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foreign trade

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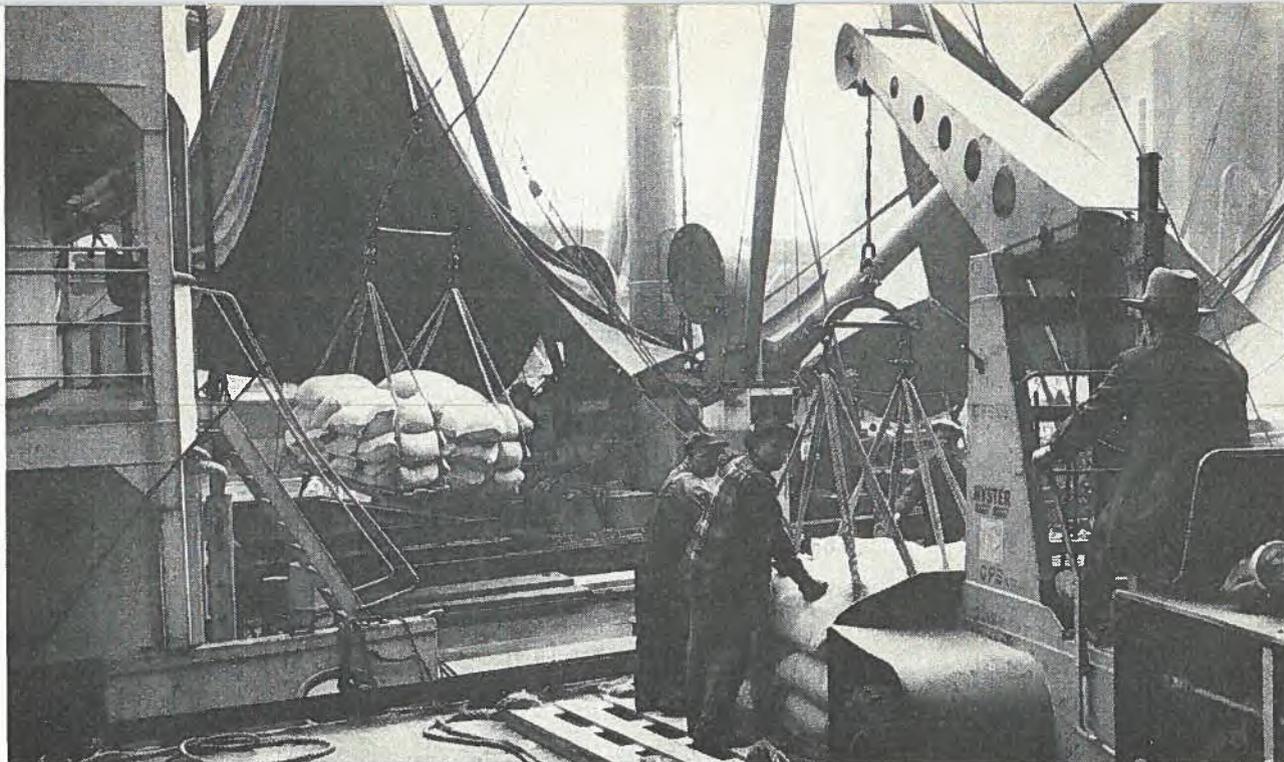
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COVER Apples grown in B.C.'s Okanagan Valley are loaded into freight cars to begin their long journey to export markets. On pages two to six, a Montrealer with broad experience in moving freight to foreign destinations advises exporters on shipping problems. — CPR photo.



—CPR Photo

The Mechanics of Export Shipping

Getting his goods to foreign markets in the cheapest and most expeditious way often involves the new exporter in seemingly complicated procedures. What these are and how they should be handled is the subject of this fifth article in our series on the techniques of export trade.

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THE CANADIAN EXPORTER who wishes to deliver his goods to points abroad has many means of transportation at his disposal. The methods he will use depend to some extent upon the nature of the goods, their destination, the need for speed, and so on.

The largest percentage of export traffic, both in value and in volume, comes under the heading of "freight shipments" and this deserves attention first.

When an exporter first is ready to move a shipment which is of a size to warrant sending by freight (this

can roughly be said to be any package or series of packages in volume exceeding 100 pounds), his first thought is how best to move the shipment. There is generally an obvious route via his nearest Canadian port of loading to destination. This will often be the ocean vessel's port of discharge in the country of destination. However, this may not be the quickest route and sometimes not even the most economical.

Rail and Ocean Rates

Rail freight rates in Canada are almost invariably charged in cents per hundred pounds or per weight ton. Ocean freight rates, on the other hand, are charged on all kinds of bases. They may be charged at so much per hundred pounds, per 2,000 lb., per 2,240 lb., per cubic foot of volume, per measurement ton of 40 cubic feet. Or—which is more involved—they may be charged on a rate at the option of the ocean carrier of so much per unit of measurement or weight, whichever may yield the greater return to the carrier. On goods of very high value such as bullion, currency, radium, and so on, freight rates are charged on a percentage of the declared value of the shipment.

The bases of weight or measurement of ocean rates are designed because a vessel has just so much cubic capacity and just so much weight capacity. In order to bring its earnings to the total required by the owners, the latter must be assured of such a total whether there is a preponderance in a given cargo of pig iron or of a commodity bulky but light, such as crated radios or men's hats.

How to Choose a Vessel

When the exporter reaches his decision on how the shipment is to be moved, the first thing to do is to contract for ocean freight space on a vessel which will load during a period when the shipment can be delivered at loading port. There are often up to a dozen different steamship companies loading freight vessels at a given port in Canada for the same destination. On the other hand, there are other trades which are served by only a single steamship line. Where there is a choice, the shipper, before booking freight space, should consider whether the loading date coincides with the date that the shipment will be ready, the speed of the vessel, the number of intermediate ports of call, and the route via which the ship will travel.

For instance, there may be a sailing for the Far East via the Mediterranean and the Suez Canal. Such a voyage might be much longer than that of a ship proceeding via the Panama Canal and the Pacific Ocean. Particular care must be exercised in choosing the most suitable vessel in trades where numerous ports of call are involved. One vessel might, for instance, make Montevideo her third port of call on the southbound voyage. Another, sailing a week earlier, might make Montevideo only after calling at half a dozen intermediate ports where delays can be extensive, and finally arrive many days later than the more direct ship.

Direct Shipping Preferable

It is often possible to book freight for a given foreign destination on certain vessels or steamship lines which will proceed to this port. In other cases, vessels or steamship lines may operate to the given port subject to transshipment at an intermediate one. If the exporter can be certain that transshipment will save time, this can be considered. But it is usually much better to have freight go forward on a vessel which will proceed directly to the port of destination, particularly if the goods might be damaged through secondary handling.

Speed of vessel is of great importance because though many of the older-type vessels still plod along at a steady 9 or 10 knots per hour, there are many fast modern ones which cruise at 16 to 20 knots and which can cut voyage times almost in half. The exporter

is not as directly concerned in this as the receiver abroad but this matter should be considered.

Booking Ocean Space

When the exporter, directly or through his freight forwarder, has decided on a certain vessel to carry his goods, he contacts the steamship agent and arranges for freight space by stating the quantity by weight and measurement of his shipment, specifying which vessel he has selected. The booking clerk of the steamship line takes full particulars and issues a steamship contract number or engagement note number, as it is sometimes called. This is followed by a written and signed engagement note or contract on which particulars of the shipment, the name of the vessel, loading port and dates, destination, and usually the ocean freight rate are all noted. It may also specify when delivery alongside vessel is required. (A very few lines do not issue written space contracts.)

There is always the danger of a shipper reserving or booking a block of ocean freight space and then not cancelling with the line in time to permit the booking of other freight to take its place. The line reserves the right to call on the shipper to pay for this unused freight space. The exporter should therefore be careful to book only the space which he can fill or to cancel the space not required.

Conference and Non-Conference Lines

A word on the question of Steamship Conferences might be useful. A "Conference" is an association of two or more steamship lines operating in the same trade who agree on a tariff of freight rates. There are certain trades where conference lines only are in operation. In other trades both conference lines and non-conference lines are in operation. Where there are conferences operating out of Canadian ports, they are usually in agreement with similar or affiliated conferences controlling the operations from U.S. North Atlantic ports. This is particularly true of the conferences of steamship lines operating from Canada to the United Kingdom, to Continental Europe, and to the Mediterranean.

Some of the conferences contract with a shipper on a yearly basis for all of his freight at a specified rate. If a shipper signs no contract, he must then pay freight on a somewhat higher basis under what is known as the "dual rate system". The payment to conference lines of the higher non-contract rate carries one benefit only—freedom to ship on non-conference steamers at a lower rate where it suits a particular shipper.

Non-conference lines are one or more steamship companies who either are not permitted by the conference

lines to join their ranks or who do not wish to do so. They are free to quote whatever rates they like.

Moving Shipments by Rail

At this point, the shipment is still at the factory or inland warehouse, but it has been booked for clearance on a specified vessel and is ready to be moved to sea-board. When shipments are being billed out from the point of origin by rail, the railroad bill of lading should show the destination of the goods, package marks, number of packages of a specified kind, the commodity (which should be carefully described in accordance with the railway tariff description), the weight, the name of the vessel for which the shipment is intended, and the steamship contract number. (Other documents needed, such as the export permit, the export entry to satisfy the Canadian Customs, and certain documents needed for shipments through U.S. ports are discussed in the articles on "Documentation" in the March 17th and April 14th issues.)

By far the largest proportion of freight is moved in what are known as "boxcars". These cars are used for freight which must be protected from the weather only; other freight which can be affected by temperature changes must be loaded in more specialized equipment. Fresh meats, vegetables, fruit, fish and similar perishables must be loaded in refrigerator cars, which look like boxcars but are heavily insulated and have ice bunkers in each end. These bunkers are filled with different mixtures of lump or crushed ice with salt and keep the temperature of the car down to a figure which preserves the products in good condition. The same refrigerator cars can be used in exactly the opposite way to protect vegetables or liquids from damage by low temperatures by installing portable heaters in the ice bunkers. These keep the temperature of the contents at a figure which protects against damage by frost.

For certain products such as extra length freight, lumber, automobiles, etc., it is necessary at times to ask the railways to supply cars of extra length. The normal length of the standard box car is 36' 6" inside measure. There are many 40' box cars which can be readily supplied, and others are even longer. Flat cars for heavy machinery, steel, rough lumber, pulpwood and other traffic not affected by the elements are used extensively. Gondola cars, largely for coal, stone or other bulk commodities and oil tank cars for all manner of liquids shipped in bulk are constantly available to shippers.

Ordering Railway Space

The next step is for the shipper to order from the railway agent the necessary car or group of cars required to move the shipment. (A carload movement

is usually 20 tons or more.) The shipper specifies what type and size of car is required and the car is placed within a few hours on the shipper's siding or on a "team-track" in the railway yard closest to the shipper's plant. Forty-eight hours' free time is granted by the railway company without charge for the loading of each car. Beyond that point the company charges demurrage. For carloading movements, it is usual for the shipper's own employees to load the car, and in this case, the railway company does not check the count of the cases or pieces into the car. A clause on the railway bill of lading or receipt is inserted "S. L. & C." or "Shipper's Load and Count". This is to preclude the possibility of the shipper or consignee making a claim on the railway company for shortage of a piece or pieces which the shipper himself loaded. The shipper must also brace or block the load in the car so that it will not shift and cause damage. This is done at his expense. When the car is completely loaded, the railway sends a man to place seals on the car doors. If these seals are intact on arrival of the car at sea-board, it is assumed that the car was not tampered with during transit.

Less than carload shipments are handled differently. The shipper either delivers to the railway freight depot or, in centres where the railways maintain cartage services, the goods are picked up by the railway truckmen at shipper's plant or warehouse. The railway trucker receives the goods, signs the bill of lading, and picks up the export entry, export permit and so on. He takes the goods to the freight depot where they are loaded in a car with other goods for the same port of loading. In this event, the loading of the cars, the blocking and bracing are done by the railway at its own expense and the railway also is responsible for all loss or damage to goods while they are in its possession, subject to the reservations on the bill of lading form.

From Rail to Ship

At Canadian ports the routine of transfer of traffic from the railway companies to the steamship companies is simple. At all Canadian ports the various steamers are allocated certain of the steamship sheds for the season or from ship to ship. This is solely controlled by the National Harbours Board. Generally, to avoid confusion, the Board through the Harbour Masters allocates vessels of the same line to the same sheds, but this does not always follow. It is therefore necessary for the steamship lines to "order" in freight (both carload and less than carload) to a certain designated shed for a certain date and time. At Montreal, for example, the National Harbours Board maintains its own railway system within the dock area and this moves the carloads or cars of less than carload freight to the sheds.

On arrival alongside the proper steamship shed, railroad cars are unloaded to the shed floor by railway freight handlers or longshoremen. The railroads pay for this service and generally include it in the export rail freight rate. Less than carload freight is trucked by railway trucks from the local freight terminal to the steamship sheds. If traffic moves under an export rail rate, other terminal expenses such as wharfage charges due to the National Harbours Board are included. If it is not moving under an export rate, the shipper must arrange to pay these charges directly.

Wharfage Charges

Wharfage charges are assessed on a weight or on a measurement basis, according to the ocean freight rate applied. There is a wharfage tariff listing rates on a limited number of commodities but the general rate is 50 cents per ton of 2,000 lb. or 40 cubic feet, as carried by the steamship company. If this wharfage is payable by the shipper and not through the rail delivering carrier, the shipper must prepare his own "Wharfage Ticket", a small square form issued by the Harbours Board, take it with a copy of the bill of lading (ocean) and the money to the Wharfage Office. If this is not done within 30 days the office sends the shipper a ticket or account with a penalty of 25 per cent tacked on. Wharfage and other charges assessed by the National Harbours Board are used to maintain harbour properties.

