goods but a substantial loss besides.

Export credits insurance is a subject in itself but it plays such an important part in the development of Canada's export trade that it deserves special mention. Under the provisions of a policy issued by the Export Credits Insurance Corporation, an arm of the Canadian Government, the exporter is able to insure his shipments against most of the principal risks of loss. The Corporation will insure up to 85 per cent of the contract price at a moderate premium and these facilities, when pledged to the exporter's bank, materially ease financing requirements. (*An article on the Export Credits Insurance Corporation will appear later in this series*—Ed.)

The subject of financing naturally relates to banking, but this article would not be complete without mention of the facilities offered by private trade associations and by the Canadian Government. These facilities have done much in opening up world markets for our products. Intelligent trade promotion efforts of this type, combined with sound financing by the banks, place at the disposal of Canadian traders a combination which, we believe, is difficult to match.

Trade Commissioners on Tour

J. C. DEPOCAS, Canadian Trade Commissioner in Guatemala City, Guatemala, began his Canadian tour on January 30. His itinerary is:

Windsor—March 5-6	Kingston—March 14
London—March 7	Halifax—March 19-20
Kitchener—March 8	Saint John—March 21-22
Brantford—March 9	Montreal—March 26-April 13
Hamilton—March 12-13	

Businessmen in the various centres may get in touch with this officer through the Board of Trade in Brantford, Halifax, Montreal and Saint John; the Chamber of Commerce in Hamilton, Kingston, Kitchener, London and Windsor.

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General notes

China

TRADE PACTS—Mainland China has signed a new trade and payments agreement with Rumania for the current year. China will export iron ore, asbestos, wool, skins and hides, foodstuffs, tea, jute and cotton yarn in return for electric generating equipment, deep well drilling equipment, tractors, oil tank parts, petroleum and petroleum products.

A commercial protocol between the Soviet Union and Mainland China, planned to increase the exchange between the two countries during 1956, was signed late in December at Moscow. The Soviet Union will deliver metal-cutting machine tools, rolling mills, furnaces, diesel engines, mining equipment, excavators, motor vehicles, and agricultural machinery. China will export tungsten, molybdenum, tin, mercury, antimony, wool, raw silk, jute, soybeans, rice, tobacco and other raw materials—Hong Kong, Feb. 2.

Cuba

EXPORTS—Cuban exports for the first ten months of 1955, according to Cuban Ministry of Finance statistics, totalled $504·5 million, an increase of $26·7 million over the same period in 1954. Continental distribution was: North and South America $358·4 million (71 per cent), Europe $98·9 million, Asia $36·9 million, and Africa and Oceania $9·7 million. Canada's exports to and from Cuba for the same period were (DBS figures) $11·9 and $8·9 million, respectively—Havana, Feb. 14.

TOURIST RESORT—A contract to finance the construction of a $4 million tourist centre and beach resort just east of Havana on Cuba's north coast was signed on January 25 by 12 Cuban banks, the National Finance Corporation of Cuba, and Playas del Golfo, S.A., the developing company—Havana, Feb. 14.

Hong Kong

TRADE IN 1955—The combined value of Hong Kong's imports and exports in 1955 has been announced as HK$6,253 million, an increase of HK$401 million (7 per cent) over the 1954 total. Value of imports rose by 8 per cent—from HK$3,435·4 million in 1954 to HK$3,718·9 million in 1955. Exports rose by nearly 5 per cent—from HK$2,417 million in 1954 to HK$2,534 million in 1955—Hong Kong, Feb. 2.

Norway

MECHANIZATION OF AGRICULTURE—As a result of the progress made during the last ten years in modernizing farming practices, Norway is now one of the leading countries in the world in mechanized agricultural methods. Apart from such expensive machinery as tractors, which must of necessity be imported from abroad owing to the limited local market, most of the lighter agricultural machinery and implements in demand in Norway are now manufactured locally. The production of farming equipment in 1955 reached record heights, resulting in large exports—Oslo, Feb. 9.

Philippines

NEW THERMAL STATION—The Manila Electric Company has completed a 32 million peso ($16 million) thermal station at Rockwell in Makati. The station has four 25,000 kw. turbo-generators which are hydrogen-cooled and said to be the largest of that type in that part of the world. Each turbo-generator has its own boiler capable of developing 250 thousand lb. of steam per hour, using oil as fuel—Manila, Feb. 3.

South Africa

LABOUR SHORTAGE—The Union is suffering from a grave labour shortage. There were 35,000 vacancies in the Civil Service at the end of last year and the present situation has shown little improvement. A survey in 1950 revealed a shortage of 3,500 engineers which was expected to increase to about 8,000 by 1960 unless training facilities were substantially enlarged, but the small increase that has taken place in these facilities falls far short of what is needed—Cape Town, Feb. 2.

GOLD MINING—Marginal gold mines are encountering difficulties as costs continue to increase. A recent rise in wages and fringe benefits has added to the burden. It is expected that this increase will be extended to other forms of mining—Cape Town, Feb. 2.

Switzerland

SALES AND DEFENCE TAXES CUT—Effective January 1, 1956, Swiss sales taxes, levied at the consumer level on both imported and locally-produced goods, were reduced by 10 per cent from their previous level, which as a rule amounted to 4 per cent of the value of the goods. On imports, these taxes are levied on the basis of weight rather than value. Similarly, the Swiss Defence Tax, an income tax levied every second year, was substantially reduced by 40 to 25 per cent on the lowest incomes and 10 per cent on higher incomes—Berne, Feb. 17.

United Kingdom

TRACTOR PROJECT—After several months of negotiation between a well-known U.S. tractor company, the British Treasury and the Board of Trade, the British Government has approved the setting up of a tractor factory near Bellshill, Lanarkshire. The site of the new development covers 65 acres and construction is expected to start in about six months. Production should begin in two years with an initial labour force of 150 employees, increasing eventually to 6,000—London, Feb. 17.

HOUSING—Houses completed in the United Kingdom in 1955 totalled 328 thousand, 8½ per cent below the 1954 postwar record of 354 thousand. For the fourth year in succession, 1956 is likely to see more than 300 thousand homes completed.
Of last year's total, 192 thousand were built by municipal authorities and 113 thousand by private builders. This latter figure continues to represent an increasingly high proportion of the total number of completions; it has risen from 19·7 per cent in 1953 to 35·8 per cent in 1954 and 43·8 per cent during the final six months of 1955. The total number of houses completed in the United Kingdom since the war now stands at 2,240,000—London, Feb. 17.

GOLD AND DOLLAR RESERVES—Sterling area gold and dollar reserves rose by $29 million in January, the largest monthly gain since October 1954. They now stand at $2,149 million. In addition to ordinary commercial transactions in January, the United Kingdom received $6 million in defence aid and paid out $25 million to the European Payments Union in settlement of December balances and earlier debts. The United Kingdom Treasury considers the change in the reserves in January to be fairly satisfactory, although the surplus was still small for a time when the sterling area's seasonal earnings are good—London, Feb. 17.

United States

ALUMINUM INDUSTRY—As part of a $120 million initial investment in the aluminum industry, the Olin Mathieson Chemical Corporation will build a $90 million aluminum plant on the Ohio River near Clarington, Ohio. Olin Mathieson already has extensive interests in the chemical and non-ferrous metals industries; their total sales for 1955 were over $500 million—Chicago, February 21.

MANUFACTURING PLANT INVESTMENT—The Association of Commerce and Industry of Chicago reports that during 1955 investments in manufacturing plant buildings in the metropolitan area of Chicago amounted to almost $555 million. It is estimated that by the time these new plants are completely equipped and put into operation, another billion dollars will have been spent on them. The plants will employ an additional 125 thousand people —the population of a medium-sized Canadian city.
It is interesting to note that in 1955 total output by metropolitan Chicago manufacturing plants was valued at $19·1 billion—Chicago, Feb. 21.

Uruguay

TELEVISION—Last June the Government announced that it had made a contract with General Electric, U.S.A., for setting up a television station at a cost of 760 thousand Uruguayan pesos. The transmission power would be 26 kw. on the antennae, the power equivalent of the station in Buenos Aires. The material from General Electric has arrived and a suitable location has been found in the city for the transmitting station, which will cost approximately 4 million pesos. It is hoped the station will begin experimental programs early next year. A state-owned institution, SODRE (Servicio Oficial Difusion Radio Electrica), will manage and control the new television transmitter—Montevideo, Feb. 9.

Venezuela

POPULATION—Official estimates issued at the end of the year show the population of Venezuela has risen to 5,845,260 compared with 5,034,838 five years ago—an average annual increase of something over 3 per cent. Urban population is now 3,145,447. As in past years, four-fifths of the people live in the northern part of the country.

The population of the Federal District, which includes LaGuaira and some lesser centers as well as Caracas, is now estimated at 1,005,056, compared with 709,602 in 1950. Maracaibo, with a population of 287,459, continues to be the most important city in the west. The third city in number of inhabitants is Barquisimeto with 147,563, and the fourth is Valencia with 114,425. Valencia is increasing in industrial importance and the district east of the city is growing rapidly. This development is also reflected in the population of the neighbouring town of Maracay which now has 85,593 inhabitants. The most important centre in eastern Venezuela is Ciudad Bolivar, which now has 39,110 people, the result of increased production of iron ore—Caracas, Feb. 10.

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Venezuela Offers Oil Concessions

Early this year, the Venezuelan Government invited applications for oil concessions, the first since 1945. This step is expected to have widespread effect on many phases of the country's economy.

H. LESLIE BROWN, *Commercial Counsellor, Caracas.*

ON JANUARY 11, President Pérez Jiménez personally announced that the Government of Venezuela had decided to "open the doors for applications for oil concessions which will be decided at a later date". This is the most important business news from Venezuela for many years. The petroleum companies long established in the business, and others anxious to increase their holdings or to enter into production in Venezuela, have been long awaiting this announcement. No new oil concessions have been granted since 1945.

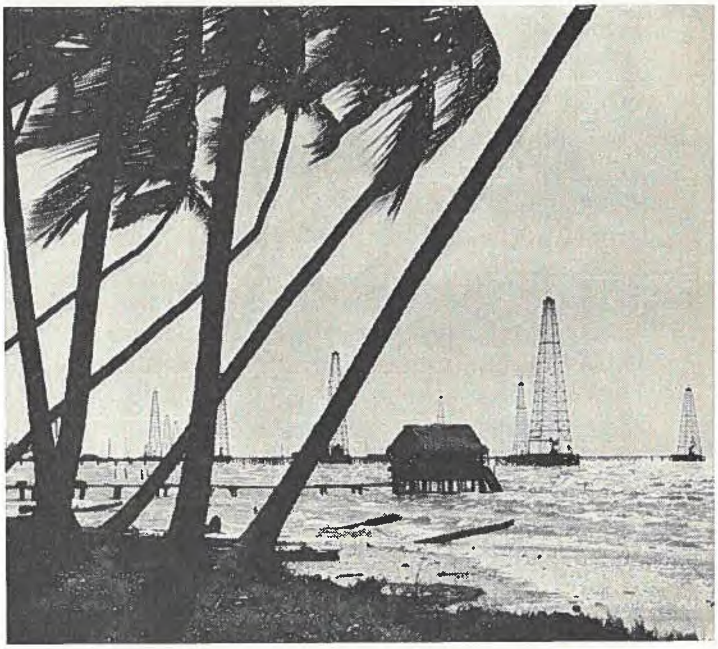
The economic importance to Venezuela can readily be visualized. With rich untapped areas awaiting exploitation, the output of petroleum might, during the course of five or ten years, readily be doubled from its present average of more than 2·2 million barrels a day. Meanwhile, millions of dollars will be spent in exploration and in the early stages of exploitation. Surveyors will be required to lay out sites; geologists and their crews will be busily engaged in checking underground prospects; drilling rigs and other equipment will be needed. Camps will have to be established and towns constructed. Pipelines will follow and refineries will be built and expanded. The benefit to the economy of the country may begin to show up in 1957 and should be substantially evident by 1958.

Reasons for Step

The official statement of January 11 begins by indicating that technical and economic developments have convinced the Government that the petroleum industry must be expanded to maintain its present world position. Current reserves are estimated at approximately 10,000 million barrels, which would last less than 14 years at the present rate of production. The statement points out that there is need to balance, as far as possible, the production of heavy and light oils which, at the present time, are 70 per cent and 30 per cent respectively of output. The Government is also most interested in developing petroleum output in various parts of the country so that regions not now in production may enjoy economic improvement. Barinas, at the western end of the llanos near the foot of the Andes, is given as an example of a place where resources have been proven but quality has not been classified. Monagas is an area where production is steadily declining and the neighbouring areas should be exploited. Apure is a state where new exploration could open up practically virgin territory.

Present Production

The statement gives some figures on the concessions now in production. During the period 1943 to 1954, the revenue of the Government from the petroleum industry aggregated Bs.12,300 million, or about $3,690 million; the net profit of the industry totalled Bs.9,700 million, or some $2,910 million. According to the statement, the aim of 50-50 distribution of the return



—Standard Oil, N.J.

Oil derricks extend far out into Lake Maracaibo; wells in this area produce a large part of Venezuela's current daily output of about 2·26 million barrels of oil.

from output has actually averaged 56 per cent for the Government and 44 per cent for the companies. The companies have re-invested 38 per cent of this 44 per cent. Of the sums earned by the petroleum industry during the period 1948 to 1954, 17 per cent was used in paying dividends and 83 per cent for operating expenses, salaries, taxes, and re-investment. At the end of 1954, the assets of the petroleum industry totalled Bs.8,625 million, of which 64 per cent was represented by fixed assets such as properties, plant and equipment. The gross of investments is stated to total Bs.10,211 million, of which 46 per cent has been recovered.

The present producers are:

Petroleum Company	*Average daily output barrels—Nov. 1955*
Creole Petroleum Corp.	1,001,887
Cia. Shell de Venezuela	662,176
Menne Grande Oil Co.	328,063
Socony-Mobile Oil Co. of Venezuela	73,740
Texas Petroleum Co.	52,509
S.A. Petrolera Las Mercedes	24,451
Richmond Exploration Co.	52,261
Sinclair Oil and Refining Co.	27,076
Venezuela Atlantic Refining Co.	20,158
Phillips Petroleum Co.	8,282
Pantepec Oil Co.	7,001
Talon Petroleum, C.A.	1,812
Caracas Petroleum, S.A.	126
	2,259,542

Conditions of Concessions

The second part of the official statement gives the conditions under which new concessions will be accorded. The Government wishes to encourage petroleum development in zones adjacent to international boundaries. The exploration tax for the first year of any concession and the initial exploitation tax are to be increased. The royalty on production is also to be increased. (Under the petroleum law of 1943, the minimum royalty is 16⅔ per cent.) The conditions for refining will be changed. At the present time, the companies are expected to refine in Venezuela not less than 10 per cent of their production; the figure may be increased to 15 per cent. A differential royalty, over and above the royalty percentage established in the title to concession, will be charged on any petroleum produced in Venezuela which is exported to be refined "in any zone of the Caribbean area which cannot be considered as a consuming center in relation to its refining capacity". The effect may well be that little or no crude from the new concessions will go to the Netherlands Antilles for refining.

The third section of the official statement is brief and states quite explicitly that payments to obtain concessions must be made solely and exclusively to the National Treasury and that the Government neither has nor requires any intermediaries or brokers, either in Venezuela or abroad. In short, applications are to be made directly to the Minister and any one claiming to have special position or privilege will be ignored.

The press reported that the Government would favour European bidders in the granting of new concessions. The presumption is that petroleum exports would thus sell more readily in markets other than the United States where there is a continuous lobby against imports. The Venezuelan Minister of Mines officially denied the report and, in fact, there appears to be little economic support for such discrimination. The petroleum law permits anyone, Venezuelan or foreigner, to apply.

Tours of Territory

A. A. CARON, Consul and Trade Commissioner in New Orleans, plans a tour of southern Florida, including St. Petersburg, Tampa, Miami, Fort Lauderdale and several other centres, from March 24-31.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, will visit Surabaja in East Java, April 9, 10 and 11, and Makassar in the Celebes on April 13 and 14.

C. R. GALLOW, Consul and Trade Commissioner in New York, will tour Bermuda from March 12 to 23.

J. R. MIDWINTER, Acting Trade Commissioner in Guatemala City, Guatemala, will visit Tegucigalpa in Honduras from March 18 to 22, and San Salvador in Salvador from March 22 to 28.

H. E. CAMPBELL, Canadian Trade Commissioner in Kingston, Jamaica, will visit Belize, British Honduras, from March 18-21, and Nassau, Bahamas, from March 22-27.

K. F. OSMOND, Commercial Secretary (Fisheries) in Rome, will visit the salt fish trade and other potential importers and industries in Genoa and Leghorn during the week of March 19th.

G. A. BROWNE, Commercial Secretary in Havana, will tour Cuba during the latter part of March. During his tour, Mr. Browne will visit the following business centres: Santiago de Cuba, Bayamo, Nicaro, Holguin, Gibara, Camaguey, Ciego de Avila, Santa Clara, Caibarien, Cienfuegos, Sagua la Grande, Matanzas.

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

NEW ENGLAND:

Its 9½ million people, high per capita income, and booming wholesale and retail trade make this area a good potential market for Canadian exports of many types. Here is advice on how to approach selling in New England—and case histories of Canadian firms to prove it can be done.

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

IN THE PAST, New Englanders have not advertised their region as much as they might. For this reason, Canadians may have failed to give this big market on their doorstep the attention it deserves. But there are many reasons why they should not overlook New England.

Within five hundred miles of the largest Canadian production centres lies the Greater Boston metropolitan area, hub of a distribution system serving New England's 9½ million people. It ranks as one of the largest and wealthiest markets in the United States. The Greater Boston metropolitan area alone has a population of 2·6 million and is the third largest wholesale centre in the U.S. It stands also at the focal point of five continuous metropolitan districts with a combined population of 4·3 million.

Buying Power Impressive

The standard of living of this area is high, and per capita income is 15 per cent above the national average. Total annual retail sales in metropolitan Boston reach $2·5 billion and retail sales per capita, at $1,247, are the highest in the country. Compare this with New York City, $756; Chicago, $951; Los Angeles, $1,199; Detroit, $965; and Cleveland, $1,061. Boston exceeds all but two U.S. cities in volume of goods sold at wholesale; New England as a whole outranks in buying power all but one of the eight other geographical areas of the country.

In the last year or two a number of Canadian exporting firms, recognizing the potential in New England, have set about cultivating the market. They have achieved encouraging results. They have refused to be discouraged by seemingly complicated customs problems and by keen competition from domestic manufacturers, and have proved that persistence, energy and imagination have their rewards. There is no magic in their method, as the following case histories demonstrate.

The Broker and the Biscuits

One of the major successes within the past year is that achieved by a prominent Canadian manufacturer of fancy biscuits. The Canadian Trade Commissioner in Boston relayed an inquiry from a local food broker to the Canadian firm. The customary exchange of correspondence followed. This settled some minor points but gave promise of becoming a long and time-consuming process. The senior executives of the firm were therefore urged to visit Boston, discuss matters with the inquirer, and see conditions for themselves. This they did, bringing samples of their product to show the trade.

They had no sooner met the broker and laid out their samples when they received their first shock and their first lesson. "Quality is first rate," said the calm, practical voice, "but I've been in the food business here for thirty years and take it from me, they won't do. Here's what I want you to do." He proceeded to give some advice. Impressed, the executives went back to Canada, altered their package, improved the protective packing to prevent breakage, adjusted their price to conform to the psychology of supermarket selling, and added a label which declared emphatically, "Imported from Canada."

Several cases were then sent to the broker in Boston. Back came his comments. The samples had arrived in perfect condition and the broker agreed that the product was now ready to be shown. Soon came orders from two distributors for immediate shipments of more than a carload. Repeat orders in carload quantity followed. Not long after, arrangements were concluded with the food specialty department of one of New England's largest department stores to handle a special package on an exclusive basis, with the store agreeing to advertise the merchandise prominently.

But the broker had more ideas to offer. "You should visit the national convention of distributors next month," he said, "those are the people you should talk to." His suggestion was acted upon. The result

Market on Your Doorstep

—arrangements with distributors to handle these products in all the principal market areas of the United States. Orders in quantity are now coming in and at least one large food chain is featuring fancy biscuits "Imported from Canada".