Delivery to Vessel by Truck

A great deal of traffic is delivered to the sheds by inland water carriers and by trucks, both local or long distance. In this case, steamship checkers are on hand to check and receive the freight. Trucks are supposed to carry sufficient men to unload their vehicles and place the freight where the steamship checker indicates. As it is unloaded from the truck, the pieces are counted and if the count is correct, the trucker gets a receipt from the checker. This is called a "dock receipt" and shows the shipper's name, the number of cases or pieces, the commodity, the shipping marks, the weight or the measurement. Because weighing facilities are not available in the steamship sheds, the shipper's or railroad weight is usually taken. Measurements, however, are usually taken or at least checked by the checkers. This dock receipt is a receipt from the steamship company and must be surrendered with the ocean bill of lading which is also a receipt. When the shipper receives the ocean bill of lading, he then has the steamship company's final receipt for the goods and has no further use for the dock receipt.

Certain shipments are moved from Canada through West Coast ports. Vancouver, of course, carries the

largest volume of freight and here the handling procedure is largely the same as in the East.

Deck Cargo

Certain types of freight can be loaded on the decks of steamers without encountering damage during ocean transit. This is true of certain freight packed in drums, rough lumber, heavy freight or large dimension freight which simply cannot be loaded in the holds. Great care is taken to see that this deck cargo is firmly braced by timbers and lashed with steel cables or straps to prevent shifting during the voyage.

Express and Parcel Post

So far we have been dealing with the routine followed in the moving of export traffic by freight which, of course, takes care of the bulk of the export traffic. However, there are other means of moving certain specialized types of high-value freight where speedy delivery is more important than economy. First among these is movement of export traffic by express through to destination. The express companies operating in conjunction with the steamship lines and representatives will send their truckers to a shipper's warehouse in Canada to pick up a shipment and give a receipt at that time for the delivery to certain foreign destinations. Not many destinations abroad can be served in this manner. If the destination is one which the express company can serve, it will call at the shipper's premises for the package or packages, and will pick up the necessary export entry, export permit (if required), pro-forma or customs invoices and/or certificate of origin, depending upon destination. Relatively little export traffic moves in this manner.

Another means of moving commercial shipments abroad is by ordinary parcel post. This method is used rather extensively on high-value traffic with low weight. Export entries must be surrendered with the parcels to the Post Office together with the export permit, if needed. A customs declaration form must also be completed and affixed to the outside of each package. In using this method, the shipper dispatches directly to the consignee any customs invoice or other documents which he will need to clear the package at destination. These documents are not usually enclosed in the package nor affixed to the outside.

Mexico and Central America via Rail

One last means of moving freight to foreign countries is by ordinary rail freight or express. Freight can be moved to Mexico and also through Mexico to certain countries in Central America. This traffic can go by ordinary rail freight from shipping point in Canada and also by express. Whenever freight is moved to points in Mexico or beyond to Central America, it

is usual to consign the shipments to a customs broker at the U.S.A./Mexico border and the ports of entry are normally El Paso or Laredo, Texas. All freight or express is transferred at the border point into Mexican rail equipment and the broker, for traffic destined to Mexico, will clear the shipment into Mexico for account of the receiver. To do this, all he needs is ten certified copies of the shipper's commercial invoice.

For traffic for movement through Mexico, the same broker at the U.S.A./Mexico border will attend to the

necessary bonding arrangements through Mexico. The entry into final country of destination, of course, is the affair of the ultimate consignee.

Many other things must be considered in shipping goods abroad—such as documentation, marine insurance, export permits, credits, and so on. These have been or will be covered in other articles in this series. So too will the services provided by a freight forwarder, particularly when the goods must move through New York or other U.S. ports.

ITALY *improves its living standards*

Beginning with food, now more varied and nutritious, Italians are living better today and buying more of the "necessary luxuries". Market for consumer goods from dollar area poor because of exchange and balance of payments problems, but domestic manufacture under licence has possibilities which Canadian producers might consider.

SHIRLEY G. MACDONALD, *Commercial Counsellor, Rome.*

THE AVERAGE ITALIAN'S STANDARD OF LIVING has risen astonishingly during the last ten years. Today it has reached a level that is not only far above that of the immediate postwar days but even above that of the best prewar year. This higher standard, despite persistent unemployment and inflation during and just after the war, is largely the result of a very great increase in salaries. Today the average Italian's real income is more than 25 per cent higher than in 1938. The buying power of the minimum wage of a worker with a family has increased by 50 per cent in the agricultural field, by 36 per cent in industry, and by 30 per cent in transport. All other fields have also shown increases.

Consumer credit has played a steadily more important role in the continued rise in consumption. This is not due so much to the introduction of North American merchandising methods (rapidly becoming more general) as to the Italians' enthusiastic adoption of the North American way of life, particularly the use of labour-saving household appliances. Instalment buying, which used to be largely confined to the sale of radios, has now spread to television sets, refrigerators, washing machines, vacuum cleaners, electric kitchen

equipment, automobiles and motorcycles. Prewar, many of these were within the reach of only a very small proportion of the population.

This new buying trend is illustrated by the following comparative percentage breakdown of family spending compiled by the Italian Government: in 1938, 56 per cent of the Italian family's income was spent for food, 4.5 per cent for tobacco, 15.1 per cent for clothing, 9.6 per cent for housing, 1.8 per cent for travel and 0.7 per cent for entertainment. In 1954, the figures were: food, 53 per cent, housing 2.3 per cent, transportation 5.8 per cent and entertainment 5.5 per cent. In part, these changes in spending reflect the rise in income (the lower the income, naturally, the more of it has to go for food) but they also show a shift in consumer spending.

Diet More Varied

One of the most striking improvements in the Italian living standard has been in basic diet. Consumption of low-calorie cereal foods, which in the past formed the major part of the Italian diet, has steadily declined and more and more sugar, milk and fresh fruit are being eaten. Taking 1934-1938=100, the per capita

consumption in 1954-1955 of sugar was 225·6, of fresh milk 145, and of fresh fruit 241·5. Thus the Italian diet, though it is still low in protein (especially in some depressed areas), has become more varied and better balanced. Special measures taken by the Government to aid the South in the past several years are showing results: the Southerner's diet has improved in both quality and quantity, and at a higher rate, than that in the already relatively well-fed northern provinces.

Development in the South

For centuries the South has been the most backward area in the country. During the last few years—especially since 1950—large-scale Italian Government projects have been initiated there, some of them bolstered by loans from the World Bank. As a result of these government measures to stimulate economic activity, the improvement in the southern provinces has been dramatic. Agricultural production methods and communications have been improved, some light industries have been set up, and with the building of a number of excellent tourist hotels and hostels the area has been opened up to the tourist trade. One example of the effect of this increasing business activity on the way of life of the southern people is the growing number of motorcycles and motor scooters on the roads—between 1950 and 1953 their number has almost tripled. Also, the number of radio and motor car owners has increased by 60 per cent, moving picture ticket sales have gone up 51 per cent, and 60 per cent more of the people have telephones.

More Italians Take to the Road

Another sign of the better times throughout Italy is the increase in travelling. Before the war only a very small portion of the population went away from home for the weekend but now the roads are clogged with travellers. The excellent modern road and rail network has contributed to this new trend, as well as the vast increase in privately owned motor cars, motorcycles and motor scooters. More than two million of the smaller-type motorcycles and scooters are on the Italian roads today, compared with 127 thousand in 1938. At the same time, the number of private cars has more than doubled—700 thousand compared with 345 thousand in 1938.

The upswing in travel, aided by radio and television and the availability in the past five or six years of bottled gas for cooking and heating, has brought the country and city dweller closer together. Communication between the rural and urban areas has also been improved by the rise in the number of telephone subscribers from 181,640 in 1925 to more than 2,030,000 today; more than 90 per cent of the telephones in use today are automatic.

The steady, rapid increase in living standards in both northern and southern Italy, beginning with the basic foods, is giving impetus to a broader range of manufacturing in the country and sales of consumer goods are extending further into the medium and low income brackets. With existing exchange and balance-of-payments problems, the Italian market for a large variety of imported consumer goods does not offer very great possibilities for imports from the dollar area. However, with domestic demand growing for products within this general category, there are opportunities for sales of a wide variety of items manufactured domestically under licensing or royalty arrangements. A number of United States and Canadian firms are exploring this field.

Mexico Doubles Cordage Exports

A measure of Mexico's progress towards industrialization is the rapid growth of cordage manufacture. Some 60 plants, many of them small, have been established in Merida in the centre of the henequen growing area of the Yucatan Peninsula. A few years ago almost all the henequen grown there was exported in its natural state, but last year the cordage industry consumed more fibre than was grown. Gross income from cordage exports last year approached \$15 million. The United States is the principal customer, but Canadian purchases are increasing rapidly and steady markets are being developed in Western Europe.

According to the National Bank of Foreign Trade, exports of henequen products have doubled during the past three years: 32,200 metric tons were shipped in 1952-53 and 45,600 metric tons in 1953-54. In 1955, sales abroad reached a total of 64,193 metric tons, 50·3 per cent of which was baler twine, 16 per cent binder twine and 25 per cent wrapping twine. The remaining 8·7 per cent represented sacks, filters and cloth made of henequen. Thus exports in 1955 were 40·7 per cent larger than in 1953-54 and almost double the 1952-53 figure. Sales of baler twine alone increased by 229 per cent over the 1952-53 level.

Although there is a steady demand abroad for raw henequen fibre, the local cordage industry will take more and more for some years to come. The industry used some 27,000 bales from stock last year, and this year has contracted to buy the entire production of the "ejido" (communal) plantations which will amount to about 385 thousand bales.

Japan Makes Encouraging Progress

First quarter of 1956 saw gains made last year continuing. Favourable trade balance in '55 and healthy foreign exchange reserves good signs. Trade with Canada continues to grow.

J. L. MUTTER, *Commercial Counsellor, Tokyo.*

W. G. PYBUS, *Commercial Secretary, Tokyo.*

IN THE FIRST QUARTER OF 1956 Japan continued to enjoy the high level of economic activity which characterized 1955. Last year's record postwar production is being maintained and in some cases exceeded and an unusually good harvest has cut down the import bill. In spite of numerous voluntary export restrictions, Japan's export pattern for this year is developing favourably, following a year of greatly increased exports which saw the Canadian-Japanese trade gap considerably narrowed.

The fact that a balance-of-payments surplus of \$494 million was achieved last year has led to some minor but encouraging steps towards an easing of exchange restrictions. By Canadian standards Japan's domestic economy is far from prosperous, but there are many signs that this resource-poor country is at least holding its own in the desperate battle of maintaining and

improving the standard of living for its rapidly increasing population.

Production and Efficiency

The 1955 production index (base 1950=100) for the mining and manufacturing industries reached 201.9, an increase of nearly 9 per cent compared with 1954. The manufacturing industries index alone, at 218.1, showed a 10 per cent increase over 1954. By commodity groups, production indices in 1955 compared with 1954 advanced 60 per cent for steel ships, 35 per cent for secondary textile products and pharmaceuticals, 24 per cent for chemical fibres, 19 per cent for primary iron and steel and for petroleum products. Machinery, lumber, and secondary iron and steel products reported a decrease in output, largely as the result of materials shortages. Cotton yarn production during 1955 totalled 923 million pounds, a decrease of 10 per cent compared with the previous year. Spun rayon yarn output of 411 million pounds advanced 27 per cent over 1954.

Japanese government and industry are increasingly concerned about the problem of relating production to export demand. A good example of this is the textile industry. The sales resistance which Japanese textiles are meeting in Canada, the United States, and other areas has led to serious efforts to curtail production



A vessel built in Japanese shipyards for a foreign customer is made ready for the launching ceremony. Shipbuilding received a stimulus recently when interest rates on loans to shipbuilders were cut by Japanese bankers to 10 per cent.

and at the same time increase efficiency. Japan has 130 cotton spinning mills operating a total of approximately 8 million spindles; 88 of these mills each have less than the 30,000 spindles considered the absolute minimum for efficient production. Government and industry are hoping to weed out the small operators and establish a minimum of 50,000 spindles per plant without increasing the present total production.

Investment

Increased industrial production in 1955 was not accompanied by increased investment. Investment in industrial equipment, including ploughed-back profits, declined 16 per cent in 1955 from the \$1.96 billion of 1954. This decline is interpreted as a consolidation period, with the firms repaying bank loans before expanding further. Estimated investment figures for the first quarter of 1956 show that an increased investment trend which began in late 1955 is continuing.

The high rates of interest which Japanese industry has been paying on borrowed funds started to move downward in 1955. Interest rates on loans callable at one day's notice averaged 5 to 6 per cent. The Japan Bankers Association in January 1956 agreed to lower money rates on shipbuilding loans to 10 per cent and at the same time the Industrial Bank of Japan lowered the rates on long-term loans to 9.85 per cent. Rates are still comparatively high, but the downward trend is welcomed by Japanese businessmen and reflects generally improved economic conditions.

Balance of Payments Favourable

In spite of a reduction in the United States offshore purchases, Japan achieved a 1955 surplus of \$494 million on her international balance of payments. This compared with \$99 million in 1954, and was the largest of the postwar years. To some extent this surplus was the result of a large increase in deferred import payments, both in dollars and sterling. However, even when these are deducted, the surplus totals an impressive \$325 million.

Japan was in surplus with each of the three trading areas, (dollar, sterling and open account) into which she divides the world. Taking into account her repayment in December of \$60 million borrowed from the International Monetary Fund in 1953, and excluding amounts owed her by Indonesia, Korea and Argentina, the foreign exchange reserves now exceed \$900 million.

Foreign Exchange Budget Announced

This improvement in the balance of international payments and the increase in foreign currency reserves is reflected in Japan's foreign exchange allocations, announced March 31, for the first half of the fiscal

year 1956, ending September 30. The allocations total \$1,886,606,200, of which \$1,543 million is earmarked for imports of merchandise. This is the first time that the budget for the import of goods for a half-year period has exceeded \$1,500 million. When the import budget for the second half of fiscal 1956 is included, the total for the whole year is expected to reach \$3,050 million, an increase of \$430 million over 1955. The budget is aimed at obtaining sufficient raw materials for the anticipated expansion of the national economy and trade, and at checking a possible rise in domestic prices.