A customs broker at the border handles clearance of all shipments through the U.S. Customs with a minimum of delay. For this service he receives a reasonable fee paid by the distributor or importer, who gets his merchandise delivered duty-paid at his warehouse.

Dealers or Agents?

The formula for selling may vary with the product but the essentials remain the same—persistence, energy and imagination. Take the manufacturer of paddles, oars and marine sporting equipment in British Columbia. For a year or more he had tried, with the help of the Trade Commissioner, to sell to New England on a direct dealer basis. He had an excellent line, competitively priced, and delivered duty-paid to the customer's door. But the distance involved was so great that negotiations with any number of individual dealers were slow and cumbersome.

The Trade Commissioner, as it happened, was approached by a firm of commission agents specializing in marine equipment. The firm had heard about the Canadian line from one of its New England dealers and wanted the agency. Would the Trade Commissioner help them convince the Canadian manufacturer he should have an agent? After carefully investigating the local agent, the Trade Commissioner consulted the manufacturer. But the manufacturer was not convinced. He wanted more assurance. His price set-up made no allowance for commissions. The advantages of having one experienced sales representative canvass these distant accounts, write orders, and supervise collections were emphasized to him. Finally he agreed to alter his prices to allow for agent's commission and appointed the representative for a trial period.

Without samples and armed only with a price list, one of the salesmen went right to work. At the end of his first five days on the road he had opened a number of new accounts and booked orders worth more than $3,000. And this was toward the end of the buying season. A new buying season is just beginning. With samples on hand, the agent expects to do well for his new principal—and for himself.

More than one New England dealer has asserted that he gave up a Canadian line because he couldn't afford the time and trouble involved in direct import. Once this problem is solved, success becomes simpler. Sporting boats is one example. Two or three Canadian boat manufacturers are selling their products in New England primarily because they have set up a central distributor who can lay the boats down on the dealers' lots at a price which covers all costs, including duty. Dealers are practical men who know a lot about selling boats and little about the formalities of importing. If they can buy a Canadian-built boat on the same basis as a domestic craft—provided, of course, it is attractive in design and price—they will.

Other Success Stories

The demand for skates and boots has risen sharply in New England in the past two seasons. One Canadian manufacturer has appointed an agent who was formerly a Boston Bruin star and whose name is popular with and familiar to the New England sporting fraternity. Hockey sticks made by a Canadian firm are in hundreds of sporting goods stores in New England. A New England agent sells them to wholesale distributors and jobbers throughout the area.

A unique and ingenious adult game was offered in the New England market two years ago through an agent. Unfortunately the agent failed to take an interest in it because he thought the 50 per cent duty was too high. Not discouraged by the agent's lack of enthusiasm and by the heavy duty, the manufacturer cooperated with the Trade Commissioner and offered his game directly to dealers. One dealer placed a trial order for two dozen three weeks before Christmas. The goods were in his store four days later; they had been cleared through Customs and sent on by a customs broker at the border. A week before Christmas he had sold the two dozen games and even his demonstration sample which a customer insisted on having.

This dealer rarely accepts orders from customers in advance. This time he did because they insisted. "People are walking out of here," he said, "with two at a time. The service from Canada is excellent—at best it takes two weeks for us to get delivery even on domestic orders."

The exporter who wishes to sell in New England should keep two salient facts in mind. In the first place, New Englanders are not all, by any means, "former Canadians". A good proportion of them are, especially in some areas, but most of them are now in the higher age brackets and have long since lost their close ties with Canada. Their children were born in the United States and, with the possible exception of small French-speaking communities in northern New England, cannot be considered a "natural" market for Canadian products. Sales promotion is therefore needed just as it is in any other foreign market.

The second point is that New England merchants, like their counterparts elsewhere, have a keen eye for business. They are always on the lookout for the new or different and for the product that will match the competition and make a profit. They have no prejudice against imported goods and consider Canadian offerings readily. At the same time they expect to be able to purchase imported goods with as little trouble as they do domestic lines.

Some Lessons Learned

These Canadian exporters have learned some valuable lessons while tackling the New England market. Here are a few of them:

- Visit your prospective market personally. There is no substitute for an on-the-spot appraisal.
- Give your New England customers personal attention by calling on them in the same way that you call on your important Canadian accounts. They will expect it and appreciate it.
- Whenever possible, make good use of that "Imported from Canada" label. It appeals to local buyers and consumers. So does any distinctively Canadian feature of your product.
- Follow the advice of your sales representative or prospective customer when you are preparing your product for sale. They know the market requirements best. It is poor policy to insist on selling what you think the market should have.
- Make it easy for your New England customer to buy from you. Customs brokers and other services can help you do this. They can save you time and trouble and the modest cost will be repaid.

Canadian manufacturers and exporters who are looking for increased sales in New England are invited to contact the Canadian Government Trade Commissioner for an appraisal of the opportunities for their products in New England.

Don't overlook this big market on your doorstep. It may prove a good one for your product. ●

Ceylon Encourages Foreign Investment

CANADIANS who wish to invest in industrial enterprises or to set up foreign plants might well consider opportunities in Ceylon. Canada's contributions to the Colombo Plan in Ceylon, roughly $8 million since 1952, have helped to give Canadian businessmen and technicians a good reputation, as well as creating some demand for equipment and materials.

Ceylon is already taking steps to encourage foreign investors. Its Chamber of Commerce has formed the Ceylon Association of Manufacturers (C.A.M.) to promote and protect the interests of manufacturers in Ceylon. A special Foreign Sub-Committee will encourage and assist foreign companies interested in establishing in Ceylon.

The Government of Ceylon gives foreign and domestic-owned companies equal opportunities. Foreign companies are not discriminated against under any system of taxation, rationing, or control of raw materials, labour, etc. In addition, Ceylon permits free remittance of profits, dividends, and interest, and the repatriation of foreign capital.

The Government prefers local capital to participate with foreign capital in new enterprises whenever possible, but there are no rigid laws which either make such participation compulsory, or prescribe the respective shares of local and foreign investment in the venture.

Ceylon attaches much importance to the training and employment of as many Ceylonese nationals as possible in foreign capitalized enterprises. But it recognizes the right of companies to provide their own personnel for key posts, and for this reason has not introduced any inflexible rules about the employment of Ceylonese nationals.

Ceylon does not limit the types of investment into which foreign capital may flow, but the Government will discourage foreign enterprises that might conflict with the national interest. To prevent misunderstandings, all foreign investors proposing to set up business enterprises in Ceylon must apply to the Prime Minister for permission.

Investors interested in the possibilities in Ceylon should write: The Secretary, the Ceylon Association of Manufacturers, P.O. Box 274, Colombo, Ceylon. If you would like a list of small-scale industries thought suitable for Ceylon, write the Editor, *Foreign Trade,* Department of Trade and Commerce, Ottawa.

—L. V. J. ROY,
Acting High Commissioner for Canada,
Colombo, Ceylon.

Citrus Fruit from Israel

This season's crop of citrus in Israel will probably be record one and exports will rise by 17 per cent. First shipments have already reached Canada and quality is reported excellent.

H. W. RICHARDSON, *Commercial Secretary, Athens.*

THANKS TO GOOD WEATHER CONDITIONS, the yields of Israel's important citrus fruit industry are expected to create a record this season, exceeding by 80 thousand tons last season's crop of 380 thousand tons. Expected exports of over 8·2 million cases (328 thousand tons) will top by 17 per cent last winter's exports of 7·1 million cases, based on the average of 25 cases of 120 to 150 fruit per case. This crop normally accounts for almost 40 per cent of Israel's total exports.

Picking of grapefruit started in November and by the end of December one million cases of the four main varieties—Shamouti Jaffa oranges, Valencia oranges, grapefruit and lemons—had been shipped. Picking accelerates during January, February and March, with shipments averaging over two million cases a month. Final shipments will be made in April and will consist largely of Jaffa Late variety.

This season Israel expects to sell her citrus in twenty countries. Distribution of the planned 8 to 8·5 million cases will be:

- About 4·4 million cases on consignment for auction in such countries as the United Kingdom, the Netherlands, Belgium, and possibly Canada.
- About 3·1 million cases for most other European countries and the Soviet Union, which purchases at fixed prices for the entire season.
- Finally, about 800 thousand cases for countries such as Sweden and Denmark, which purchase each shipload individually with prices fixed about two weeks before loading. The United Kingdom will again be the most important buyer, taking almost half of total exports.

Last season the following were the leading markets:

Israeli Citrus Exports in the 1954-55 Season

Country of Destination	*Shamoutis (Jaffas)*	*Grapefruit*	*Valencias*	*Lemons*	*Other Varieties*	*Total*	*Per cent*
			(in thousand cases)				
U.K. and Ireland	2,026	615	327	86	18	3,072	43·3
Sweden	366	13	133	......	9	521	7·3
Netherlands	245	43	176	7	....	471	6·6
U.S.S.R.	443	....	....	23	....	466	6·6
Finland	284	27	133	......	....	444	6·3
Norway	262	16	100	......	....	378	5·3
France	69	125	111	......	....	305	4·3
Others	939	286	95	113	17	1,450	20·1
Total	4,634	1,125	1,075	229	44	7,107	100·0

The first postwar commercial shipments to the Canadian market—12 thousand cases of Jaffa oranges and three thousand cases of grapefruit and lemons—were reported well received by consumers last winter. Full information about shipments to Canada this year is not yet available, but 15,000 cases of oranges arrived in January and 25,000 are expected early in March. The quality is said to be excellent.

Because of heavy yields this season in all citrus-growing countries of the Mediterranean, prices per case are expected to fall at a time when Israel's citrus growers and exporters have also to meet recent increases in freight rates and in pickers' wages.

After export estimates have been met, about 130 thousand tons of fruit will remain in the country. Fifty thousand tons are expected to be consumed fresh and the remaining 80 thousand will go to industrial canners and processors. This represents double the quantity supplied to the factories during last season's fair crop. The factories then were unable to fulfil all export orders because of a shortage of fruit for processing.

Banking Abroad — Sweden

L. A. CAMPEAU, *Commercial Secretary, Stockholm.*

THE SWEDISH BANKING SYSTEM includes several types of institutions—official, semi-official, and private. It might be useful to treat them here under the following three headings: first, the Central Bank; second, commercial banks; and three, savings banks.