In another move towards trade liberalization, the Government has decided to add a number of important import commodities to the Automatic Approval System. These include iron ore, wool and cotton waste, lumber, copper scrap (from non-dollar areas only), pine resin (non-dollar areas), chemicals, medicines, paraffin, and over 50 minor items listed as miscellaneous goods. Allocations for automatic approval imports for the first half year will amount to \$230 million.

Notable characteristics of the budget are:

- The all-round increase in allocations for vital raw materials for industrial production which, spurred by brisk export and domestic demand, are expected to increase by 7 per cent over 1955.
- The larger amounts earmarked for foodstuffs and other consumer goods in an effort to suppress a possible rise in prices in the home market.
- The more positive policy on imports from dollar areas which have hitherto been made mainly with an eye to saving dollars.
- The restriction of imports of non-essential goods to products which have to be imported by virtue of trade agreements with other countries.

Major import items for the first half-year have been decided as follows:

Rice	510,000	tons
Wheat	1,200,000	"
Sugar	560,000	"
Soybeans	310,000	"
Lumber	26,000,000	cu. ft.
Beef tallow	75,000	tons
Hides and skins	34,000	"
Raw cotton	1,120,000	bales
Raw wool	400,000	"
Coal	1,860,000	tons
Iron ore	4,280,000	"
Scrap iron	580,000	"
Crude oil	39,000,000	bbls.

Details of the amounts for various categories of goods to be obtained from the dollar area, sterling area and open account countries have not been announced, but the statement below shows how the

total budget is broken down (first half fiscal 1955 included for comparison):

Items	(Unit: \$1,000)	
	First half fiscal 1956	First half fiscal 1955
Foods	300,258	290,069
State monopoly goods (salt and tobacco)	9,503	7,077
Lumber	17,789	11,297
Raw materials for daily necessities (hides, skins, fats, resin)	30,127	22,044
Textile raw materials	327,792	260,408
Fertilizers and raw materials therefor	29,130	19,673
Coal	45,998	28,543
Iron and steel raw materials (coal excluded)	102,492	51,050
Non-ferrous metals and ores	49,335	13,449
Petroleum	93,318	66,898
Chemicals and chemical materials	4,089	1,662
Medicines and agricultural chemicals	2,927	3,551
Machinery and metal goods	129,200	33,032
Raw materials for processing	32,000	25,000
Barter imports	10,000	12,000
Goods delivered to U.S. Army	5,000	8,510
Re-export goods	1,000	700
Miscellaneous	73,042	47,037
Automatic approval imports	230,000	155,000
Reserves	50,000	50,000
Total	1,543,000	1,107,000

Japan is currently negotiating trade agreements with several countries and will not apply the revised Automatic Approval System until the trade policies of the foreign countries concerned are known.

Dependence on U.S. Market

In spite of the excellent progress which Japan is making in economic rehabilitation through increased commodity exports, it is significant that U.S. offshore purchases and financial aid amounting to \$627 million exceed the favourable payments balance. Some observers are also concerned about the degree to which Japan's commodity trade depends upon the U.S. market. In 1955 about half of her export earnings of \$2 billion came from the dollar area and in the main from the United States. If for any reason this buoyant market should contract, Japan would be in an awkward position.

In view of this somewhat precarious world trading position, steps towards the easing of exchange controls are hesitant. However, recent moves to allow certain Japanese trading companies to hold working balances of foreign exchange and a slightly more generous attitude towards the remittance of money overseas from Japan are encouraging indications of a move towards trade liberalization.

Trade Balance Improves

Japan's 1955 exports exceeded \$2 billion in value, an increase of 24 per cent over the previous year.

Exports to the dollar area (particularly to the United States) advanced to \$760 million, up almost 50 per cent compared with 1954. Japanese exports to Canada in 1955, at \$36.7 million, were almost double the 1954 figure of \$19.2 million. Sales to nearly all countries in the sterling area increased, with exports to Hong Kong for re-exporting to Indonesia and Korea up to \$91 million, an increase of 20 per cent over the previous year. Japan's exports to open account countries—Argentina, Egypt, Finland and Sweden—showed substantial increases. Exports to Communist China amounted to over \$31 million, or just about double the 1954 figure.

The steadiest export increases throughout 1955 were shown by steel products (\$318 million), non-ferrous metals (\$74 million), animal and plant products (\$35 million), and forest products (\$85 million). All of these increased by about half over the preceding year.

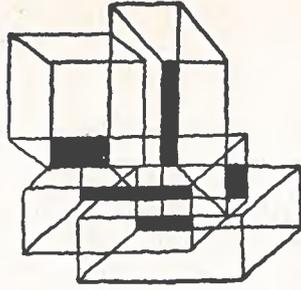
Population Pressure Continues

In order to gain some perspective of Japan's economy as a whole, it is necessary to view the domestic base upon which the striking improvements in external trade rest. A competent Japanese observer recently described the current relatively prosperous conditions as "a solitary flower blooming abortively in a vast plain of poverty". Although this statement tends to ignore the great improvements which have taken place in recent years, it does perhaps describe the long-term problem of attaining a better standard of living for a growing labour force.

Japan's population has almost reached the 90 million mark and is increasing at the rate of 1½ million a year. These people are crowded into a land area about the size of Newfoundland. The cultivated land area, about one-fifth of the total, compares in size with Lake Huron. The Japanese labour force is estimated at over 40 million. Although totally unemployed persons numbered only 700 thousand at the end of 1955, the Japanese Economic Planning Bureau estimates that approximately six million are under-employed or working for excessively low incomes. Continued rationalization of industry to improve the country's competitive position aggravates the employment problem and there is no immediate or easy solution.

Outlook

Given continued prosperity throughout the western world, it is expected that Japanese economic growth will continue at the high level established in 1955. In spite of minor setbacks in some commodities, export trade is likely to establish new postwar records by the year's end. But, although Japan continues to lead the Asian countries in living standards, the problem of the increasing strain upon limited resources still remains acute. ●



commodity notes

Brazil

COFFEE—Official figures on coffee exports during February show a total of 1,838,277 bags, of which 1,200,592 were shipped to the United States. Exports during the first eight months of 1955-56 crop year (July-February) totalled 11,601,426 bags, 67 per cent higher than in the same period of 1954-55. It is possible, therefore, that total exports in 1955-56 may go as high as 16 million bags because lower exports during the first half of March may be compensated for later by increased demand resulting from lower prices—São Paulo, April 4.

France

PAPER—French production of newsprint in 1955 amounted to 303 thousand metric tons and of other papers approximately 1,447,000 tons, giving a total paper production of approximately 1,750,000 tons. This is a 6 per cent increase over the 1,656,000 tons produced in 1954. Of the 1955 total, 916 thousand tons were produced during the first quarter of the year and there was a considerable fall-off in production during the remainder of the year, with the result that there is now some question whether the full capacity of the industry will be used during 1956. Forecasts for pulp production are more optimistic—production of all types is expected to reach a new peak of 800 thousand tons. In 1955, production ran at a level of 750 thousand tons, compared with only 350 thousand tons before the war—Paris, April 5.

Israel

SEAMLESS STEEL PIPES—Production will, reportedly, begin shortly of seamless steel pipes from three-eighths to five and a half inch diameter of any desired thickness and finish; part of the planned production will be galvanized. This industry has been producing welded pipes of two to six inches in diameter for the past three years. In full operation, production of both the welded and seamless steel pipes and tubes plants should eventually reach 50,000 tons a year. Domestic requirements of all the types and sizes for irrigation, building, industry and fuel have been estimated at some 30,000 tons a year, which indicates an eventual surplus for export—Athens, March 28.

APRIL 28, 1956

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Jamaica

STEEL CASTINGS, NAILS—A Jamaican firm, in which some English capital is invested, has been granted concessions under the Pioneer Industries (Encouragement) Law, to set up a steel castings plant. It is now under construction. Similar concessions have been granted to another local firm for a factory to produce wire nails, fence staples and tacks. Both will sell their output in the local market, but there will be practically no effect on Canada's export trade to Jamaica because imports of these items come mainly from the United Kingdom and Europe—Kingston, March 30.

Japan

IRON AND STEEL—According to the Japan Iron and Steel Federation, exports of iron and steel products for 1955 established a postwar record of 2,099,000 tons worth \$275 million. Corresponding figures for 1954 were 1,253,000 tons and \$177 million, and for 1953, 866 thousand tons and \$143 million. Principal items were steel, 1,015,000 tons; semi-finished products, 366 thousand tons; galvanized sheets, 281 thousand tons and secondary products 248 thousand tons. Best markets in 1955 for these exports were Argentina 562 thousand tons, India 296 thousand, Australia 128 thousand and the United States 127 thousand. Canadian imports of Japanese iron and steel products in 1955, including bar, plates, sheets and pipe casing, were valued at about \$6 million—Tokyo, March 28.

Mexico

PAPER AND CARDBOARD—Insulating and industrial papers and cardboard will be manufactured, at an initial annual rate of 3,600 metric tons, at a Mexican plant which will go into production this year. Half the investment of \$1.2 million is being made by the Federal Government through its agency Nacional Financiera, and the remainder by Industria Fibre e Cartoni Speciali of Italy—Mexico, D.F., April 2.

Norway

FURS—The third Oslo fur auction (which opened on February 21) was, as usual, the last important sale of minks this season and most of the blue foxes and silver foxes originally offered were withdrawn.

The mink market, however, was firmer than expected and the somewhat lower average prices fetched were the result of slightly poorer quality. About 94 per cent of the 43,888 standard minks offered were sold at an average price for males of kroner 118 and for females of kroner 74. Some 19,665 pastel minks were put up, of which 90 per cent of the males and 96 per cent of the females were sold at average prices of kroner 188 and kroner 114 respectively. Quite small collections of silver blues and sapphires were offered—Oslo, March 30.

Sweden

PLATEWORKING MACHINE—The General Export Association of Sweden reports that a new model plateworking machine has recently been introduced. It is a universal tool for cutting and shaping all types of sheet metal. Special features of the new machine are eight different lengths of stroke between 1.5 and 6.2 mm., 13 mm. steel lift with intermediate positions, simpler and more accurate adjustment of tools, and increased stability. These machines are exported to 48 countries, with the leading purchasers the United States, the United Kingdom, France and Australia—Stockholm, April 6.

WOOD PULP—It is estimated that Swedish production of chemical pulp in 1955 totalled about 3,010,000 tons compared with 2,830,000 tons in 1954, an increase of 6 per cent and a new Swedish record. Production of sulphite pulp last year is estimated at 1,660,000 tons compared with 1,550,000 tons in 1954, and of sulphate pulp 1,360,000 tons compared with 1,280,000 tons.

Total production figures for mechanical pulp (for sale and for domestic requirements) are not yet available, but according to estimates the production of wet and dry groundwood pulp for sale amounted to about 400 thousand tons, compared with 375 thousand tons in 1954. Exports of mechanical pulp in 1955 reached 385 thousand tons, an increase of 27,000 or 7½ per cent over 1954—Stockholm, April 6.

United Kingdom

RADIO, TV SETS—The credit squeeze has severely affected the UK radio and television industry. Figures just issued show that output of all types of radios in February was 158 thousand sets compared with 181 thousand in February 1955 and 151 thousand in January 1956. Television set production in February, at 122 thousand, was 18,000 less than in January.

Domestic sales of radio sets, including gramophone combinations, totalled 81,000 in February compared with 84,000 in the previous month, and down sharply from 132 thousand sets in February 1955. Both January and February television sales of 85,000 and

81,000 sets respectively were 17 per cent below those in the same months of 1955—London, April 11.

MACHINE TOOLS—In 1955 the British machine tool industry received orders valued at £96.4 million, of which £75.1 million were domestic and £21.3 export orders. Deliveries by the industry during the year totalled only £75.1 million, so that order books lengthened and by December 31 were valued at £100.2 million—15 months' output at current rates—London, April 11.

United States

BUILT-IN DUCK BLIND—A duck blind that fits into a folding boat has been developed by a Massachusetts firm. It permits the hunter to retrieve his game easily and to move from one location to another with changing conditions. The boat weighs 24 lb. with chair and oars; the blind weighs 10 lb.—Boston, April 11.

West Germany

RADIOS—The Federal Republic is once more the world's largest exporter of radios, according to a statement made by the sales manager of one of the largest German radio producers. Only 57 per cent of last year's production of three million radios was sold at home, compared with 80 per cent in 1953. This loss in the home market was, however, more than offset by exports to 57 countries. Even the American market was opened up for high-quality radios. One-third of all sets exported were in the under DM200 price group especially preferred in Great Britain.

About 30,000 of the 350 thousand television sets produced in 1955 were exported. A total output of 500 thousand to 600 thousand television sets is expected this year—Bonn, April 10.

SOFT COAL—In 1955 West German soft coal production reached 90.32 million tons, compared with 87.81 million in 1954; the Rhineland was the main mining area, followed by the Helmstedt district, Hesse and Bavaria. As reported by the German Soft Coal Industry Association, West German briquette production during 1955 reached 16.43 million tons, against 16.67 million during 1954—Bonn, April 10.

Zanzibar

CLOVES—Production of cloves in Zanzibar, the world's main source of this spice, averaged 13,650 tons worth £4 million in the period 1950-54. Output in 1955 was slightly higher than that of the previous year but, because of lower prices, value of the crop declined to £3.95 million. This year's crop is expected to be a good one—Salisbury, March 29.

Swiss Chemicals: Exports and Imports

Chemicals account for about 16½ per cent of total Swiss exports, with emphasis on high-quality proprietary products. But country also imports various types of chemicals, and Canada has share of this market, especially in pharmaceuticals.

N. W. BOYD, *Assistant Commercial Secretary, Berne.*

THE SWISS CHEMICAL INDUSTRY holds an important position in the economy. Although virtually all its raw materials must be imported, (Switzerland has no metals, oil or fuels), this integrated industry has accounted for 13 to 18 per cent of the country's total exports during recent years. In addition, it has a worldwide network of well-established subsidiary companies which add substantially to its invisible balance-of-payments returns.