The Central Bank

The Riksbank, the National Bank of Sweden, is a state institution responsible to Parliament. It was established as far back as 1668 and was actually one of the first banks in the world to begin note-issuing operations.

Apart from the head office in Stockholm, the Riksbank maintains branch offices in 23 principal cities in Sweden. Its functions do not differ very much from those of modern central banks in other countries. It is essentially a bankers' bank and acts as banker to the Swedish Government.

The principal assets of the Riksbank are shown below:

	Gold & Foreign Exchange Holdings	*Swedish Treasury Bills & Bonds*	*Losses & Discounts*
	(in million kronor)		
1938	2,076	106	50
1945	2,782	434	32
1949	1,190	3,184	138
1950	1,154	3,443	209
1952	2,304	3,240	321
1954	2,474	3,267	99

Commercial Banks

At present the commercial banks in Sweden number 17, including nation-wide, regional, and local banks. The relative importance of these institutions, judged by assets and number of branches, is shown in the table below. A full list of the commercial banks with certain particulars of each is given in the table on page 21.

(end of 1954)	*Head Office*	*Number of Offices*	*Total Assets (million kronor)*
Svenska Handelsbanken	Stockholm	313	4,278
Skandinaviska Banken	Göteborg	213	3,944
Stockholms Enskilda Bank	Stockholm	18	1,705
Sveriges Kreditbank	Stockholm	61	1,360
Göteborgs Bank	Göteborg	103	1,232
Total, five principal banks		708	12,519
12 regional and local banks		339	3,506
All commercial banks		1,047	16,025

The banks in the first group cover practically all of Sweden. Moreover, they handle the bulk of banking transactions with foreign countries. The two largest, the Svenska Handelsbanken and the Skandinaviska Banken, have branches throughout Sweden; the Göteborgs Bank has branches covering most of the southern and central areas. The Stockholms Enskilda Bank, on the other hand, operates only in Stockholm and vicinity. The fifth of the big banks is the government-owned Sveriges Kreditbank, organized in 1950 from a merger of medium-sized commercial banks. A large proportion of the total banking resources of the country is concentrated in the hands of these five, which hold about 78 per cent of the total assets of the commercial banking system.

Swedish Commercial Banks, end of 1954

	Founded	Head Office	Number of Branches	Number of employees (approx.)	Capital & reserves	Deposits (million kronor)	Total Assets
Svenska Handelsbanken	1871	Stockholm	313	2,800	304	3,474	4,278
Skandinaviska Banken	1863	Göteborg	213	2,100	270	3,235	3,944
Stockholm Enskilda Bank	1856	Stockholm	18	500	125	1,354	1,705
Sveriges Kreditbank*	1916	Stockholm	61	490	90	1,151	1,360
Göteborgs Bank	1848	Göteborg	103	800	100	963	1,232
Skånska Banken	1896	Malmö	72	400	37	409	503
Wermlands Enskilda Bank	1832	Karlstad	51	200	29	429	497
Sundsvalls Enskilda Bank	1864	Sundsvall	39	140	40	394	496
Inteckningsbanken	1869	Stockholm	5	100	36	95	382
Ostergötlands Enskilda Bank	1837	Linköping	39	150	25	289	356
Sparbankernas Bank	1942	Stockholm	1	70	18	130	301
Uplands Enskilda Bank	1864	Uppsala	42	175	23	235	294
Skaraborgs Enskilda Bank	1864	Skövde	31	170	20	213	248
Smålands Bank	1837	Jönköping	43	150	18	207	242
Jämtlands Folkbank	1874	Ostersund	5	25	8	61	76
Gotlands Bank	1907	Visby	10	40	8	48	61
Bohusbanken	1918	Göteborg	1	10	5	41	50
		Total	1,047	8,400	1,154	12,727	16,025

* Formerly Jordbrukarbanken.

In spite of this concentration, the remaining regional banks still play a vital role in the Swedish banking system. The largest institutions among this group also maintain offices in Stockholm and transact a certain volume of foreign business.

Savings Banks

The savings banks in Sweden have developed concurrently with the commercial banks. They are, however, totally different in structure: most of them are very small institutions, each serving a strictly limited area—such as a city, a town, a parish or a county. There are 449 of them, but only a few compare in size with the regional commercial banks.

The relative importance of commercial and savings banks as receivers of deposits from the Swedish public is shown in the table underneath. One result of the co-operation among the savings banks was the creation in 1942 of the Sparbankernas Bank, a sort of central bank for the savings banking system.

STRUCTURE OF THE SWEDISH BANKING SYSTEM IN 1954

	Number	Total Offices	Total Deposits (million kronor)
Commercial banks	17	1,047	12,727
Savings banks	449*	1,230*	9,699
Post office savings bank	1	4,321*	2,950
Post office cheque service	1	4,321*	1,838
Agricultural credit associations	1,145*	1,145*	709

* End of 1953.

Transactions with Foreign Countries

The method of payment for goods imported into Sweden, as well as for goods exported from Sweden, differs greatly not only in the goods and the countries concerned, but also in the practice of the respective buyers and sellers.

Imports into Sweden are paid for either by clean transfers, cash against documents on a collection basis, acceptance of a time draft, or through sight or long-term documentary credits. Advance payments are not permitted unless special permission has been obtained from the Swedish exchange control authorities. However, no special permit is necessary for payment in advance if the value of the commodity does not exceed kr.2,000 in the case of dollar countries, and kr.10,000 in the case of soft currency countries. For imports of machines, however, up to one-third of the contract price is specified.

Payment can also be made by letters of credit opened with or through a Swedish foreign exchange bank and stipulating payment against shipping documents or payment after arrival of goods in Sweden. If the goods are not exempt from import licensing, the letter of credit must comply strictly with the terms of the import licence as to validity and amount.

For exports from Sweden, there is the same variety of methods of payment. Payment on a long-term basis requires special permission from the Swedish foreign exchange control authorities and as a rule, is not granted for longer than six months.

As far as trade between Canada and Sweden is concerned, although they vary in different trades, the normal terms now are cash against documents, thirty days, excluding month of delivery. Payments by letter of credit are now accepted only in unusual cases. ●

commodity notes

Argentina

CHEMICALS, PHARMACEUTICALS—A United States company will invest US$5 million with an Argentine manufacturer in a factory to produce terramycin, prendisolone, hydrocortisone, other antibiotics, hormones, vitamins, organic acids, veterinary products, fungicides and insecticides—Buenos Aires, Feb. 9.

ANTIBIOTICS—An Argentine laboratory will shortly begin production of aureomycin and acromycin in a new plant recently built on the Buenos Aires-Mar del Plata road—Buenos Aires, Feb. 9.

Australia

ASBESTOS—Orders for 7,000 tons of Wittenoom blue asbestos have been obtained overseas, it is reported, mainly in Europe and North America. During 1955, 5,000 tons have been sold from production and 3,000 tons from stock on the world market, and earned £800 thousand in export income for Australia. Prices obtained were about £100 a ton f.o.b. Fremantle—Melbourne, Feb. 2.

CRAWLER TRACTORS—A Melbourne company will soon begin producing the first crawler tractor to be made in Australia. Models planned are up to 150 h.p., for earthmoving work; they will be made under licence from a British company. Except for the engine, the tractor will be all Australian-made—Melbourne, Feb. 2.

PAPER—A big new machine worth, with buildings and equipment, £A3 million went into production on January 16th at the plant of Australian Paper Manufacturers Ltd., Maryvale, Victoria. The new machine has an output capacity of 20,000 tons a year and will produce white paper and strong brown kraft paper for paper bags and wrappings. It will help to reduce Australia's dependence on imports—Melbourne, Feb. 2.

Belgian Congo

LIMBA WOOD—The Economics Department of the Congo Government has announced that, as of November 3, 1955, authorization for the export of limba logs must be obtained from the Provincial Governor or his deputy. Previously, these logs could be exported freely—Leopoldville, Feb. 8.

Cuba

COPPER—Increased exports of copper ores and concentrates from Cuba are foreseen in the development of five new copper mines in Oriente Province. Three of the new mines are located near the Estrada Palma sugar mill some 25 kilometers southeast of the Port of Manzanillo. Two others are being opened in the Sierra Maestra mountains. In the first five months of 1955, Cuba exported 24,201 metric tons of copper ores and concentrates valued at $4,168,000—Havana, Feb. 18.

Finland

SAWN TIMBER—Finnish exports of sawn timber in 1955 totalled 770 thousand standards, (more than 800 thousand in boxboards are included), 50,000 standards more than in 1954. The largest buyer was the United Kingdom with 320 thousand standards, followed by the Netherlands with 85,000 standards and West Germany with 75,000. Under the five-year treaty, nearly 50,000 standards were exported to the Soviet Union—Stockholm, Feb. 9.

Greece

COTTON—The drive to increase cotton production inaugurated by the Greek Government has had satisfactory results in spite of last season's unfavourable weather. The 1955 crop amounted to 176,500 metric tons of unginned cotton (56,500 tons ginned), compared with 128 thousand tons (41,000 tons of ginned cotton) in 1954. Qualities are fair to excellent; the crop suffered from heavy autumn rains. The market continues steady, considering the large surplus of American middling grades hanging over the world market. Exports in the eleven months of 1955 totalled 7,500 tons (5,800 tons during the same period of 1954), with Italy, France and Yugoslavia the principal buyers. Until 1951 Greece was importing the greater part of its raw cotton, mostly from Egypt, but now only a limited quantity of select grades is imported—Athens, Feb. 7.

India

MINERALS—The Geological Survey of India has recently published a bulletin on the occurrence of various minerals in Central India. Three years were spent in surveying the 22 states which after independence were integrated to form the State of Madhya Bharat. The economic minerals described in the bulletin include asbestos, barytes, bauxite, clays, copper, gemstones, gypsum, iron, lead and silver, limestone, manganese, mineral pigments and talc—New Delhi, Feb. 6.

AUTOMOBILES—Production of automobiles in India is increasing. The number produced in the third quarter of 1955 totalled 5,876 compared with 5,645 in the second quarter, and 5,357 in the first quarter. During the first nine months of 1954, only 9,861 automobiles were turned out. Production consists mainly of the assembly of imported parts, with local manufacture of certain ancillaries—New Delhi, Feb. 6.

TEXTILE DYESTUFFS—A new firm has established in Bombay to make textile dyestuffs. The venture, to be financed and administered almost entirely by Indians, is expected eventually to produce a major share of the dyestuffs required by India's textile industry. Napthals, spectrolenses, and optical brighteners will be produced in the early stages. Orders for equipment have been placed in Germany, the United Kingdom and the United States—New Delhi, Feb. 6.

Israel

PLASTIC PAINT—The first domestically-produced plastic paint has been marketed in Israel. The new paint, which belongs to the polyvinyl acetate family of plastic paints, has been thoroughly tested and is said to be comparatively inexpensive, stable, odourless, washable and durable—Athens, Feb. 4.

Mexico

SULPHURIC ACID—This year Mexico will increase production of sulphuric acid by 160 metric tons daily at six new plants that have been built close to centres of consumption, at a total cost of $3 million. Production of sulphuric acid rose from 33,365 tons in 1947 to 125 thousand tons in 1954, and now stands at 360 tons a day—Mexico, D.F., Feb. 13.

CAUSTIC SODA—Although domestic production is increasing, Mexico still imports 25,000 tons of caustic soda a year, chiefly from the United States. The United Kingdom and, recently, Germany share 10 per cent of the market.

Production has reached 26,500 tons annually (20,000 tons at one plant) and the National Bank of Foreign Commerce, a government agency, estimates that if the country is to become self-sufficient in this commodity, an investment of $8 million will be required —Mexico, D.F., Feb. 13.

Netherlands

BEER—Netherlands beer exports in 1955 amounted to 616 thousand hectolitres (ships' supplies not included), compared with 529 thousand hectolitres in 1954 and 510 thousand hectolitres in 1953. The f.o.b. value totalled about 55 million guilders compared with 48 million guilders in 1954. Before the war, average annual beer exports amounted to about 100 thousand hectolitres. The Netherlands is still the largest beer exporting country in the world. It is closely followed by West Germany, which in 1955 exported about 500 thousand hectolitres. Before the war, Germany exported about 550 thousand hectolitres—The Hague, Feb. 15.

Norway

FERTILIZER—The new complete fertilizer plant built by Norsk Hydro at Glomfjord has been operating on an experimental basis for several months. Estimated annual capacity of this plant is approximately 100 thousand tons of complete fertilizer and 30,000 tons of calcium nitrate, and it is expected that it will all be absorbed by the Norwegian market. Complete fertilizer is in great demand since it contains nitrogen and phosphorus as well as potassium. Norsk Hydro also produces about 50,000 tons of complete fertilizer in its plant at Heroya, which brings the company's total output to 150 thousand tons. This firm now has a total production corresponding to 205 thousand tons of pure nitrogen a year, compared with an estimated world production of seven million tons. Denmark and Sweden are the largest markets for Norwegian calcium nitrate, taking altogether some 70 per cent of the total—Oslo, Feb. 10.

South Africa

WOOL—The substantial decline in wool prices was reflected in sales for the three months, July 1 to September 30, 1955; only £6·9 million was paid for 38 million pounds of wool, compared with £8 million for 33·7 million pounds for the same period in 1954. Average prices dropped from 57·30d. per pound to 43·76d. Prices have been firm since then but only slightly higher—Cape Town, Feb. 2.

ROLLING STOCK—South Africa has obtained an order for 1,400 high-side railroad cars from the Rhodesia Railways. The Union normally imports, rather than exports, either complete railroad coach and trucks, or components for domestic assembly. Although the Rhodesia Railways purchased a limited number of freight cars in Britain and water tankers and guards' vans in Belgium, better than 65 per cent of the order was placed in the Union—Johannesburg, Feb. 7.

Sweden

PAPER—The paper mill at Langed, Dalsland, has constructed a large building to hold a new paper-making machine, as well as making other extensions and hiring 50 new employees. The new machine, which comes from Germany, has a maximum capacity of 250 metres/min. and produces 45-50 tons, chiefly newsprint, a day—Stockholm, Feb. 14.

Turkey

WOLFRAM—Seven thousand metric tons of wolfram ore of 0·5 per cent wolfram content are available for export at Dadas in Bilecik, northwestern Turkey, where a wolfram mine has been operating for some time. Export has not yet been authorized, but it is anticipated that licences will soon be granted. Other wolfram deposits of a higher grade at Uludag near Bursa in western Turkey have not yet been mined—Athens, Feb. 6.

HAZELNUTS—Final estimate for the 1955 hazelnut crop is 20,000 metric tons, one-half of last year's heavy crop. With Germany an important buyer this year, the market has been very firm. Local prices went up from 305 piastres per kilo f.o.b. Turkish port in August to 630 piastres in November and fell to 525 piastres (approximately 19 cents) at the end of the year. Principal buyers so far have been Germany with 6,500 tons, the United Kingdom 1,800 tons, and the Netherlands 1,200 tons. Stocks remaining from the 1955 crop are reported to total 4,000-5,000 metric tons—Athens, Feb. 4.

United Kingdom

AIRCRAFT—The British aircraft industry's 1955 exports earned a record £66·2 million, slightly higher than the previous peak in 1953, but more than £10 million over exports in 1954. Of this total, £39·6 million represents aircraft and parts, £22·2 million aircraft engines, and the remainder electrical equipment, tires and instruments. These export earnings do not include the royalties accruing to British firms for engines manufactured abroad under licence. In the commercial field, the U.K. industry now has orders for aircraft totalling more than £150 million; much of this business will be for export—London, Feb. 17.

RADIOS—The British Radio Industry Council has announced that U.K. exports of radio equipment totalled £32·9 million in 1955, nearly 13 per cent higher than in 1954 and three times the value of 1947 exports. Of this total, direct exports of capital goods, transmitters, radar and navigational aids, and industrial electronic equipment accounted for £12·9 million, and components and test gear for £7·5 million. Exports of sound-producing equipment, record players, tape recorders, public address systems, etc., were worth £5·7 million. This is the fastest growing section of the industry; exports in 1947 were valued at less than £500 thousand. Export sales of radios and television sets, valves and parts were worth £6·8 million last year—London, Feb. 17.

United States

TWO-WAY RADIOS—A U.S. firm has released a new line of portable transistorized two-way radios known as Handie-Talkies. Forty-two models are available, costing from $305 to $550 and weighing from 7¾ to 18½ lb.—Chicago, Feb. 20.

Uruguay

WOOL—In September the Government granted a supporting rate of exchange for greasy wool of 0·21 pesos additional to the dollar. The result has been very beneficial and a recent decree has extended the increased rate up to March 31, 1956. It has also set an additional rate of 0·14 pesos to the dollar for exports of tops, broken tops and some sub-products. It is reported that wool sales to December 31st were highly satisfactory compared with previous years, and so far show a sales value of $48 million for greasy wool and $20 million for wool tops. Wool sales for 1955 totalled $93 million, according to a recent report of the Central Bank, but of this sum only $21 million is "free" dollars and the substantial balance of $72 million accrues from transactions with bilateral agreement countries—Montevideo, Feb. 9.

West Germany

LOCOMOTIVES—The West German locomotive industry estimates production in 1955 at DM200 million, DM42 million or 17 per cent below 1954 output. Exports of locomotives, which accounted for 68·5 per cent of total production in 1954, were nearly one-fourth smaller, primarily because of strong competition from Japan and eastern European countries. Main importers of German locomotives last year were India, Sweden and the Portuguese territories in Africa, Brazil, and Near East countries—Bonn, Feb. 13.

VOLKSWAGENS—In 1956 the Volkswagenwerk at Wolfsburg intends to increase annual output to 400 thousand cars; the proportion of passenger cars is to be increased. In 1955 the company produced and sold a total of 330 thousand vehicles. More than half of the output, 175 thousand, was exported to more than 100 countries all over the world. Main importer was Sweden with 70,000 cars—Bonn, Feb. 13.

Spain Expands Electricity Output

Spain enjoyed ration-free power in 1955 for the first year since the Civil War. New hydro-electric and thermal plants have come into operation and many more are under construction; should be in use within two years.

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

VIRTUAL FREEDOM FROM POWER RESTRICTIONS in 1955 appears to be one of the main factors in Spain's ten per cent rise in industrial output last year over 1954. The only power rationing of the year was imposed in January and that was minor. Total electricity production for 1955 is estimated at 11,740 million kwh., an increase of some 1,240 million kwh. over 1954. Output has been rising steadily in the last few years; in 1949 it totalled only 5·7 million kwh.

Of the total for 1955, 8,860 million kwh. came from hydro-electric stations and 2,880 million from thermal installations; most of the increase in 1955 came from thermal stations. During the year power installed went up by some 564 thousand kwh. compared with 348,320 during 1954. Hydraulic power installations increased by approximately 500 thousand kwh. and thermal power by approximately 70,000 kwh.

Further Increase Expected

Prospects for 1956 are excellent for both hydraulic and thermal power production. A large proportion of the new units that were brought into service in 1955 will be functioning during the whole of 1956.

Among the new hydraulic installations that have come into use are San Esteben, 135,000 kw.; Artias on the river Garona, 68,000 kw.; Peares, 53,000 kw.; Barrios de Luna, 37,900 kw.; and Salime, 31,500 kw. As for the thermal stations, Escatron brought into service its third group of 60,000 kw. and Puertollano inaugurated its fifth group of 10,000 kw.

The increase in thermal power will be more marked each year, taking into account the expansion programs already under way in the Lada, Sevilla, Burcena, Aliaga, and Escatron stations; the new stations being planned in Guardo; those to be installed in the southern ports; and the enormous central power station of Escombreras. During 1956 approximately 600 thousand kwh. of hydro-electric and over 200 thousand kwh. of thermal installations are expected to come into service.

In 1955 the system of transmission lines continued to improve. The line from Galicia to Madrid of 22,000 volts was completed and now a line of the same voltage is being constructed from Galicia to France. This will be important in the export of surplus power from northeast Spain.

Water Reserves Triple

Spain's total water reservoir capacity increased from 11,530 to 11,830 million cubic metres on the completion of the Cijara dam, with its capacity of 300 million cubic metres. This represents almost a doubling of reservoir capacity over the last five years. Several large additions are still under construction and others are planned.

Spain's water reserves have increased materially, primarily because of good rains over the last year. They totalled 5,529 million cubic metres at the end of 1955, compared with 1,850 million cubic metres at the end of 1954.