The beginnings of the Swiss chemical industry are closely linked with the textile and especially the silk ribbon industry, in and around the Rhine port city of Basel. The first important production sector, which is still the leader, was dyestuffs, which were first made between 1860 and 1870. Other major groups are industrial chemicals, pharmaceuticals, vitamins and dietetic food specialties, textile auxiliaries, insecticides and fungicides, synthetic perfumes and cosmetics, and, more recently, plastics and synthetic fibres.

Switzerland is also an important market for a range of imported chemical products; chemical imports total more than \$100 million a year. Primarily these consist of heavy chemicals, those based on coal tar, and petrochemicals but they extend into the more highly manufactured field. Canada is finding an increasingly important place as a supplier of Swiss needs.

Types of Chemicals Made

With a total labour force of some 25,000, the Swiss chemical industry produces almost exclusively finished high-quality specialties, often known throughout the world under protected proprietary names. By and large it does not turn out mass consumption chemicals

requiring cheap base materials, because the latter have to be largely imported.

Most of Switzerland's chemical industry is located in Basel or nearby. This is particularly true of dyestuffs which are made largely by five producers in the old Rhine city. This sector currently employs some 6,200 people. Production is based upon tar derivatives (mainly imported) and includes several thousand items. These dyestuffs, known for their high quality, are purchased by many countries. The textile industry is naturally the largest buyer, followed by the leather, paper, printing ink, varnish and plastics industries. The relative share of the dyestuffs industry is declining, however, compared with the increasing pharmaceutical and insecticides production and exports.

Younger than the dyestuffs industry, the production of industrial chemicals has been concentrated on fine products which do not depend too much upon direct



A scene in the research laboratory of one of Switzerland's chemical firms. Estimates are that private companies in the chemical industry spend at least Sfr.50 million a year in developing new products—an investment that brings results.

raw material sources. In the inorganic field, the Swiss industry tends to be orientated towards the domestic market and largely satisfies requirements for alkalis, the principal acids and explosives. Based on Switzerland's one sufficient and relatively cheap resource, hydro-electric power, certain electro-chemicals, (including the important group of products obtained by the electrolysis of sodium chloride and imported potassium salts) are also widely made.

Pharmaceuticals and Insecticides

Pharmaceutical specialties and drugs are perhaps, with dyestuffs, the principal pillars of Switzerland's chemical structure and in most cases the same firms work in both sectors. With the exception of one major company in Berne, this industry is again largely located in and around Basel. Employing some 8,000 people, it is concentrating more and more on ready-for-sale specialty drugs rather than on semi-processed products. Particularly important are hormones, alkaloids and glycosides, chemotherapeutic products, heart, circulation and sleep preparations, anti-rheumatic reagents, vitamins, dietetic

specialized products which have acquired a world-wide reputation and looks largely towards the export market.

Plastics and synthetic fibres have been produced in Switzerland only recently but today output is increasing. Domestic requirements of vinyl and alkyde resins tend in the main to be met by the local industry, which is estimated to have an annual production capacity of some 25,000 tons for synthetic resins only. Although no absolute figure is available, investment in this sector seems to be particularly high, suggesting that, in the long run, imports of plastics and synthetic fibres may decline. Total demand is, however, rising rapidly.

Research Emphasized

A review of Switzerland's chemical production cannot overlook the emphasis put on research. At least Sfr.50 million are spent every year in Switzerland from private sources for laboratory scientists, doctors and other technical personnel engaged in developing new products. The pharmaceutical industry alone invests about Sfr.30 million a year in scientific research. The particu-

Exports of the Swiss Chemical Industry

(*'000 Sfrs.*)

Year	Dyes and colours	Pharmaceuticals	Other chemicals except ammunition	Total exports of chemicals except ammunition	Percentage of total Swiss exports
1938	83,399	46,929	45,836	176,164	13.4
1947	231,418	171,501	168,865	571,784	17.5
1951	278,702	271,445	237,385	787,532	16.8
1952	181,122	275,990	184,517	641,629	13.5
1953	236,893	305,419	182,560	724,872	14.0
1954	299,222	363,261	235,580	898,063	17.0
1955	272,842	386,665	268,045	927,552	16.5

food specialties and so on. In various sectors the large companies concentrate on different research fields, thus avoiding duplication and uneconomic competition. Some 90 per cent of pharmaceutical production is exported.

Switzerland's insecticides and fungicides industry, which dates from between the two wars, developed rapidly in conjunction with the intensive cultivation of Swiss farm land and the high degree of chemical research. Certain efficient insecticides such as DDT products originated in Switzerland. This industry continues to progress and is assuming a more important export position.

Other Lines

Geneva and vicinity has attracted the synthetic perfumes, flavours, and cosmetics industry. These products are as a rule manufactured synthetically from tar derivatives, etheric oils and animal substances. Again in this field Switzerland concentrates on highly

lar accent on the production of protected specialty products is one of the major reasons for the success of the industry in world markets.

Exports Loom Large

Three-quarters to four-fifths of Swiss chemical production is exported. In spite of occasional declines in certain sectors (such as in dyes and colours heavily dependent upon economic developments in the textile industry), these exports have made consistent progress during the past ten years and, with a value of Sfr.927.6 million in 1955, accounted for 16.5 per cent of the country's total exports.

Switzerland's principal markets are West Germany, France, Italy, the United States, the United Kingdom, and BLEU. The virtual disappearance of East European and certain Far Eastern markets has given greater importance to the North and South American countries which are systematically receiving the increased attention of Swiss companies and their branch organizations.

Expansion efforts have been made in the Near East, on the African continent and in Australia. Swiss sales to Western Europe increased considerably during the past ten years, thanks to liberalization measures taken in OEEC member countries. But despite the efforts to broaden the base of multilateral trade, the Swiss industry has found it necessary to transfer various phases of production branch plants abroad.

Branch Plants and Subsidiary Companies

For many reasons the Swiss chemical industry has developed subsidiary organizations throughout the world. The process of establishing branch production facilities was accelerated after 1920 and again during the past ten years to the point at which manufacture abroad by Swiss interests is estimated to employ a labour force of 50,000—twice that employed in Switzerland. There are approximately 120 foreign affiliated production firms; twenty fairly large ones are in the United States. Estimates place the turnover of these latter subsidiaries at between \$160 and \$170 million a year, with pharmaceuticals in the lead. Three leading Swiss firms have well-established manufacturing facilities in Canada. In addition to the long-standing manufacturing units in West European countries, the industry has recently undertaken to set up subsidiaries in India, Pakistan and Australia. All companies abroad tend to be closely associated with and supervised by the parent Swiss chemical firms, both financially and technically, and the production program is co-ordinated.

Swiss Market for Chemicals

Industrial and consumer demand for heavy chemicals, chemicals based on prime metal, and petrochemicals, is largely satisfied by imports. In addition, film, photographic chemicals and antibiotics are not made in Switzerland, and synthetic plastics are made in insufficient quantities, so that these fields offer an appreciable market for foreign chemical producers, including Canada. Between 1953 and 1955 imports of chemicals and related products rose from Sfr.237 million to Sfr.475 million.

The principal supplier is West Germany, but important quantities are also purchased from North America and from other European countries. Although imports predominate within the sectors mentioned, there are various fields in which foreign competition within Switzerland is significant. For instance, imports of aniline dyes and other tar dyestuffs amounted to Sfr.31 million in 1955, with Germany and the United States the principal suppliers. Imports of pharmaceutical preparations n.o.p. in 1955 totalled Sfr.36 million, up Sfr.10 million from the previous year. Canada supplied pharmaceuticals to a value of Sfr.800 thousand; total chemical imports from Canada were valued at approximately Sfr.2 million last year. ●

South Africa's Budget Presented

THE SOUTH AFRICAN BUDGET, presented last month, contained information of interest to Canadian businessmen selling in this market. It offered no further relaxation of import restrictions at the present time, but it is heartening that this control was referred to as an "unavoidable expedient".

The Minister of Finance pointed out the basic soundness of the economy and discussed the necessity of keeping a tight rein on the situation to avoid inflation. He stressed that any revival of inflation would mean a tightening of import control and would affect adversely the gold mining industry, on which the Union depends for a major part of its foreign exchange earnings. Although the expected fall in gold and foreign exchange reserves took place, the outlook for 1956, he said, was excellent with the opening of new mines and the rise in uranium production.

The Government's policy on tariff protection remains unchanged. Only those industries which have proved themselves economic are to receive protection. Some higher tariffs had been granted, he said, but only after they had been justified by a thorough investigation conducted by the Board of Trade.

Huge capital expenditures for railways, telephones, telegraphs, housing, roads and irrigation continued to place a strain on the economy. The railways are struggling to meet the demands of large-scale industrial expansion and a five-year improvement plan has been embarked upon.

Budgetary revenue for the fiscal year 1956-57 is estimated at £278,350,000 and expenditure (including the £15 million transferred to loan account) at £276,950,000, providing a surplus of £1,400,000 after allowing for tax reductions and increases in spending. Taxes on gold and other forms of mining were reduced and adjustments made to the undistributed profits tax to assist small businesses and encourage modernization of plant and equipment.

The prosperity and full employment prevailing in the Union are reflected in the Budget and it has received widespread approval. The general opinion is that the conservative tradition of South African Finance Ministers is being continued; buoyant revenues are being used for tax reductions to stimulate production and strengthen the economy.

A. W. EVANS,
Trade Commissioner, Cape Town.

Central African Federation Offers Investment Opportunities

Current visit of Sir Roy Welensky, Deputy Prime Minister of the Federation, to the United States and Canada focuses attention on the wide variety of investment opportunities, for both public and private capital, in this go-ahead country.

WILEY J. MILLYARD,
Commercial Secretary, Salisbury.

THE FEDERATION OF RHODESIA AND NYASALAND is rapidly coming to the fore as one of the most promising areas for sound investment, both public and private. This is not entirely by chance because in recent months the Government has sent special emissaries, with good attendant publicity, to both the United Kingdom and South Africa. This month the Deputy Prime Minister, Sir Roy Welensky, is on tour in the United States and Canada, explaining through the press, radio and television the opportunities for investment in his country.

U.S. Economic Adviser Appointed

The U.S. Department of Commerce appears impressed with the possibilities for it has just published an economic survey in which it points out the natural wealth and economic opportunities of the area. Appearance of this survey was followed by an announcement from the International Co-operation Administration in Washington that, at the request of the Federation's Government, an investment banker of long experience from Phoenix, Arizona, had been appointed investment adviser to the Federation and would leave shortly to take up his post. He will be responsible for advising the Government on how best to attract new private investment from the United States. Such evidence of active interest in the Federation should not pass unnoticed in Canada, which also has a long history of private overseas investment.

A quasi-Dominion in the British Commonwealth, situated just to the north of the Union of South Africa,

the Federation is now in its third year. Occupying an area roughly the size of our Prairie Provinces, it is populated by seven million Africans and 225 thousand Europeans. Many of the towns—Salisbury, the capital, in particular—are growing at a spectacular pace and the building boom reflects the prosperity which the rich mineral and agricultural resources are bringing to the country.

Variety of Opportunities

Aside from the famed Victoria Falls discovered by Livingstone in the mid-nineteenth century, the Federation has a number of other assets worthy of note:

- It is the world's second largest exporter of copper (375 thousand tons, valued at £108 million in 1955) and may eventually become the largest. There is no reliable estimate of the vast copper reserves in the Copperbelt of Northern Rhodesia and a host of other minerals are believed there in quantity as well.
- The Wankie Colliery alone, with some 700 million tons of good quality coking coal, is one of the most extensive coal-mining undertakings in the world and has the only reserve of coking coal in Southern Africa. With these and other large deposits as yet unexploited, the Federation possesses one of the main requirements for a large and varied industrial development.
- Southern Rhodesia is the world's third producer of flue-cured tobacco.
- Southern Rhodesia stands third among world producers of asbestos and the fibre is noted for its high quality.
- The Federation ranks fifth among producers of chromite and could export more if adequate transportation were available.
- It is financially sound and has a favourable trade balance.
- The climate in most areas is temperate and healthy.
- There is abundant hydro-electric power potential.
- Race relations are, on the whole, good and the official policy is based on "partnership".

- There is a large reserve of relatively cheap unskilled labour.
- Aside from the large tobacco-growing industry, the agricultural resources, which are rich and varied, have only been slightly developed and opportunities in this area are excellent.

Services and Secondary Industries

Just how much money is needed to finance the development of this rich territory is a matter of conjecture but it has been put as high as £175 million-£200 million a year (both private and public), a considerable jump from the £87 million recorded for 1954.

Aside from the obvious possibilities presented by mining and agriculture, investment opportunities are opening up in other lines. For example, there is a shortage of hotels in most towns and motels are virtually unknown. In Salisbury alone seven new hotels, costing approximately \$4 million, are scheduled for completion in the next two years, but these will only partially meet the demand.

In a country where the people enjoy good living, there is a real scarcity of good restaurants, both urban and highway. People have to reserve seats several days in advance for an ordinary movie, and television and commercial radio are non-existent.

Particularly in the eastern districts of Southern Rhodesia, a wide variety of vegetables and tropical and temperate fruits can be grown with success. The jam-making and canning industry is at present on a very small scale compared with the demand, and each year well over half a million dollars worth of canned fruits and vegetables have to be imported, mainly from the Union of South Africa. There is no meat-canning industry whatever, although it is a good country for beef cattle and hogs.

The great purchasing potential of the country lies with the seven million Africans whose standard of living is rising rapidly. Among the secondary industries, some of the best opportunities lie in the field of metal-working and textiles, which are adapted for this trade. The copper mined in the Federation is not processed beyond the electrolytic stage, so the possibilities for a brass extrusion industry are good. The Riscom steel mill in Southern Rhodesia is said to be capable of producing up to 70,000 tons of steel a year and there are large reserves of iron ore. Cotton is grown, spun and woven in Southern Rhodesia and one large spinning mill is in operation, with a second one planned for Nyasaland, the smallest of the Federation's three territories.