Last November an agreement was reached to export electric power to France from November to April, when Spain has surplus power. The initial quantity of power to be sent is 100 million kwh. which will be increased to 400 million kwh. in the fourth year of the scheme. Part of this power will be returned by France during the summer months, and the value of the remainder will be used as payment for electrical machinery which France will supply.

Demand Outstripping Expansion

The expansion of electricity output is a principal program of the Spanish Government and of private power undertakings. American economic aid has been used to buy thermo power boilers costing $3,610,000 and $1,790,000 worth of commodities for the electrical power industry programs. In addition $7,300,000 of U.S. aid was spent on the Burcena and Escatron steam power plant projects.

Present plans will be completed in 1960, with the majority of plants due to start operating by the end of 1958. The increased output should be sufficient to meet demands at least until 1959, but the rapidly growing industrialization of the country will likely outstrip power sources by the early 1960's, unless a new program is developed shortly.

The uncertainties of the rainfall, and therefore of Spain's water reserves, will likely mean that in future thermal development will be emphasized. Spain hopes to use nuclear energy as a source of power within the next decade. The Nuclear Energy Commission has begun investigations and recently signed an agreement with the United States to exchange information on peaceful applications of atomic power.

Chicago Prospers in 1955

G. A. NEWMAN, *Deputy Consul General (Commercial), Chicago.*

CHICAGO, the unofficial capital of the Midwest, experienced in 1955 one of the most exhilarating years in its history. The average city dweller catches a glimpse of this in the burgeoning suburbs, in the wholesale renovation and expansion of office buildings, in the 16 or more "Office Help Wanted—Female" columns of one of the local papers, and in the crowded streets of the shopping areas.

The fact is that Metropolitan Chicago is in a position to take advantage of all the positive factors which have influenced the United States economy during recent years. As the centre of the greatest manufacturing concentration in the United States, its output of manufactured goods registered $19·1 billion in 1955 compared with $17·1 billion in 1954. The steel industry to the south of the metropolitan area, which now exceeds in importance that of Pittsburgh, produced 21·5 million net tons compared with 17·5 million in 1954. Electronic and electric equipment output rose to $1·36 billion, and transportation equipment jumped to $1·26 billion, compared with a previous high of $1·15 billion in 1953.

Other Factors in Growth

Because of its unique geographical position at the junction of the St. Lawrence-Great Lakes and Mississippi River systems, because it is centrally located and thus within two days' travel of the main area of the United States by rail or truck, and because of the intense but diversified manufacturing and wholesale business in its immediate area, Chicago's distribution activities are enormous. Wholesale sales alone in the metropolitan area in 1955 amounted to $18·2 billion, or 13 per cent more than in 1954.

It is not surprising, therefore, to find that metropolitan Chicago's population in the past five years has risen 12·4 per cent to reach a total of 6,184,000. Some 37 per cent of this growth took place in the suburbs.

One could go on registering one increase after another in 1955 compared with 1954—in bank earnings; in gas, electric and utility activities; in construction. These all prove that in 1955 Chicago, the symbol of the Midwest, was booming along.

The Next Six Months

What of 1956? Year-end reports were optimistic. Steel plants plan a $650 million expansion program; manufacturers are expecting and preparing for increased sales; railway companies have in hand long-term expansion and improvement plans. There is even a nuclear plant of 180,000 kilowatts in the offing for completion by 1960.

The imponderables and the uncertainties in the national picture of course also weigh on Chicago, but present experience and the outlook for the next few months confirm that this is one of the most buoyant cities in the United States today. What may develop in the second half of 1956 is not easy to determine.

Implications for Canadian Exporters

What does this mean for Canadian business? For the present at least it ensures a strong and continued demand for those industrial materials now being imported from Canada; it should mean that, as a market for Canadian foodstuffs, Chicago will increase in importance. It is reasonable to expect that wood and wood products will continue to find this market encouraging during the next few months; with possibilities for the sale of a greater variety of products, and perhaps better quality products than in the past. It should mean that Chicago may gradually develop (as New York has) into a market for consumer goods made in Canada and sold through outlets where emphasis is on quality rather than on price. In short, the potential market is there—it remains only for Canadian suppliers to take advantage of it. ●

Cuban Pineapples and Canadian Traders

Next to sugar, pineapples are Cuba's biggest export crop, and Canada is one of the chief buyers. Each year Cuban pineapple producers spend roughly $750 thousand on foreign materials. What can the Canadian exporter supply?

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

SIX MILLION DOLLARS' WORTH OF PINEAPPLES, a major item in Canada's bill for imported foods, is consumed annually by Canadian households, restaurants, and canning plants. About eleven per cent of this is accounted for by fresh pineapple, over three-quarters of which comes from Cuba. A small part of the more than $5 million worth of imports of canned pineapple is also shipped from Cuba, although the canners of Hawaii, Mexico, and Australia supply the lion's share. Canadians drink over one million dollars worth of imported pineapple juice each year, but none comes from Cuba.

CANADA—IMPORTS OF PINEAPPLE—1954

	Fresh		*Canned*	
Origin	*Crates*	*Value*	*Pounds*	*Value*
Cuba	150,735	$557,016	297,200	$ 28,653
Australia	13,313	67,122	4,259,225	607,247
Fiji	....	....	131,580	18,612
Hawaii	2,920	11,418	28,389,615	3,738,680
Malaya	....	....	265,250	38,252
Mexico	1,490	4,728	8,650,182	913,574
Puerto Rico	8,979	38,340	....	....
Taiwan	....	....	1,598	195
United States	2,565	8,353	425,516	59,314
	180,002	$686,977	42,420,166	$5,404,527

Rise of the Cuban Industry

As pineapple production in Florida declined during and immediately following World War I, it expanded notably in Cuba where, until then, pineapple culture had been minor and mostly for local consumption. Today, Cuba exports to the U.S. and Canadian markets every year over 1·5 million crates of fresh pineapple. Demand continues to increase as improved transportation and handling methods make possible the delivery of the fruit to the consumer in better condition.

Varieties and Cultivation Methods

The chief variety grown commercially in Cuba is the Red Spanish, a short, round pineapple with a characteristic blood-red skin, large fully developed eyes, and large dark green tops. The Cuban white pineapple, a taller, more conical form, is grown for domestic use because it does not ship as well as the red. Each pineapple stem bears one fruit only. Normally, 5,000 to 6,000 shoots per acre are planted depending on the type of soil—the presence of iron sulphate is indispensable.

Eighteen months from planting to harvesting are generally needed, but to meet early shipping and market opportunities, some growing areas reduce this period to twelve or thirteen months by using calcium carbide solutions which accelerate growth. Modern hormone treatment, which is currently under experiment, is not yet used on a commercial scale. A perennial, the pineapple plant propagates itself from shoots which grow from the main stem beneath the fruit, so fields usually last five or six years without replanting.

Harvesting in Cuba is done by hand, requiring well-trained pickers and carriers to avoid damage to the plant and the fruit. The major part of the Cuban crop comes in during March and April although the picking season runs from November to May. Recent estimates set acreage in pineapple at about 20,000 and the number of growers in the neighbourhood of 600. The export crop, however, is largely produced by less than a dozen larger firms in the area southwest of Havana and in the western province of Pinar del Rico, although there is some production in Camaguey province.

Five canneries pack sliced and crushed pineapple in cans for domestic consumption as well as export. Brined pineapple, chiefly for export to U.S. and Canadian canners and processors, is put up in wax-lined

CUBAN EXPORTS OF PINEAPPLE

(in thousands of pounds)

	Fresh	*Canned & Juice*
1940-43	61,333	63,721
1944	74,835	17,348
1945	92,902	18,658
1946	115,528	41,594
1947	97,913	45,289
1948	52,820	60,743
1949	75,003	31,330
1950	83,274	22,673
1951	56,439	19,573
1952	58,836	15,662
1953	59,984	18,113
1954	69,286	19,005

whisky barrels of which nearly 30,000 are used annually.

Pineapple ranks third in the edible foods industry in Cuba and first in value of edible food exports, always, of course, excluding Cuba's mainstay, sugar. Principal European importers of Cuban pineapple are Germany and the Netherlands.

What the Industry Imports

A considerable part of the foreign currency received from Cuba's pineapple exports is spent on materials for processing and shipping which the industry must import. There are no current official figures available on this, but a leading packer's estimate of the industry's total requirements shows that probably $500 thousand worth of crates are used each year. The next largest import item is whisky barrels for shipping pineapples in brine; these cost the industry approximately $120 thousand a year. Calcium carbide for accelerating growth, and sulphur dioxide used in brining, each average approximately $37,500 annually. Most growers use fertilizers that cost Cuba roughly $30,000 per year. About 1,500 fifty-pound sacks of calcium carbonate, also used in brining, are consumed annually, which, at about fifteen cents the pound, totals about $11,000. Paraffin wax, wrapping paper and labels are smaller items approximating respectively $6,000, $2,500 and $5,000. Because of high tariffs these last items are perhaps of less interest to prospective Canadian suppliers.

Seeds for Irish Farms

THE LONG-TERM POLICY of the Irish Department of Agriculture is to develop seed strains which ultimately will make large-scale imports unnecessary and produce an export surplus. The Department recently acquired a seed production farm at Lucan, near Dublin, where it is giving special attention to the development of an Irish wheat variety to replace seed brought in from the United Kingdom and Sweden. If this scheme is successful, it will be extended to oats and barley. Experimental and production work on barley is conducted in close liaison with the brewers, whose requirements comprise a large proportion of the domestic market. There is little opportunity for developing sales of Canadian grain seeds.

Imports of seed into the Republic are controlled and restricted to types and varieties not produced in Ireland. This, in conjunction with the Government's experiments in producing new varieties, makes it difficult for Canadian seed exporters to plan their production in terms of sales to Ireland. The Canadian exporter also faces strong competition from Great Britain and other European countries whose climate and soil conditions are more conducive to production of the varieties and strains the Irish growers need.