There is no chemical industry, other than one which starts with the import of prepared chemicals from foreign countries. There are soap-making plants but

none making pharmaceutical products—for which, incidentally, the demand is enormous. The plastics extrusion industry is in its infancy and there are no factories stamping aluminum household wares.

Dollar Investment Regulations

Because the Federation is a British territory, in the past the United Kingdom has naturally been the main source of outside capital. British investments are still flowing in; as one example, one of the leading London investment banking houses, Philip Hill, Higginson and Company Ltd., is to establish a branch in Salisbury soon. Another London company, the £12 million London County Freehold and Leasehold Properties Limited, which owns 10,000 flats in London, is setting up an office in Salisbury and hopes to extend its real estate activities to the Federation.

However, it is not all British money that has or is likely to come in. The International Bank in Washington has approved the giant Kariba Dam hydro-electric project in principle and the Federation expects an announcement of a loan of up to \$80 million in June or July. This power station, which is scheduled to begin operations in 1960, is slated to furnish adequate cheap power for industry in all parts of the country for years to come. Switzerland too is looking with more than casual interest at the Federation and in the next 18 months a Swiss trust with British backing will invest £4.5 million in industry and real estate here.

Dollar capital invested in projects which will help the economic development of the country can be repatriated in dollars at any time after the initial investment; this applies to interest and dividends also. However, investment in land and property, where ownership is held for speculative purposes, will not qualify and may only be repatriated after ten years. There are no restrictions on the use of dollars to buy capital equipment, nor on the management or directorship of a foreign enterprise.

From this, it is clear that a Canadian or American investor coming into the Federation can expect treatment at least as favourable as an investor from the United Kingdom. The newly-formed Industrial Development and Research Branch of the Ministry of Commerce and Industry will lend all possible assistance in seeking out worthwhile channels for sound investment.

Since the war, it is estimated, U.S. Government and institutional investment has totalled about \$75 million and this is in addition to a considerable private investment. Canadian investment, all private, has been concentrated almost exclusively in mining projects but no estimates of the total amount are available. In the future, it is hoped that the flow will accelerate and extend to the many other lucrative fields now open. ●

India's Jute Industry and Its Problems

Divorce between jute growing and processing areas brought about by partition, trend towards use of substitute materials, adoption of bulk handling—all these are affecting India's jute exports. But industry, aware of problems, is taking steps to overcome them.

G. F. MINTENKO,
Assistant Trade Commissioner, Bombay.

INDIA'S JUTE GOODS INDUSTRY, the country's largest single dollar earner, made good progress during 1955. Production is estimated at 839,400 tons during the first ten months of the year, up 10.4 per cent from the 760,400 tons of the corresponding period of 1954.

This improvement was achieved against a background of dislocation during the preceding years. Although the India-Pakistan sub-continent accounts for some 98 per cent of the world's total raw jute production, the bulk of the output, and particularly the greater part of the quality fibres necessary to a competitive processing industry, are produced in Pakistan. The processing industry, on the other hand, is in India, principally in and around the city of Calcutta.

The flow of raw materials to the mills has, under these circumstances, not been regular since partition and the Indian Government has made strong efforts to increase the country's own production of raw jute and improve the quality of the crop. The degree of success it has achieved is indicated by the fact that India's imports of raw jute from Pakistan have fallen from about 700 thousand tons per year in the period immediately following partition to less than 250 thousand tons per year today. To a large extent, however, she still depends on Pakistan for quality fibre.

Effect of Pakistan's Devaluation

Perhaps the most significant development affecting the Indian jute and jute goods industries during 1955 was an external one—the devaluation on July 31, 1955, of the Pakistan rupee from the equivalent of 1.44 Indian rupees* to parity with the Indian currency. Devaluation was, however, accompanied by an announcement that minimum export prices of raw jute would be maintained at their previous levels in terms of foreign exchange, and that the export duty

* One rupee=approx. 21 cents Canadian.

(Left) This jute, grown at India's Central Jute Research Institute, has reached the record height of 11 feet, 6 inches. The Institute plays a vital part in the campaign to increase the country's raw jute production in quantity and quality.





Here jute fibres are being extracted from the raw jute and well soaked in a nearby stream. The fibres will then go on to the mills for processing into jute goods of various types.



Much of the high-quality jute fibre still comes to India from Pakistan. The picture shows bales of jute from that country being unloaded at the Kidderpore docks in Calcutta.

was being increased from Rs.3 to Rs.4 per maund (82 2/7th pounds). The Indian authorities responded by abolishing the next day their export duties on jute goods, which had amounted to Rs.120 per ton on hessians and Rs.80 per ton on sacking.

Since the Indian manufacturing industry is far from depending completely on Pakistani jute, the overall effect of this series of moves was to improve the competitive position of the Indian mills vis à vis British and Continental producers—who obtain their entire fibre requirements from Pakistan—and to give an even greater fillip to Pakistani mills. On the whole the Indian industry is cheerful about its position since Pakistan has not yet emerged as a large-scale exporter

INDIAN PRODUCTION AND EXPORTS OF JUTE GOODS

(000's long tons)

(1) Year*	(2) Production	(3) Exports	(4) Percentage of (3) to (2)
1939-40†	1,264	1,147	90
1945-46†	1,085	801	74
1948	1,048	957	91
1949	923	801	87
1950	837	678	81
1951	874	777	89
1952	952	734	77
1953	869	747	86
1954	928	843	90
1955	1,008‡	925‡	92

* 1939-40 and 1945-46 figures are for the years ending June 30th. The remaining figures are for calendar years.

† Pre-partition India.

‡ Estimated.

of jute goods. That country's production during the first half of 1955 ran at an annual rate of 87,000 tons; domestic requirements are estimated at 40,000 tons per year. It should be noted, however, that Pakistan's importance as a competitor is increasing and will undoubtedly continue to increase for some time yet under the aegis of an official program to process internally as much as possible of the raw jute crop. Loomage capable of a production of 240 thousand tons of jute goods is expected to be installed by the end of this year.

Exports Face Competition

In an attempt to conserve available supplies for its own manufacturing industry, India has since 1950 banned the export of raw jute. The jute goods industry, however, remains heavily export-oriented. This is indicated in the following table giving production and exports during recent years.

The reader will note that both production and exports are currently, and have been for the last few years, appreciably below the levels for 1939-40, a year which was fairly typical of the 1930's. The failure of jute goods to share in the general growth in demand for most industrial raw materials is causing some concern in the industry. The trend is generally attributed to the political divorce between the jute-growing and processing areas, variability in prices and supply from year to year, and to the increasing recourse by shippers and users of heavy materials to substitute packaging materials (principally multi-walled kraft paper bags) and to the adoption of bulk handling techniques.

Several measures are being taken to offset these developments. The acreage under jute in India is increasing and so is the percentage of high-quality fibre under crop. At the same time the processing industry, with government encouragement, is setting about to modernize its plant.

In the marketing field, the Indian Jute Mills Association has for the last three years been conducting a vigorous campaign in North America to expand burlap consumption and retard the incursion of substitute packaging materials and alternative shipping methods.

As these efforts indicate, the industry remains hopeful that jute will retain an important role in heavy packaging and other applications. They point out that substitution has taken place almost exclusively in the sophisticated North American and European markets, and point to the less-developed but developing parts of the world as areas where the use of jute goods will undoubtedly increase in the near future. The expensive installation of bulk-handling facilities is much less probable in these areas, while the fact that the burlap bag can be reused is likely to have greater appeal. They feel that jute will continue to hold its position as the world's second most important natural fibre in terms of tonnage produced.

This confidence in the outlook for jute was further manifested in January of this year when the Association decided to "unseal" three-fifths of the 12½ per cent of the industry's looms which had previously been voluntarily kept out of production.

Canadian Imports

Although Canada has not been one of India's leading markets for jute goods, Canadian purchases have been and continue to be fairly substantial. The value of imports from India during recent years were:

CANADIAN IMPORTS OF JUTE GOODS FROM INDIA

Year	Value
1951	\$13,852,228
1952	10,589,486
1953	9,300,210
1954	8,948,619
1954 (9 months)	6,444,946
1955 (9 months)	8,072,859

These values represent a sizable proportion of Canada's total imports from India—ranging from 32 per cent in 1954 to 40 per cent in 1952. Jute goods do not bulk as large relatively in India's overall export trade, but they have earned the country the equivalent of about \$250 million a year in foreign exchange in recent periods. They have thus contributed significantly to India's ability to obtain the heavy imports required by her plans for industrialization and rural rehabilitation. ●

Business in the French West Indies

REPORTS from the French West Indies indicate that business conditions there showed little improvement during 1955. Yields of the leading crops—sugar, bananas, rum, molasses, coffee, cocoa, vanilla, and pineapples—reached a value of about 25½ billion francs, down slightly from the previous year.

Production of sugar, the principal crop, increased to 194 thousand tons, 24,000 tons above the 1954 figure, but a portion of the output had to be sold at the depressed world price. Many small cane farmers who had produced more than their quota had to bear this loss. The sugar crop for 1956 probably will be close to that of 1955, despite the lack of rain which has affected cane growth adversely. Rum producers experienced difficulty in finding suitable markets. On the other hand, the output of molasses (about 15,000 tons from Guadeloupe only) found buyers in Canada and the United States.

Banana growers had a poor year, caused by a drop in production and prices, but effective measures have been taken against disease in the plantations and this year production figures should equal those of 1954. On the brighter side, coffee, cocoa and pineapples were produced in good quantities and were successfully marketed at favourable prices. The vanilla crop is no longer an important factor in the trade carried on by these islands.

In foreign trade, the French West Indies remain closely tied to Metropolitan France. During the year there was no official relaxation of restrictions on imports from other countries. However, there are indications that it is becoming somewhat easier to obtain foreign exchange for purchases from the sterling area and from Italy, Belgium, the Netherlands and Denmark.

Canada, during the first three quarters of 1955, supplied goods to a value of less than \$20 thousand, much the same amount as for the similar period of the previous year. Flour accounted for nearly half this total; other principal commodities were rubber hose, pine lumber, whisky, rope, tires and potatoes. In contrast, French West Indies exports to Canada during the period were valued at \$57,790 and molasses was the principal item with a value of \$56,790.

—G. A. BOYD,

Honorary Commercial Agent, Guadeloupe.

General notes



Argentina

FACTORY FOR METALLIC URANIUM—The Argentine National Atomic Energy Commission has announced that the first factory in South America to produce metallic uranium will be established at an early date at Ezeiza, close to Buenos Aires. Orders have been placed for a pilot atomic reactor and a 10,000 kilowatt reactor. These reactors and the mill will use locally-produced uranium and thorium. Important new veins of these ores have recently been discovered in the Andes provinces of Mendoza, La Rioja and Catamarca, and in the western part of Cordoba—Buenos Aires, April 2.

Australia

AGRICULTURAL EXPORTS—Total export income for 1955-56 from rural exports (excluding a few minor items) will reach £600.2 million compared with £610.6 million last year, the Commonwealth Bureau of Agricultural Economics estimates. Export sales of wheat, including flour, are expected to be about the same or slightly lower than last year, with exports of other grains higher. Export income from wool will probably equal last year's, because lower prices have been offset by a larger volume of shipments. The total income from export of all meats is expected to drop about £9 million below the 1954-55 figure but income from sales of dairy products abroad will be up to about £50 million, compared with £38 million last year—Melbourne, March 28.

Chile

WHALE PROCESSING PLANT—A local press report says that a new whale processing plant will soon be completed at Iquique (northern sector of Chile) by one of the country's most important whaling companies. The report adds that the company expects to be able to double its whaling and processing operations towards the end of this year—Santiago, March 26.

Denmark

FOREIGN EXCHANGE—Denmark's foreign exchange position improved by 30 million D.kr. in February, net foreign currency debts amounting to 123 million D.kr. on February 29. Dollar holdings

rose by 45 million D.kr. last month to a total of 637 million D.kr. The debt to the European Payments Union totalled 677 million D.kr. Denmark has the right to draw up to 871 million D.kr. on EPU—Copenhagen, April 5.

Federation of Rhodesia and Nyasaland

CENTRAL BANK—The Bank of Rhodesia and Nyasaland, the first Central Reserve Bank in the Federation, came into existence formally on March 15 by a government proclamation. The first federal notes are expected to come into circulation about the end of the year in denominations of 10s., £1, £5 and £10. The value of a one pound unit in the Federation will be one pound sterling. Meanwhile, the currency of Southern Rhodesia will continue to be legal tender for the whole country—Salisbury, March 26.

Iraq

NEW REFINERY—Daura refinery, 15 kilometres from Bagdad, is now in operation. Crude oil is carried by a 12-inch pipeline from oilfields at Kirkuk 300 kilometres distant. Capacity is 8,760,000 barrels a year of gasoline, fuel and other oils for local consumption, valued at ID12 million. The state-owned refinery was constructed in less than two years by American and British contractors and has its own self-contained residential estate for all grades of employees. It is the largest state-owned enterprise in the Middle East—Beirut, March 28.

Italy

FOREIGN TRADE—Imports totalled 1,691.2 billion lire and exports 1,159.7 billion lire in 1955, an increase of 10.9 per cent and 13.3 per cent respectively over 1954. Consequently, Italy's balance of payments deficit is reckoned at 531.5 billion lire, 6.2 per cent above 1954—Rome, April 3.

Japan

FOREIGN RESIDENTS TAX—The Japanese Finance Ministry has announced a new scale of taxes for

foreign residents to take effect April 1. In the current calendar year taxes will be levied only on that portion of the income received in Japan. In 1957, taxes will be levied on 60 per cent of the total income received, or on the amount received in Japan if this amount exceeds 60 per cent of the total income. Taxes will be paid on 70 per cent for 1960 and 100 per cent for 1961 and thereafter.

Under the former taxation system, foreign residents who contributed to the development of Japan were granted tax exemptions on 50 per cent of total income. In 1954, 3,900 foreign residents in Japan paid \$1.4 million in taxes—Tokyo, April 4.

South Africa

STEEL PLANT—The government Iron and Steel Corporation (ISCOR) has announced that an investigation is under way of a site for a third steel plant to meet the country's growing needs. It is unlikely that construction will begin for some time, but meanwhile capacity at existing works will be gradually increased to 1.8 million tons at a cost of £28 million—Cape Town, March 26.

Spain

ATOMIC REACTOR—The Spanish Nuclear Energy Board has purchased from an American firm an experimental 3,000 kw. atomic energy reactor of the swimming-pool type. Experiments with it will be conducted by a team of twenty Spanish scientists who will investigate the peaceful application of atomic energy in the fields of electricity, medicine and agriculture—Madrid, April 4.

Sweden

PEAT MACHINE—The General Export Association of Sweden reports a new Swedish-made, one-man peat machine which makes peat digging easier. The machine is designed for attachment to a diesel tractor; when not in use the peat-working unit is easily removed. The chain cutter has an attachment which deposits the peat in separate windrows on the surface of the bog. The rotating speed of the cutting chain is relatively high, about 23 feet per second, and the production capacity about 3.3.5 tons per hour—Stockholm, April 6.

PAPER PULP FROM HARDWOOD—A Swedish company is planning to construct a factory in Mariestad to make semi-chemical paper pulp of hardwood, the first of its type in Sweden. Capacity is estimated at 10,000 to 12,000 metric tons of pulp a year—Stockholm, April 6.

United Kingdom

GOLD AND DOLLAR RESERVES—During March, the gold and dollar reserves of the sterling area increased by \$67 million to stand at \$2,277 million at March 31. This improvement, the biggest monthly rise for two years, compares with increases of \$61 million in February and \$29 million in January. In 1955 there were increases in only two months, totalling \$20 million.

In March, the deficit which the United Kingdom has had with EPU since the middle of last year fell sharply to less than £500 thousand, compared with deficits of £8 million and £4 million in February and January respectively.

The better performance with EPU and the rise in the reserves has brought satisfaction, although it has been pointed out that seasonal factors are specially favourable to the sterling area at this time of year—London, April 12.

United States

LONGLEAF PINE DIRECT-SEEDED—Eight thousand acres of forest land in Louisiana were "direct seeded" to longleaf pine in four weeks recently. After eight years of experimental work carried on in Central Louisiana by the Alexandria (La.) Forest Research Center, a branch of the Southern Forest Experiment Station, direct seeding of longleaf pine has been proved a practical method of restocking barren areas. With this method, seed is sown directly into the ground instead of planting nursery-grown seedlings. One man in a Piper Cub can seed 1,000 acres of cut-over land per day at a total cost of \$4 to \$5 per acre—New Orleans, April 12.

West Germany

GROSS NATIONAL PRODUCT—According to estimates of the Institute of the German Industry, the gross national product of the Federal Republic in 1955 reached some 164 billion DM. Compared with the gross national product of 1949 (DM80 billion) this is an increase of 105 per cent. In 1955, DM91 billion was used for private consumption, compared with DM51.7 billion in 1949. Expenditure for investments rose from DM15.7 billion in 1949 to DM44 billion in 1955—Bonn, April 10.

Zanzibar

FOREIGN TRADE—Zanzibar's imports and exports about balanced in the first ten months of 1955: imports totalled £5.48 million and exports £5.57 million. Britain supplied almost 50 per cent of Zanzibar's imports; imports from the United States during the period totalled only £28,838. Canada's sales are negligible—only £269 in 1954—Salisbury, March 26.

CHILE FIGHTS INFLATION

Severe inflation, which has hampered Chile's development and limited its foreign trade, may come under control as recommendations of recent Klein-Sachs Mission go into effect.

A. EDWARDS,
Office of the Commercial Secretary, Santiago.

INFLATION has been Chile's number one problem for the last fifteen years. The concensus among those well acquainted with the situation is that this inflation stems from four main causes. The first is excessive government expenditure; the second, internal budget deficits; the third, obligatory readjustments in wages, salaries, pensions, and social welfare contributions, and the fourth, insufficient production to satisfy the country's needs.

From time to time, foreign and Chilean experts have made studies of how to curb this inflation, but without success. A few months ago, the Government enlisted the services of Messrs. Klein-Sachs Company, United States financial experts, to investigate and advise on the economic situation of the country. Already this Mission has made certain recommendations.

Measures Recommended

The most important of these recommendations is the freezing of prices of commodities, wages and salaries, pensions, and real estate rents. A law covering this was presented to Parliament during the latter part of 1955, was passed by a narrow margin, and was promulgated on January 21, 1956. Chief provisions of this law are:

- Suppression from December 31, 1956 on, of all automatic increases in wages, salaries, pensions, and social welfare contributions.
- Automatic increases in wages, salaries, pensions and social welfare contributions for 1956 to equal not more than 50 per cent of the official figures of the General Index of the cost of living for 1955.
- Freezing of rents from November 15, 1955, on.
- Restriction of expenditures in all government departments.
- Regulation of bank credit. The new regulations, just issued jointly by the Central Bank of Chile and the Inspector-General of Banks, allow commercial banks a maximum monthly credit expansion during the first half of 1956 on the following scale: January and February 4 per cent, March 3·5 per cent, April 3 per cent, May and June 2·5 per cent. There are many other restrictions such as prohibition of the formation of new banks; control of credit operations between commercial banks under the supervision of the Central Bank of Chile and the Inspector-General of Banks, and restrictions on rediscount operations by commercial banks with the Central Bank of Chile. The maximum for the latter is set at 75 per cent only of the commercial bank's total capital and reserves.

At a press conference, the Minister of Finance and Economy expressed confidence in the success of these and other plans under consideration, and his belief that inflation would eventually be curbed. He added that the new measures to be taken by the Government would entail considerable sacrifices which should be accepted cheerfully for the good of the nation.

New Feeling of Confidence

Encouraging news recently came from the president of the Anaconda Company (one of Chile's principal copper-producing enterprises). He made a statement to the press in which he said that a feeling of confidence in the Government's anti-inflation measures was apparent outside of Chile. He added that his company would shortly be investing \$53 million U.S. in its Indio Muerto mine (to be known in future as El Salvador), \$40 million U.S. in Chuquicamata, and \$8 million U.S. in the La Africana mine. The El Salvador mine is destined to replace the Potrerillos mine, where deposits are rapidly being worked out.

Perhaps one of the best signs of the success of the anti-inflation measures comes from the Chilean State Bank which says it has observed a marked increase in its currency deposits ("at call", "fixed" and "indefinite") for the first two months of 1956. This increase totalled approximately \$2,600 million Chilean pesos. And the Minister of Finance & Economy at a Cabinet meeting last week announced that, for the

first time in 14 years, no new note issue took place during the months of January and February of this year.

The Government has been heartened also by a slight strengthening in Chile's foreign exchange position. Larger exports of copper, the country's chief source

of foreign exchange, plus the increase in price to the current US\$0.49 per pound, is the leading factor in this. There is even reason to believe that the foreign exchange shortages may not be quite so severe in the future—a hopeful sign for Canadians interested in the Chilean market.

Greek-Owned Shipping Repatriated

Much of Greek merchant fleet, built up since the war, has been registered under foreign flags because of heavy taxation and other disabilities at home. New legislation passed recently removes some of these; is resulting in new registrations under the Greek flag.

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

MERCHANT SHIPS OF GREEK OWNERSHIP registered under various flags are now officially estimated at 15 million gross tons, including some of the world's largest and newest tankers. Greek shipowners placed orders for a large amount of new construction in 1955, including 152 cargo vessels and 79 tankers, 115 of which will be built in Japan, 49 in Britain, 30 in the Netherlands, 21 in Germany, and the remainder in Yugoslavia, France, Italy, Sweden and Belgium. However, only a portion of this new capacity, totalling 3,180,000 tons, will be added to the relatively small total of 1,320,000 tons gross registered under the Greek flag at the end of 1955.

Trend to Foreign Registry

At the outbreak of World War II the Greek merchant fleet totalled 577 vessels of 1,835,315 tons gross, representing under 3 per cent of world capacity. In terms of registered tonnage, Greece ranked ninth among maritime countries. Even at that time, however, some important Greek-owned tonnage was registered abroad. At the end of hostilities in 1944 there were only 450 thousand tons left under the Greek flag—mostly small, old, slow, inefficient coal-burning vessels.

The nucleus of the postwar Greek merchant fleet was 100 war-surplus *Liberty* vessels and seven tankers purchased in 1946 by Greek shipowners from the U.S.

Government on credit terms guaranteed by the Greek State. Little additional postwar tonnage was placed under Greek registry, however, until 1953, because of conditions in Greece which imposed heavy taxes on Greek shipping earnings, prohibited registration of foreign-owned vessels under Greek registry, and allowed labour unions and the State a good deal of say in the shipping business. However, the greatest handicap was the fact that foreign mortgagees were reluctant to grant credit on Greek vessels because foreign exchange restrictions and other technicalities made it difficult for them to receive payment promptly. The logical solution was for Greek shipowners to register their vessels under foreign flags such as Liberia, Panama, Costa Rica, etc., with the title of ownership held by companies which the owners controlled and operating under the liberal shipping laws of these countries.

Shipping Legislation Transformed

To overcome these handicaps and thus attract Greek-owned vessels to Greek registry again, a new investment law passed in 1953 revolutionized the status of vessels registered in Greece. This legislation took the form of an amendment to the Constitution and can only be changed by a very complicated and difficult procedure.

Among the provisions of the new legislation the following (applying to vessels of over 1,500 tons gross) are significant:

- Any vessel may be sold or mortgaged, without prior approval of the Greek State, to foreigners whose nationality shall be specified in the agreement of registration.
- The proceeds from the sale of the vessel in foreign exchange, or the insurance compensation in the event of loss or damage, or the proceeds of a mortgage loan on the vessel may be held abroad, and the recipients shall not be obliged to bring the equivalent amounts into Greece (as under previous legislation). This important clause means that foreign holders of mortgages can receive payment promptly.
- The proceeds in foreign exchange from the operation of the vessel may be freely disposed of without any restrictions.
- Vessels belonging to foreign nationals may freely come under Greek registry. (This provision applies particularly to Greek-controlled foreign companies established abroad and holding the title to vessels registered under foreign flags.)
- Taxes and charges on the transfer of a vessel sold to a foreign national shall be determined in proportion to the vessel's net tonnage and may under no circumstances exceed \$2 per ton of rated net capacity.
- The amount of compensation payable in the event of the vessel's requisition by the State shall be predetermined at the time of registration. (A clause is usually included in the agreement of registration that such compensation shall be based upon the rates of compensation paid by the U.S. Government under similar circumstances.)
- New construction may be granted tax exemption for up to five years.

New Greek Registrations

Though Greek shipowners still remember earlier intervention by the Greek State and heavy taxation, often applied retroactively, they are now considering the advantages offered by this Greek legislation. Up to the end of 1955 over 326 thousand tons gross had been newly registered under the Greek flag. These included the ocean liner *Queen Frederica*, the super-tankers *World Harmony* and *Sypros Niarchos*, and the 11,672-ton passenger steamer *Tasmania*, now plying the Mediterranean-Australia route. For 1956 more Greek registrations are proposed than in any other year since 1946 and among them are some vessels now under construction in Japan, the United Kingdom, and other European countries. ●

APRIL 28, 1956

U.K. Will Buy Australian Uranium

THE UNITED KINGDOM ATOMIC ENERGY AUTHORITY has signed an agreement to buy at least £40 million worth of uranium oxide from leases near Mount Isa in Western Queensland in the next seven or eight years, the Minister of Supply has announced. Britain will buy another £20 million worth in that period if Australian mines can produce it. The uranium oxide will be used in Britain's extensive industrial nuclear program.

The agreement provides for purchases by the United Kingdom of uranium oxide from mines in the South Alligator River area, in the Northern Territory, if those mines prove their finds by the end of 1957. These purchases would be additional to those from the Mount Isa leases and could increase the contract value to about £60 million. The price for the uranium oxide is based on a formula related to the cost of production plus a satisfactory yield to the sellers. The Australian Government has approved the terms of the contract between Britain and the Australian companies.

A treatment plant will be erected in the Mount Isa area. Production will start early in 1959, or possibly sooner. Capital required for the project in the Mount Isa area is expected to be about £10 million, much of it coming directly from the United Kingdom Government. Australians will carry out the whole of the operation, but overseas technical experts will visit the mine from time to time.

An Australian company has formed a separate subsidiary to develop and construct the mine and plant. Before mining begins the company will build a model township with home and facilities for up to 1,000 people, including a hospital, swimming pool, hotel, outdoor and indoor movie theatres, and a shopping centre. It will also build a 3,500 million gallon reservoir capable of withstanding a three-year drought, a power station, an ore-crushing mill, and a treatment plant for processing the uranium ore.

Despite the difficulties of poor communications, bad roads, and a single-track railway already heavily committed to servicing the Mount Isa mines, the company is confident the operation will be a complete success.

—M. A. SWANSON,

Office of the Commercial Counsellor, Sydney.

Argentina Boosts Meat Exports

Because it is an important foreign exchange earner, the state of Argentina's livestock industry interests all exporters to that country. The meat industry's dramatic recovery from drastic drought and other difficulties has come as good news.

W. F. HILLHOUSE, *Agricultural Secretary, Buenos Aires.*

EXPORTS OF LIVESTOCK AND LIVESTOCK PRODUCTS regularly account for about 45 per cent of Argentina's foreign exchange earnings and thus have an important effect on the country's ability to import. Any substantial changes in exports of these products are thus of real concern to anyone interested in selling to Argentina.

In 1955 Argentine exports of approximately 400 thousand metric tons of meat were 39 per cent greater than in 1954 and were, in fact, the largest since 1949. Home demand is rising at the same time, so this large increase in exports gives dramatic proof that the Argentine cattle industry has recovered from the effects of the disastrous droughts of 1949-52.