Some Imports Permitted

The only forage plant seed grown locally on a large scale is ryegrass, but some imports of perennial ryegrass seed are needed and are permitted under licence. Otherwise, ryegrass seed imports are not allowed. However, licences are granted freely for imports of other forage plant seeds, including timothy and clovers. The market for Canadian clover seed has been growing steadily in recent years, ranging from 1,312 cwt. (cwt.=112 lb.) in 1952 up to 3,435 cwt. in 1954. New Zealand and France are other major suppliers of clover seed. Among the grass seeds, the market for Canadian timothy has expanded rapidly during the last few years—from 30,040 lb. in 1949 to 469,665 in 1954. Denmark, Great Britain and Sweden have also sold large quantities of grass seed to Ireland.

The following table shows Ireland's imports of clover and grass seeds (other than ryegrass) in 1954.

CLOVER AND GRASS SEED IMPORTS, 1954

	Quantity *cwt.*	*Value* *£*
Denmark	7,078	89,253
New Zealand	3,319	78,166
CANADA	7,635	71,543
France	1,929	38,674
United Kingdom	2,190	30,520
Sweden	1,760	13,265
United States	789	10,049
Netherlands	406	6,117
Finland	592	3,378
West Germany	123	1,338
Total	25,821	342,303

The seed distribution trade in Ireland is highly organized; the majority of exporters sell to leading wholesale distributors in the Republic who in turn supply the smaller firms throughout the principal towns. This method has the advantage that small orders do not have to be made up piecemeal by the exporter. However, no harm would result if direct shipments were made to the provincial towns. The services of an agent are seldom necessary, and his commission tends to increase the landed cost. Wholesale distributors generally buy in bulk and fix their own prices to the local purchasers.

—T. G. MAJOR,
Commercial Counsellor, Dublin.

trade and tariff regulations

India

IMPORT CONTROL POLICY ANNOUNCED—India's import trade control policy for the licensing period January-June 1956 was announced on December 30. In so far as the dollar currency area is concerned, the new import trade control policy provides for relaxation of restrictions on some items and a further tightening of restrictions on others when compared with the previous licensing period.

Goods on which import control is relaxed:

Items added to the schedule of goods admitted into India under Open General Licence from all countries except South Africa include: chemical lead sheets of seven feet and over in width; copper and bronze flexible pipes or tubes for passing gas or fluid under pressure; nuts, washers and adapter sleeves for use in ball, roller or taper bearings; hydrosulphite of soda, rengolite C, formaldehyde or formosul R and sodium nitrite; flower seed; cortisone and hydrocortisone.

On the following items the quota for January-June 1956 has been increased: mild steel electrodes, both coated and uncoated; milling cutters, gear cutters, end mills, slotting saws, taps, dies and other thread forming tools; adjustable hand reamers or expanding reamers; certain twist drills and reamers; carbide tilled drills and reamers; diesel engines above 30 h.p.; diesel engines of road vehicular type; air or gas compressors, portable or stationary; safety lamps and spare parts; anionic softening agents; typewriters, complete; all sort of mineral oils; nickel salts; playing cards; industrial sewing machines.

Items now included in the commodities which are liberally licensed are: aluminum pop rivets; harmless food colours; gold bronze powder; tape and wire recorders; polyethylene moulding powder.

Goods on which import control is tightened:

The import quota has been reduced on: other iron or steel coated or uncoated electrodes; leather belting; all sorts of unspecified hardware, ironmongery and tools; brake linings, clutch facings, spark plugs; textile finishing oils, fibre oils and batching oils for fibres; thymol; ammonium chloride, and sodium aluminate.

The following goods have been removed from Open General Licence but are still licensable from the dollar currency area: electrodes made of brass, bronze and other similar alloys; air cleaners for use with diesel engines; clinical thermometers; glucose powder, dextrose and other sorts of glucose, other than liquid glucose.

Goods which are no longer licensable from the dollar currency area include: waterproof abrasive paper and cloth; cigars; unspecified tobacco manufactures; unspecified apparel and hosiery; asphalt; auto rickshaws.

Jamaica

DOLLARS AVAILABLE FOR MOTOR VEHICLES IN 1956—Jamaica will permit either merchants or individuals to import new or used motor cars or light commercial vehicles from Canada or the United States if applicants can show that they are engaged in work that is important to the community and entails extensive travelling over difficult roads. This follows the policy set last year when $1\frac{1}{4}$ million worth of new and used motor cars were allowed into the island from North America. Prior to 1955 only a nominal amount of dollars (less than $200 thousand) was made available for imports of American-type vehicles each year.

SPECIAL ALLOCATION OF DOLLARS—The Minister of Trade and Industry, Jamaica, has announced that a special allocation of dollars has been made to local merchants to import household and consumer goods, outside of the British West Indies Trade Liberalization Plan, in 1956.

The particular items for which the dollar allocation has been made will be announced later.

The Minister also announced that the possibility of increasing the allocation will be considered in the latter half of the year when the pattern of the Island's dollar expenditure for 1956 becomes more apparent.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade and Industries announced on January 27 that it had received the following representations respecting the tariff:

Increase of duty on:

1. Technical D.D.T. or formulated products containing D.D.T., from various rates of duty to 25 per cent ad valorem or 6d. per lb., whichever is the greater.
2. Crown corks, from 3d. to 6d. per gross.

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

Head Office Directory

Department of Trade and Commerce

No. 1 Building, 375 Wellington Street*	Gov. Local
Minister: The. Rt. Hon. C. D. Howe, P.C., M.P.	0336
Private Secretary: A. J. Stanton	0336
Deputy Minister: Wm. Frederick Bull	6748-2326
Executive Assistant: A. W. A. Lane	2380
Trade Policy Adviser: H. R. Kemp	5151
Technical Adviser: G. D. Mallory	3819
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421

Administration Branch

Comptroller-Secretary: Finlay Sim	2262
Administrative Assistant: Miss M. L. E. Jones	7411
Financial Assistant: S. B. Kayes	4312
Personnel Division	
Personnel Officer: L. J. Rodger	5430
General Records	
Supervisor: C. Drolet	4980
Equipment and Supplies	
Supervisor: E. S. Brown	5011

Economics Branch

Director: V. J. Macklin	5658
Associate Director: Dr. J. Davis	7372

Trade Commissioner Service

Director: John H. English	2530
Assistant Director for Foreign Service Operations: J. A. Stiles	6800
Assistant Director for Economic Planning and Co-ordination: J. P. Manion	8286
Area Trade Officers	
Asia and Middle East: Paul Sykes	5176
Commonwealth: R. R. Parlour	2144
Europe: J. H. Stone	0436
Latin America: S. G. Tregaskes	7641
United States	7641
Assistant Director for Administration and Finance: M. Grant	5669
Western Representative: P. V. McLane, 355 Burrard Street, Vancouver, B.C. (Cable address: FORTRADE)	Pacific 7161
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland	2698

Commodities Branch

Director: Denis Harvey	5417
Special Assistant: A. L. Neal	8269
Assistant Director (Export Promotion): R. V. N. Gordon	6519
Import Division	
Director: C. F. McGinnis	7163

* *Unless otherwise noted, all officers of the Department are in No. 1 Building.*

Commodities Branch

Transportation and Trade Services Division

	Gov. Local
Director: W. Gibson-Smith	6236
Adviser: T. G. Hills	8679
Export and Import Permit Section	
Chief: J. G. MacKinnon	3640
Processing Officers:	
Steel, non-ferrous metals, machinery, automobiles, chemicals, textiles, rubber, leather products: S. C. Cooke	6976
Lumber, forest products: L. M. Lang	6991
Imports and Office Supervisor: L. M. Lang	6991
Directories Section: Miss K. Griner	6681
B.W.I. Trade Liberalization Plan Section: G. L. Tighe	6905-5670
U.K. Token Import Plan Section: A. E. Fortington	5680
Transportation and Communications Section: H. A. Hadskis	2737
Traffic: J. H. Longfellow	7835
D. H. Munro	2737
K. A. Peaker	5508

Commodity Divisions

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Chief: E. C. Thorne	4082
Assistant Chief: J. M. Rochon	8422
Steel and Non-Ferrous Metals: J. M. Rochon	8422
Non-Metallic Minerals: E. J. Bonkoff	5823
Machine Tools and Machinery: J. R. Johnson	7546
Electronic Equipment, Industrial Equipment: D. L. Draper	6479
Transportation Equipment, Construction Machinery: G. W. Rahm	5159
Agricultural Equipment, Automotive, Aircraft: G. C. Clarke	3873
Forest Products Division	
Acting Chief: J. C. Dunn	0273
Lumber and Manufactured Wood Products: J. C. Dunn	0273
Logs and Lumber Products: E. J. White	4863
Pulp, Paper, Pulpwood: M. N. Murphy	6974
E. J. Ward	5127
Chemicals Division	
Chief: A. M. Tedford	5993
Plastics, Pharmaceuticals, Heavy Chemicals: S. G. Barkley	7601
Oils, Petroleum, Miscellaneous Chemicals: R. T. Elworthy	5177
T. V. Harquail	6075
Consumer Goods Division	
Chief: D. G. W. Douglas	6197
Toys, Recreational Products, Musical Instruments: P. G. Jones	4160
Handicrafts, Photographic Equipment, Jewellery: P. E. Jensen	5337
Electrical Appliances, Sewing Machines: W. H. Grant	3209
Office, Hospital, Radio, Scientific and Surgical Instruments: A. C. Fairweather	7815
Plumbing, Heating and Hardware Products: W. L. Herman	6958
Assistant: D. C. Meyers	6383
Textiles, Fibres and Products: G. R. Poley	3004
Wearing Apparel: E. G. Gerridzen	5378
Leather, Rubber and Plastic Products: F. T. Carten	0518
Assistant: P. A. Mondor	0518
Imported Foods: E. B. Paget	4161
Records and Statistics: Miss M. E. O'Connor	8760

Agriculture and Fisheries Branch

Director: G. R. Paterson	4301
Assistant to Director: M. S. Strong	3980
Agricultural Products	
Plants and Plant Products: G. F. Clingan	7523
Livestock, Dairy and Poultry Products: K. L. Melvin	3172
Animal Products: G. Hazen	5859
Fish and Fish Products: T. R. Kinsella	7385

Agriculture and Fisheries Branch

Grain Division	Gov. Local
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R. M. Esdale	5830-5648

International Trade Relations Branch

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Assistant Director: M. Schwarzmann	2250
H. V. Jarrett	5642
European and Latin American Area	
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R. E. Latimer	7594
F. P. Weiser	5642
Sterling Area	
Miss H. K. Potter	8469
J. M. H. Davison	8469
W. Lavoie	6531
Miss V. McCormick	6531
E. J. McMeekin	8727
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B. S. Shapiro	8469
J. R. Downs	6531
J. B. O'Neill	7696

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W. J. Moloughney	5909
A. J. Wibe	5909
G. A. Cooper	4181
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Assistant Director: J. Fergus Grant	2186
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Information Officer: F. R. Hamilton	6435

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Director: R. W. MacLean	2132
Assistant Directors	
Electricity and Gas: E. F. Power	2956
Weights and Measures: C. S. Phillips	2000
Commodity Standards: O'Neill O'Higgins	6721
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Assistant Dominion Statistician: S. A. Goldberg	5458
Senior Research Statistician: N. Keyfitz	3562
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Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	
Director: E. F. Sheffield	5933
General Assignments Division	
Director: H. L. Allen	4052
Health and Welfare Division	
Director: F. F. Harris	6651
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Director: C. C. Lingard	0418
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Director: H. McLeod	2125
International Trade Division	
Director: C. D. Blyth	8340
Labour and Prices Division	
Director: H. F. Greenway	7424
Mechanical Tabulation Division	
Director: W. I. Moore	8232
Public Finance and Transportation Division	
Acting Director: G. A. Wagdin	3808
Research and Development Division	
Director: F. H. Leacy	3071
Special Surveys Division	
Director: A. B. McMorran	5570

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Assistant Administrator: R. W. Rosenthal	8429
Capital Projects	
Chief: F. E. Pratt	0981
Technical Co-operation Service	
Chief: D. W. Bartlett	5542
Assistant Chief: J. T. Hobart	8662

Canadian Government Exhibition Commission 479 Bank St.

Director: Glen Bannerman	3558
Superintendent of Exhibits: R. L. Greene	3776
Chief, Design Section: T. C. Wood	3671
Administrative Officer: A. D. Simmons	7818
Deputy Director Canadian Participation Brussels 1958: H. B. Scully	6795

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President and General Manager: H. T. Aitken	2-4828
Assistant General Manager: A. W. Thomas	2-4828
Secretary: T. Chase-Casgrain	2-4828
Economist: D. C. Taylor	2-4828
Underwriter: S. Garrett	2-4828
Credits Supervisor: C. A. Law	2-4828
Claims Supervisor: F. G. Reynolds	2-4828
Accountant: B. R. King	2-4828
Montreal Branch 607 St. James St. West	UN6-1268
Toronto Branch Rm. 1511, 55 York St.	EM4-5778

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

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from 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 1·00031.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 17	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05554	18·01	(3)
		Free	·02366	42·27	
Australia	Pound		2·2448	·4455	
Austria	Schilling		·03845	26·01	
Belgium-Luxembourg	Franc		·01999	50·03	
Belgian Congo	Franc		·01999	50·03	
Bolivia	Boliviano	Official	·00526	190·04	
British West Indies	Dollar		·5846	1·711	(4)
	Pound		2·8059	·3564	(5)
	Dollar	British Honduras	·7015	1·426	
Brazil	Cruzeiro	Effective selling*			
		Category I	·01003	99·66	tax 10% (2)
		Category V	·00294	339·64	*Feb. 1 (6)
		Official buying	·05444	18·37	
Burma	Kyat		·2099	4·764	
Ceylon	Rupee		·2104	4·753	
Chile	Peso	Official	·00496	201·6	(1)
		Principal	·00333	300·3	(7)
Colombia	Peso	Basic	·3999	2·501	(8)
		Free*	·2299	4·350	*Feb. 15
Costa Rica	Colon	Official	·1780	5·618	
		Controlled free	·1506	6·642	
Cuba	Peso		·9997	1·000	tax 2% (2)
Czechoslovakia	Koruna		·1388	7·205	
Denmark	Krone		·1447	6·911	
Dominican Republic	Peso		·9997	1·000	
Ecuador	Sucre	Official	·06665	15·00	
		Free	·05762	17·37	
Egypt	Pound	Official	2·8707	·3483	
Fiji	Pound		2·5279	·3956	
Finland	Markka		·00435	229·9	
France	Franc		·00286	349·7	(9)
French Africa	Franc		·00571	175·0	(10)
French Pacific	Franc		·01571	63·65	(11)
Germany	D Mark		·2372	4·216	
Greece	Drachma		·03332	30·01	
Guatemala	Quetzal		·9997	1·000	
Haiti	Gourde		·1999	5·003	
Honduras	Lempira		·4998	2·001	
Hong Kong	Dollar	Free*	·1692	5·910	*Feb. 4
		Official	·1754	5·701	
Iceland	Krona	Official	·06138	16·29	
		Special buying	·04838	20·67	
		Special selling	·03808	26·26	(12)
India	Rupee		·2104	4·753	
Indonesia	Rupiah	Basic	·08803	11·36	(13)
Iran	Rial	Certificate	·01320	75·77	
Iraq	Dinar		2·7991	·3573	
Ireland	Pound		2·8059	·3564	
Israel	Pound		·5554	1·801	
Italy	Lira		·00161	621·1	
Japan	Yen		·00278	360·10	
Lebanon	Pound	Free	·3100	3·226	

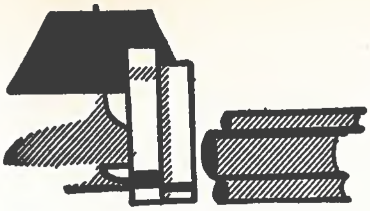
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 17	Units per Canadian dollar	Notes (See below)
Mexico	Peso		·07998	12·50	
Netherlands	Guilder		·2612	3·828	
Netherlands Antilles	Guilder		·5263	1·900	
New Zealand	Pound		2·8059	·3564	
Nicaragua	Cordoba	Effective buying	·1515	6·601	
		Official selling	·1418	7·052	
Norway	Krone		·1400	7·143	
Pakistan	Rupee		·2104	4·753	
Panama	Balboa		·9997	1·000	
Paraguay	Guarani	Basic	·04760	21·01	(1)
		Group I	·03702	27·01	
		Group II	·02856	35·01	(14)
Peru	Sol	Certificate	·05262	19·00	
Philippines	Peso		·4998	2·001	
Portugal	Escudo		·03489	28·66	(15)
El Salvador	Colon		·3999	2·501	
Singapore & Malaya	Straits dollar		·3274	3·054	
South Africa (Union of)	Pound		2·8059	·3564	
Spain & Dependencies	Peseta	Basic buying	·04565	21·91	
		Basic commercial selling	·06086	16·43	(1)
		Free	·02567	38·96	
Sweden	Krona		·1932	5·176	
Switzerland	Franc		·2333	4·286	
Syria	Pound	Free*	·2815	3·553	*Dec. 30
Thailand	Baht	Free	·04848	20·63	(1)
Turkey	Lira		·3570	2·801	
United Kingdom	Pound		2·8059	·3564	
United States	Dollar		·99969	1·0003	
Uruguay	Peso	Official	·6581	1·520	tax 6% (2)
		Principal buying	·6645	1·505	(1)
		Principal selling	·4760	2·101	
Venezuela	Bolivar	Official	·2984	3·351	
Yugoslavia	Dinar		·00333	300·3	(1)

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Argentina: Additional rates result from exchange retentions on export proceeds and surcharges on imports.
4. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
5. Bahamas, Bermuda, Jamaica.
6. 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.
7. Chile: Official rate applies only to most essential imports.
8. 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.
9. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
10. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
11. New Caledonia, New Hebrides, Oceania.
12. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
13. Indonesia: Basic rate applies to all 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.
14. Paraguay: Paraguayan exports subject to basic rates plus variety of exchange subsidies and surcharges.
15. Portugal: Approximately same rate for Portuguese Territories in Africa.



businessman's bookshelf

Review of Foreign Trade—First Half 1955

Dominion Bureau of Statistics. 71 pages. 50 cents.

THIS STUDY OF CANADA'S EXTERNAL COMMERCE shows our foreign trade reached a new peacetime peak of almost $4·3 billion in the first half of 1955. Tables in the book indicate that the United States remained our best customer, buying $1·2 billion of goods, a seven per cent increase by value over the same period last year. Our imports from the U.S. rose almost ten per cent, giving us an import surplus of $·4 billion.

The Canadian export balance with the United Kingdom grew markedly during this period, because the U.K.'s share of total Canadian exports increased from 15 per cent to almost 19 per cent, and its share of all our imports shrank from 10 to 8 per cent. We sold $385 million worth of goods to, and bought $183 million worth from, the U.K. in the first half of 1955.

This book shows the leading developments in Canada's trade during the first six months of 1955, plus the nature of our trade with leading countries and areas, our position in world trade, and the change in structure of our exports since 1926. The concise but detailed text is supplemented by 16 tables and charts.

Order from: Dominion Bureau of Statistics, Ottawa.

The Businessman's Guide to Britain

The Economist Intelligence Unit. 155 pages. $2.25.

INTELLIGENT AND LITERATE WRITING, humour, and a new approach make this guide outstandingly useful and unique among books of its kind. The approach taken by the writers is that a businessman planning to enter a new market has an advantage if he knows something of the character and temperament of the people he will be dealing with, and something of the historical background that made them, their economy, and their industries what they are today. In providing this information they subtly convey how to avoid stepping on toes.

More usual information is also given in handy form—how to travel in the United Kingdom, hints for travellers (tipping, passports, customs, etc.), information centres and travel associations in Britain and abroad, where to stay or to dine, where to hire a car or engage a secretary.

The opening chapter is headed, "What Is Britain?" and in answering its own question packs an amazing amount of information into a few pages, including a word picture of the average British businessman—if, as the writers put it, there is such a thing. The thirteen chapters which follow each cover a major economic area in Britain, including Scotland and Northern Ireland. The *Guide* has given thought to the businessman's leisure hours, too, and in each section mentions beauty spots and places of historical interest which can easily be reached in the few hours he may have for relaxation.

The *Businessman's Guide to Britain* is pocket-size, bound in a hard cover, and attractively printed on good paper. This reviewer, although not contemplating a visit to Britain for any purpose at the moment, succumbed to its fascination.

Published by: Clarke, Irwin Company Ltd., 103 St. Clair Street West, Toronto, Ontario.

Meet Japan, 1955
Meet Venezuela, 1956

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