Chilled Beef Exports Rise

Of outstanding importance in the export picture was the almost eightfold increase in shipments of chilled beef—from less than 14,000 tons in 1954 to more than 105 thousand. All of these carcasses were shipped to the United Kingdom in a determined bid to re-establish Argentina's reputation in that market for a high-quality chilled product. Before World War II, Argentina shipped approximately five pounds of chilled beef for every pound of frozen carcass. The chilled beef trade depends on highly organized and efficient transportation right from the producer to the consumer and consequently had to be discontinued during the war years. Since then, domestic consumption of beef in Argentina has risen by over 50 per cent, cattle numbers were seriously depleted during the drought years, and railroad transport, in particular, has fallen into disrepair. Under these circumstances there were many who thought that Argentina would be unable to quickly resume large shipments of chilled beef. But a start was made in 1953 when considerably less than 1,000 tons were exported. The next year shipments increased noticeably and were exceptionally heavy in December; exports in that month accounted for about one-third of the total chilled beef shipments for the year. During 1955 chilled beef exports were quite

substantial in all months except March, April and May, and were particularly heavy during the last five months.

Canned Meat Sales Higher

Exports of canned meat (mostly beef) also expanded in 1955 to the highest figure since 1951: a total of 117 thousand tons were exported, of which Britain and the United States each took slightly less than 50,000 tons. Those shipments represented increases of 11,000 and almost 15,000 tons respectively for the United Kingdom and the United States, and an overall increase of about 12,000 tons. Canadian imports reached 3,151,956 pounds (1,430 metric tons) during the first ten months of 1955, compared with 2,349,492 pounds (1,066 metric tons) during the same period of 1954.

Domestic consumption of beef has been rising, hence any increase in exports must come from increased slaughterings. During 1955, total sales of beef animals direct to packing plants and through the Buenos Aires market soared 50 per cent above the level for the previous year. Most of the increase appeared during the latter half of the year and permitted the expansion in exports noted above. Furthermore, unofficial information indicates that sizable stocks of frozen beef have been carried forward into 1956 but that markets for this product have not been readily found.

Lamb, Mutton and Pork

Total exports of lamb and mutton increased in 1955, thanks to a 50 per cent increase in shipments of frozen lamb carcasses, and went chiefly to the United Kingdom. Over 90 per cent of the smaller mutton shipments again went to Russia.

Pork shipments at about 1,500 tons were only one-third of their 1954 level and reflected the reduced kill and increased consumer demand.

Outlook for 1956

The policy of the new Argentine Government is to revive agricultural production which it realizes is the

country's main source of foreign exchange. Producer prices of many agricultural products, including livestock, have been raised substantially, credit facilities have been improved, and promises of better times to come have been legion. There is no doubt that under these circumstances Argentina's agricultural producers are planning to increase output. However, with the exception of wool, prices for livestock and products have not risen at the rate of those for grains and oil-seeds and therefore greater expansion can be expected in crops than in livestock. It is not expected that livestock numbers will decrease except, possibly, hogs because of the unfavourable hog-corn ratio. The rate of expansion in cattle will probably drop, but with the impetus of approximately doubled wool prices, sheep numbers may be expected to surge ahead.

In all but the southern sections of the country, rains in the past month or so have been more than ample, pastures are in excellent condition, and packing houses are reported booked to capacity for some months ahead. If the weather continues good, supplies may rise substantially which, even allowing for an increase in domestic demand, will permit 1956 exports to show

a marked increase over those of 1955. Although the rate of growth which chilled beef exports achieved in 1955 cannot be expected to continue, shipments of this commodity will undoubtedly increase noticeably. It has already been announced that meat shipments to the United Kingdom during the first quarter of 1956, scheduled to reach 89,750 tons, will include 67,500 tons of chilled quality—43 per cent more than was shipped in the same period in 1955.

Sheep raising has become attractive again because of higher wool prices and this may reduce slaughterings this year. However, weather conditions in the south will exert considerable influence on the farmer's decision and this makes it difficult to forecast export availabilities. Little improvement in the supply of pork is foreseen.

At the new exchange rate of 18 pesos per U.S. dollar (or the equivalent in other currencies) less 15 per cent drawback which applies to meat exports, Argentine exports should be in a strong competitive position and it should be possible to place all exportable surpluses abroad without too much difficulty. ●

trade and tariff regulations

British Guiana

DOLLARS RELEASED FOR CERTAIN HARDWARE ITEMS—The Controller of Supplies and Prices in Georgetown has advised that limited quantities of specified items of hardware will be authorized for import in 1956 from either Canada or the United States. Some of the principal articles, together with the import limit by quantity or value, are: water coolers (115), shot guns (644), axes (1,250), calcium carbide (72,000 lb.), bandsaw blades (1,450), various saw blades (\$10,000 Canadian funds), refrigerator parts (\$4,500 Canadian funds), radio tubes (\$5,500 Canadian funds).

Applications for import of these articles will only be accepted from a specified group of quota-holders in British Guiana and may have to be verified by pro-forma invoices—Port-of-Spain, March 15.

Colombia

CHANGES IN EXCHANGE CONTROL REGULATIONS—By Decree No. 732 of April 5, 1956, Colombia announced the transfer of many commodities

downward under the import grouping system. From April 3 to April 9 the Colombian Exchange Registration Office had suspended the issuing of import licences in order to permit this reorganization.

The principal changes effected by this decree are: A few imports have been transferred from the Preferential Group to the First Group and will now be subject to the corresponding stamp tax of 10 per cent ad valorem instead of the 3 per cent tax applicable to imports in the Preferential Group. The previous deposit required for such imports will also be increased to 24 per cent ad valorem instead of 20 per cent.

Imports classified under about 200 tariff items have been reclassified from Preferential and First Group (where imports are payable with exchange at the official rate of 2.50 pesos to \$1.00 U.S.) to the "Special Second Group" for which payment must be made with free rate exchange, currently at about 4.45 pesos per \$1.00 U.S. The stamp tax of 10 per

cent ad valorem and the previous deposit of 24 per cent ad valorem are the same for imports of the First Group and the "Special Second Group".

Complete details on the commodities transferred may be obtained from the International Trade Relations Branch.

Cuba

TARIFF CHANGES—Cuban Presidential Decree No. 230 effective February 15, published following Cuban-United States tariff negotiations under Article XXVIII of GATT in Washington in the closing months of 1955, modifies the Cuban rates of duty and nomenclature on some 85 items of the Cuban tariff. Since, under the provisions of GATT, the margin of preferences granted by Cuba exclusively to U.S. products may not be increased, the Cuban most-favoured-nation rates of duty applicable to similar Canadian products have been adjusted in accordance with these modifications. Those items on which Cuba has raised her tariff include: glass and crystal Christmas ornaments; cement tiles, sheets, etc.; steel reinforcing building rods; copper wires of various types; chemical products such as calcium chloride, sulphate and silicate of sodium and alum; napped fabrics in blankets; fabrics of nylon, orlon, dacron and other synthetic yarns; worsted jackets, sweaters, pullovers; men's underwear of nylon; socks, dacron, and other similar synthetic yarns; socks, stockings, gloves and other small articles of the same synthetic materials; tulles, smooth, figured and embroidered of nylon, orlon, dacron and other synthetic yarns; brushes of all kinds; paper manufactures such as bags, sacks and pouches; wrapping paper in rolls; tissue paper for towels, handkerchiefs and serviettes; chemical papers, waterproofed and tarred for wrapping, and when printed; carbon paper; engravings, photographs, lithographs, chromo-lithographs and similar articles; patent leather in whole hides or sheets; phonograph records, and tires and tubes of various types.

Compensating concessions have been made by Cuba in: tools for arts and crafts; razor blades, unfinished; sulphur; motion-picture projectors; recording tape for subsequent making of phonograph records; machinery and boiler replacements and accessories; motors and pumps; truck chassis without bodies; velocipedes, bicycles and replacements; cornflakes; belting of leather, natural or synthetic rubber, or cotton canvas equipment.

The Cuban Government press release of February 15 announcing these changes said that where duties had risen, these would protect and encourage actual

and planned domestic production; decreases had occurred only in items not manufactured in Cuba, more liberal rates on which would aid Cuban industry—Havana, March 30.

Details may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Italy

FURTHER DOLLAR IMPORTS LIBERALIZED—The Italian press reported early in April that Italy had liberalized approximately 90 dollar items in addition to those which were freed from controls in August 1954. These commodities may be imported into Italy without an import licence if they originate in Canada or in other dollar countries.

Although the official text of this measure is not yet available, the press reports that the list continues to emphasize raw materials and semi-manufactured goods required for Italian industries. However, some other commodities have also been liberalized.

According to the list published by the press, the following items of special interest to Canada have just been liberalized: salted codfish and other salted and dried fish; various chemicals; oilseeds; semi-worked wood products, including railroad ties; inboard marine engines; certain types of machines, including typographical and linotype machines, special looms and knitting machines, cash registers and calculating machines; aircraft with propulsion engines weighing in excess of 3,300 pounds—Rome, April 6.

If the official publication of this measure should reveal any further information of interest to Canadian exporters, we shall report this in a separate note.

New Zealand

REVISION OF THE CUSTOMS TARIFF—The New Zealand Board of Trade has announced that it will inquire into the Customs tariff and recommend to the Government alterations to it, having regard to: (a) the general financial, economic and industrial conditions in, and requirements of, New Zealand; (b) the interests of the primary and manufacturing industries and of consumers; and (c) the existing trade agreements to which New Zealand is a party. Notice was also given that representations from companies, organizations or individuals regarding particular products should be submitted before

July 6, 1956. Canadian firms or organizations wishing to submit such representations should do so through their New Zealand representatives.

Further information may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

South Africa

INCREASE IN QUOTA FOR IMPORTS OF CONSUMER GOODS—It was announced recently in South Africa that a supplementary quota of 20 per cent will be made available for imports of consumer goods in 1956. This makes the total quota for consumer goods for the year the same as in 1955—53½ per cent of the value of imports in 1948. This quota may be used for purchases from any source.

West Germany

IMPORT QUOTAS FOR CANADIAN EXHIBITORS—Canadian exporters participating in international exhibitions in the Federal Republic of Germany during the first half of 1956 will be granted special import permits to a total amount of 2,500,000 D marks (about \$590,000) for non-agricultural materials and manufactured goods, and 2,300,000 D marks (about \$545,000) for agricultural products. In addition, imports of Canadian canned salmon into the Federal Republic of Germany will be approved up to a total value of 300,000 D marks (about \$70,000).

These quotas apply to items which have not yet been liberalized by West Germany, with the exception of certain listed goods including fresh, salted and smoked salmon; salted and filleted herring; butter, milk and milk products, except powdered full cream milk; potatoes; cereal groats, meal and semolina; pearled, crushed or flaked cereal grains and edible germs of cereals; edible lard, imitation lard and other prepared edible fats; meat and edible offals, products and preparations thereof except meat extracts; fresh fruits; non-edible horticultural products and seeds. Further, limited quotas only are available for flour of cereals; macaroni, noodles and similar alimentary pastes; gluten, gluten flour, glucose, glucose syrup, potato granules (sago), tapioca; canned fruits and vegetables, fruit juices and concentrates; cheese; natural honey.

The following is a schedule of trade fairs and exhibitions of an international character held in West Germany in the first half of 1956:

German Industries

Exhibition Hannover April 29-May 8

APRIL 28, 1956

International Laundry

Machine and Equipment Exhibition Frankfurt May 27-June 4

Information on the status of individual commodities under German dollar import liberalization and under quotas for exhibitions may be obtained from the International Trade Relations Branch of the Department.

Tours of Territory

L. S. GLASS, Commercial Counsellor in Wellington, New Zealand, will make a five-day business visit to Auckland, from May 30 to June 4.

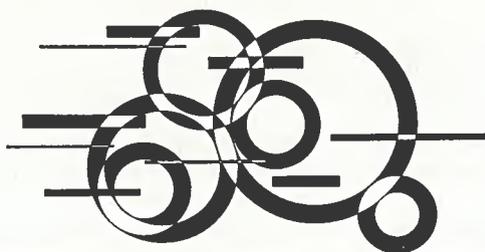
W. R. VAN, Commercial Secretary in Rome, Italy, will begin on April 30 a ten-day tour of Milan, Como, Turin and Alessandria.

G. F. G. HUGHES, Commercial Secretary in Beirut, will visit Baghdad and Mosul in Iraq and Kameshlie and Aleppo in Syria during the second and third weeks of May.

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

New German Motor Glider

A new motor glider has been developed by the German glider pilot, Puetzer, according to a report in the "Frankfurter Allgemeine Zeitung". The "Motor-Raab" has successfully passed all its tests and is now waiting for a certificate of airworthiness. Volkswagen engines were used in the test plane, but five newly constructed craft of the same type are equipped with an engine said to be still more efficient. Despite its engine, the "Motor-Raab" has all the qualities of a glider; it is extremely cheap to operate—DM15 (Can.\$3.53) per flying hour compared with DM60 (Can.\$14.83) for small motor planes. The glider is particularly suitable for overland flights and can also be used as a sporting and tourist plane. As well as the pilot, co-pilot and a full fuel load (sufficient for a non-stop flight from Munich to Bonn), the glider can carry the equivalent of 200 kg.—two persons with luggage. With its new motor, the "Motor-Raab" can travel 130 km. an hour. It can be dismantled by removing six bolts. Inquiries and orders have been received from 26 countries.



transportation notes

Argentina

PORT DEVELOPMENT—A recent Argentine Government decree orders the Ministry of Public Works to undertake immediately the re-opening to deep water ships of the inland ports of Rosario and Santa Fe on the Parana River. Previously these ports were very active in cereal exports and in imports for the northern part of the country. During the past ten years little or no dredging of the deep water canals to Rosario and Santa Fe has been done and silting has almost destroyed their usefulness as deep water ports. In addition, the greater part of their cranes and other harbour equipment have been transferred, chiefly to Buenos Aires and other ports on the eastern coast. This equipment will be returned as soon as the canals have been adequately dredged. Re-opening of these harbours will relieve, to some extent, the pressure on the port of Buenos Aires. The same decree directs that free zones in the river ports of Santa Fe Province be established in accordance with enabling law 5142—Buenos Aires, March 21.

Denmark

SAS-AUSTRIAN AIRWAYS—An agreement was signed in Vienna on March 23 between the Scandinavian Airlines System (SAS) and an Austrian group concerning the reconstruction of Austrian air traffic. The new corporation, Austrian Airways, will have a capital of 20 million schillings, 60 per cent of which will be made available by Austria and 40 per cent by SAS. Services will be operated from Vienna to Zurich, London, Frankfurt, Copenhagen and Oslo, probably from April 22. Future plans include connections with Belgrade, Paris, Stockholm, Warsaw, Moscow, and later, Budapest, Athens and Teheran. Metropolitans, Convairs and Douglas DC6s will be used—Copenhagen, March 27.

Italy

NEW RAILWAY PLAN—The Italian Ministry of Public Works has announced a new program for construction of railway lines and improvement of existing ones, entailing a total expenditure of 100 billion lire. Most of this work complements the development in Southern Italy which is being carried out by the Cassa Per il Mezzogiorno. New lines will

be constructed between Calabria and Puglie costing 25 billion lire, between Paola and Cosenza costing 14 billion, between Casoria-Somma-Vesuviana-Palma-San Gennare-Salerno costing 15 billion, and between Palma-San Gennare-Avellino costing seven billion lire. The Rome railway junction will be completed at a cost of 25 billion lire, the line between Carnia-Ponto di Muro will be improved to the extent of 10 billion lire. A new service between San Giovanni al Natisone and Sagrado will be instituted at a cost of two billion lire—Rome, March 23.

Kenya

ROAD FREIGHTING PLANNED—A road freight service between Kenya and the Federation, which it is claimed will reduce to ten days the present three-month rail and sea journey and will open up new markets for both countries, is planned by a group of Kenya businessmen. The plan is to run seven ton trucks down the Great North Road from Nairobi to Mbeya in Tanganyika, 70 miles across the Northern Rhodesia border. There goods from Kenya could be off-loaded and transported to Ndola, Northern Rhodesia, 600 miles away, for distribution throughout the Rhodesias and Nyasaland. From Mbeya the trucks would return northward with Federation exports for Tanganyika, Kenya and Uganda. Currently, many Rhodesian manufacturers refrain from approaching the Kenya market because of the time factor, but by reducing transit time to ten days new vistas would be opened and the cost, it is estimated, will be no more than the old rail-sea haul—Salisbury, March 28

Trinidad

NEW AIRPORT TERMINAL—The Government of Trinidad has agreed to spend \$2.2 million (approximately \$1.3 million Canadian) on the construction of a modern, two-storey terminal building for the Port-of-Spain airport at Piarco. The opinion of airline operators and customs and immigration authorities was obtained before the plans were approved, and the design is expected to speed the arrival and departure of passengers. Trans-Canada Air Lines now operate twice-weekly direct flights to the airport from Montreal and Toronto—Port-of-Spain, March 29.

Foreign Commercial Representatives in Canada

ARGENTINA

Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA

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

AUSTRIA

Ottawa—Minister, Legation of Austria, 445 Wilbrod Street.
Toronto—Austrian Trade Delegate, Suite 106, 77 York Street.
Vancouver—Austrian Trade Delegate, Room 111, 525 Seymour Street.

BAHAMAS

Toronto—Trade Commissioner, Victory Bldg., 80 Richmond Street, West.

BELGIUM

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

BOLIVIA

Montreal—Consul General of Bolivia, 5483 Earncliffe Avenue.

BRAZIL

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

BRITISH WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS

Montreal—Trade Commissioner for British West Indies, British Guiana, and British Honduras, 37 Board of Trade Bldg.

CHILE

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

CHINA

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

COLOMBIA

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

COSTA RICA

Montreal—Consul General of Costa Rica, 1465 Mackay Street, Apt. 4.

CUBA

Montreal—Consul General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA

Montreal—Commercial Attaché of Czechoslovakia, 1255 Phillips Square.

DENMARK

Ottawa—Royal Danish Embassy, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Secretary (Commercial), Royal Danish Consulate, 114-118 Danforth Avenue.

DOMINICAN REPUBLIC

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

ECUADOR

Montreal—Consul General of Ecuador, 3575 Addington Avenue, N.D.G.

EGYPT

Ottawa—Commercial Secretary, Egyptian Embassy, Roxborough Apts., Apt. 39.

EL SALVADOR

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

FINLAND

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

FRANCE

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

GERMANY

Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consulate General of the Federal Republic of Germany, 1529 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 York Street.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., Room 303, 980 West Pender Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.
Edmonton—Consulate of the Federal Republic of Germany, 11618—10th Avenue.

GREECE

Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 4885 Queen Mary Road, Apt. 27.

HAITI

Ottawa—Embassy of Haiti, 130 Sparks Street, Suite 6.
Ottawa—Consul General of Haiti, 18 Rideau Street.
Montreal—Vice-Consul of Haiti, 1405 Bishop Street.
Halifax—Consul of Haiti, 50 Sackville Street.

HONDURAS

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

INDIA

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

INDONESIA

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

IRAQ

The Legation of Lebanon is in charge of Iraqi interests. See address below.

IRELAND

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

ISRAEL

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

ITALY

Ottawa—Commercial Attaché, Embassy of Italy, 136 Queen Street.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

JAPAN

Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Toronto—Consulate of Japan, 180 University Avenue.
Vancouver—Consulate of Japan, 510 Hastings Street West.

LEBANON

Ottawa—Legation of Lebanon, 470 Wilbrod Street.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Montreal—Consul General of Mexico, Room 806, Castle Bldg., 1410 Stanley Street.

MONACO

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

NETHERLANDS

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

NEW ZEALAND

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

NORWAY

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

PAKISTAN

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

PERU

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

PHILIPPINES

Vancouver—Vice-Consul, Philippines Consulate, 615 West Pender Street.

POLAND

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

PORTUGAL

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

SPAIN

Ottawa—Commercial Attaché, Spanish Embassy, 149 Daly Avenue.

SWEDEN

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

SWITZERLAND

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

THAILAND

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

TURKEY

Ottawa—Commercial Counsellor and Secretary, Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA

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

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Trade Counsellor, Embassy of the USSR, 24 Blackburn Street.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 540 Burrard Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 504 Main Street.

UNITED STATES

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

URUGUAY

Ottawa—First Secretary and Chargé d'Affaires a.i., The Roxborough Apts., Apt. 66.

VENEZUELA

Ottawa—Commercial Attaché, Embassy of Venezuela, Roxborough Apts., Apt. 21.
Halifax—Consul, Room 401, Roy Bldg., Barrington Street.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Toronto—Consul (Honorary), 25 Adelaide Street East.
Vancouver—Vice Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA

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

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

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

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.00251.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 12	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05542	18.04	(1)
		Free	.02509	39.86	
Australia	Pound		2.2410	4462	
Austria	Schilling		.03837	26.06	
Belgium-Luxembourg	Franc		.02000	50.00	
Belgian Congo	Franc		.02000	50.00	
Bolivia	Boliviano	Official	.00525	190.5	
British West Indies	Dollar		.5836	1.714	(2)
	Pound		2.8013	3570	(3)
	Dollar	British Honduras	.7003	1.428	
Brazil	Cruzeiro	Effective selling*			
		* Category 1	.00939	106.45	
		Category 2	.00713	140.28	tax 10% (4)
		Category 3	.00480	208.43	*March 20
		Official buying	.05432	18.41	(5)
Burma	Kyat		.2095	4.773	
Ceylon	Rupee		.2101	4.760	
Chile	Peso	Principal	.00213	469.5	(6) (15)
Colombia	Peso	Basic	.3990	2.506	(7)
		Free*	.2244	4.456	*April 11
Costa Rica	Colon	Official	.1776	5.631	
		Controlled free	.1502	6.657	
Cuba	Peso		.9975	1.003	tax 2% (4)
Czechoslovakia	Koruna		.1385	7.220	
Denmark	Krone		.1444	6.925	
Dominican Republic	Peso		.9975	1.003	
Ecuador	Sucre	Official	.06650	15.04	
		Free	.05674	17.62	
Egypt	Pound	Official	2.8644	3491	(6)
Fiji	Pound		2.5236	3963	
Finland	Markka		.00434	230.4	
France	Franc		.00285	350.9	(8)
French Africa	Franc		.00570	175.4	(9)
French Pacific	Franc		.01568	63.78	(10)
Germany	D Mark		.2367	4.225	
Greece	Drachma		.03325	30.08	
Guatemala	Quetzal		.9975	1.003	
Haiti	Gourde		.1995	5.013	
Honduras	Lempira		.4988	2.005	
Hong Kong	Dollar	Free*	.1704	5.869	*April 6
		Official	.1751	5.711	
Iceland	Krona	Official	.06125	16.33	
		Special buying	.0466	21.44	
		Special selling	.0358	27.95	(11)
India	Rupee		.2101	4.760	
Indonesia	Rupiah	Basic	.08784	11.38	(12)
Iran	Rial	Certificate	.01319	75.82	*Feb. 29
Iraq	Dinar		2.7930	3580	
Ireland	Pound		2.8013	3570	
Israel	Pound		.5542	1.804	
Italy	Lira		.00160	625.0	
Japan	Yen		.00277	361.0	
Lebanon	Pound	Free	.3091	3.235	
Mexico	Peso		.07980	12.53	

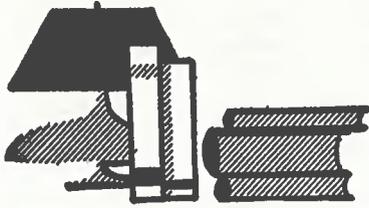
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 12	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder .....	.....	.2607	3.836	
Netherlands Antilles	Guilder .....	.....	.5253	1.904	
New Zealand	Pound .....	.....	2.8013	.3570	
Nicaragua	Cordoba	Effective buying .....	.1511	6.618	
		Official selling .....	.1415	7.068	
Norway	Krone .....	.....	.1397	7.158	
Pakistan	Rupee .....	.....	.2101	4.760	
Panama	Balboa .....	.....	.9975	1.003	
Paraguay	Guarani	Official .....	.01662	60.17	(6) (13)
Peru	Sol	Certificate .....	.05250	19.05	
Philippines	Peso .....	.....	.4988	2.005	
Portugal	Escudo .....	.....	.03481	28.73	(14)
El Salvador	Colon .....	.....	.3990	2.506	
Singapore & Malaya	Straits dollar .....	.....	.3268	3.060	
South Africa (Union of)	Pound .....	.....	2.8013	.3570	
Spain & Dependencies	Peseta	Basic buying .....	.04555	21.95	
		Basic commercial selling .....	.0608	16.46	(6)
		Free .....	.02561	39.05	
Sweden	Krona .....	.....	.1928	5.187	
Switzerland	Franc .....	.....	.2328	4.296	
Syria	Pound	Free* .....	.2809	3.56	*March 15
Thailand	Baht	Free .....	.04866	20.55	(6)
Turkey	Lira .....	.....	.3562	2.807	
United Kingdom	Pound .....	.....	2.80125	.3570	
United States	Dollar .....	.....	.9975	1.003	
Uruguay	Peso	Official .....	.6567	1.523	tax 6% (4)
		Principal buying .....	.5834	1.714	(6)
		Principal selling rates } .....	.4751	2.105	
		.....	.4472	2.236	
Venezuela	Bolivar .....	.....	.2978	3.358	
Yugoslavia	Dinar .....	.....	.00333	300.3	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar, depending on product. Three rates shown are based on São Paulo auction, and cover 97 per cent of transactions.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Camerouns, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: Unofficial reports indicate that the free market for the Chilean peso, which began operating about April 6th, covers many transactions with that country. Official details are expected shortly.



businessman's bookshelf

Survey of Scottish Exports

Prepared by "The Scotsman". 76 pages. 1/-.

TIME WAS when Scottish production was concentrated in heavy industry—steel, shipbuilding and coal-mining. Next in importance came the making of whisky, Harris tweed, linoleum, and knitwear. These industries in postwar years have remained important, but the range of Scottish manufacturing has widened impressively. As this interesting survey shows, industries as diverse as business machinery and synthetic fibres, aircraft engines and hormones, gypsum panels and surgeons' supplies, are now adding to Scottish domestic and export income.

The Canadian reader of this survey stands to gain a new appreciation of what Scotland is turning out, and may even find unsuspected sources of supply. And if he is himself an exporter, he will want to study the articles on quoting prices for the U.S. market, on introducing a new product, and on locating selling agents in the United States. The one Canadian contributor is J. S. Duncan, born a Scot, who offers advice on "The Challenge of the Canadian Market".

Order from: "The Scotsman", 20 North Bridge, Edinburgh, Scotland.

World Commerce and Governments: Trends and Outlook

By W. S. Wotinsky and E. S. Wotinsky. 907 pages. \$10.00.

THIS WELL DOCUMENTED and illustrated reference work should be an invaluable addition to the foreign trade section of an economic library. In parts, it offers information of absorbing, though sometimes esoteric, interest. Its exhaustiveness is illustrated by the section on transportation, which ranges from pre-mechanical bipedal movement to turbo-jet propulsion.

Unlike most works of this universal nature, *World Commerce and Governments* generally main-

tains closely argued and well presented themes throughout its many sections. Sometimes, as in the one on colonial empires, purely economic factors are perhaps given undue emphasis.

The Wotinsky's analysis of world governments, of which they recognize 84, points with great clarity to the overwhelming gulf which exists between the United States, the U.S.S.R., and the median state, which turns out to have a population somewhat smaller than New York City. The arithmetical mean is about 27 million, roughly the population of Spain.

Tariff history and complexities are dealt with exceedingly thoroughly—in fact, this is perhaps the outstanding section in a first class treatment of international trade as a whole. The book is certainly not light reading, but will fully repay the serious attention which it deserves.

Order from: *The Twentieth Century Fund*, 130 West 42nd Street, New York 36, N.Y.

Phillips' Paper Trade Directory of the World, 1956

S. C. Phillips & Co., Ltd. 776 pages. \$5.00 (approx.)

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