CANADA

foreign trade

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cover Sweet biscuits, crisp and fresh, come from the ovens of a large Canadian bakery. Some of them may eventually appear on supermarket shelves south of the border, where Canadian biscuits are finding customers. Sales opportunities there for biscuits and also for jams and jellies, marmalade and confectionery are discussed in an article on page two.

—Photo by National Film Board.

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The U.S. Market for Quality Foodstuffs

Demand for imported jams, jellies, marmalades, confectionery, and sweet biscuits is increasing in the United States. European producers hold largest share of this business, but some Canadian firms are competing successfully. Here is information on the size of this market and how to enter it.

E. H. MAGUIRE, *Commercial Secretary, Washington.*

THE STEADY INCREASE IN POPULATION in the United States, plus the rise in living standards, is resulting in increased sales of imported goods. A wide range of imported tinned and packaged foodstuffs —including jams, jellies and marmalades, confectionery and sweet biscuits—are sharing in this greater market.

Canadian producers of these products are well placed to take advantage of these sales opportunities because of their nearness to the market and because, in some cases, they have competitive advantages over domestic producers. For example, because of high price supports in the United States and higher duties on some raw materials, Canadian producers may pay less for many important raw materials than United States producers do. Moreover, in all these lines, the level of United States duties is reasonable. European producers now enjoy the major portion of the market for these imported foodstuffs, but there is reason to believe that Canadian laid-down costs are not far out of line with European laid-down costs, especially in inland cities where freight costs should favour Canada.

Emphasis on Quality

The fact that domestic foodstuffs manufacturers have in the past few years tended to cater to the mass market and to the mass taste has also spurred the sale of imported products. To obtain mass distribution, domestic producers have had to invest heavily in advertising and provide elaborate packages and containers, putting emphasis on eye appeal. However, there are still millions of shoppers who are primarily interested in the contents rather than in the package and who often turn to imported foodstuffs. The word "imported" on a label suggests to the discriminating shopper a quality product. It is probably true that it is a greater factor in impulse sales than an elaborate package or container is, particularly in the case of jams. Over the years European producers, particularly United Kingdom firms, have gained great prestige in this market through their ability to land quality products at fair prices. There is no reason why Canadian makers, especially those who put up high-quality products, cannot also build up a substantial trade provided they offer quality and merchandise the product aggressively. The following paragraphs are intended to give Canadian makers of jams, jellies and marmalade, confectionery, and sweet biscuits, some basic information on the U.S. market.

Many domestic preserves are highly adulterated and rather expensive. Attractive labels, and containers with

Automatically stacked biscuits move along the packing line in a Montreal plant, where dextrous fingers put them into boxes for domestic sale or for export to neighbouring markets.

a secondary use such as tumblers and stemware, are usually depended upon for sales appeal. Domestically produced pure bitter orange marmalade (admittedly not popular with Americans) is practically non-existent. Yet United Kingdom manufacturers enjoy a good trade in this: imports amounted to over 3¼ million pounds in 1954 and nearly 3 million for the first ten months of 1955, almost all of which came from the United Kingdom. Imports of jams and jellies totalled over 4½ million pounds in 1954 and nearly 4 million pounds in the first ten months of 1955. Canada and the United Kingdom shared the bulk of this business. The rise in imports of orange marmalade and the steadiness of imports of jams and jellies over the past five years is illustrated by the following statistics:

IMPORTS OF ORANGE MARMALADE

Year	*Total—lb.*	*Total—$*
1951	1,994,826	305,943
1952	2,282,990	366,147
1953	3,751,791	625,410
1954	3,341,549	544,077
1955 (ten months)	2,989,606	484,866

IMPORTS OF JAMS AND JELLIES

Year	*Total—lb.*	*Total—$*
1951	4,232,173	868,696
1952	3,538,456	739,972
1953	4,842,720	979,331
1954	4,664,783	973,383
1955 (ten months)	3,937,810	836,159

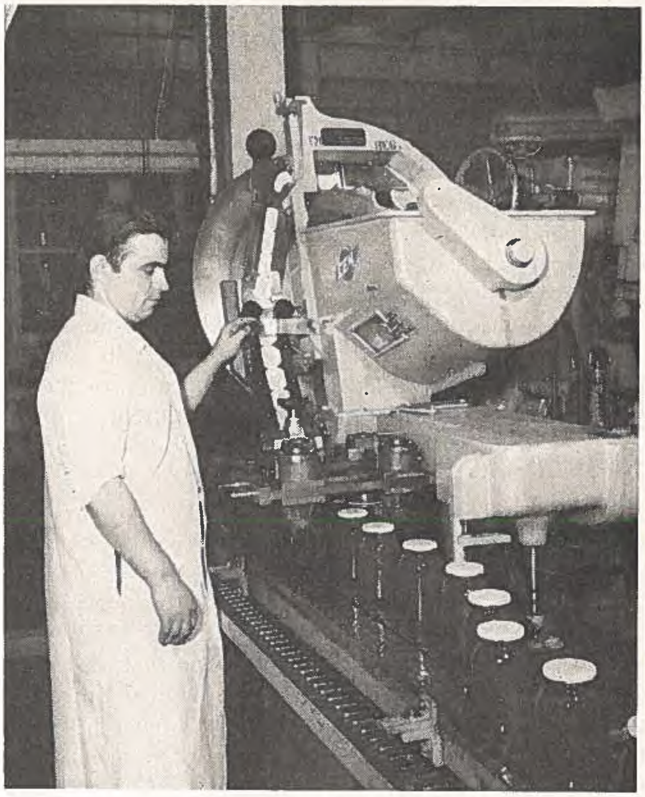
United States Customs duties on jams, jellies and marmalade are:

Currant and berry jams and jellies	9½ per cent ad valorem
Orange marmalade	15 per cent ad valorem
Other	19 per cent ad valorem

(Paragraph 751—Customs Tariff)

Candy and Chocolates

Imported candy and chocolates are becoming increasingly popular and are now seen on the candy counters of many drug stores and even in chain groceries in many regions. Prices of the imported brands are usually a good deal higher than those of domestic varieties, but good quality and attractive, distinctive packaging are the drawing cards. Imports of candy (including chocolate creams and other varieties of chocolate containing a substantial amount of ingredients other than chocolate) totalled 19·5 million pounds valued at $7·3 million in 1954, compared with only 13 million pounds valued at $4·6 million in 1951. Imports of candy for the first ten months of 1955, at 19·2 million pounds, almost equalled imports for the whole of 1954. The United Kingdom shipped $4·3 million of the $7·3 million total in 1954, with Italy, Austria, West Germany, Switzerland and Spain providing most of the remainder. These imports include candy in bulk for packaging in this country.



This machine, under the watchful eye of the operator, caps and seals jars of jam. The U.S. market last year absorbed over four million pounds of imported jams and jellies; Canada and the United Kingdom shared the bulk of this business.

In 1954, just over three million pounds of sweetened chocolate, (chiefly plain or milk chocolate in bars) were shipped to this country and were valued at over $2 million. Netherlands shipments represented about half of the value and the remainder was divided between the United Kingdom, Denmark, West Germany, Switzerland and Yugoslavia. In 1951, imports reached only 1·7 million pounds valued at $980 thousand. The peak year for chocolate was 1953, when nearly four million pounds were imported. Returns for the first ten months of 1955 (3·4 million pounds valued at $2 million) indicate that imports for the whole of 1955 will equal or surpass those of 1953.

Quantities and values of candies and chocolate imported in each of the years 1951-1954 and for the first ten months of 1955 were as follows:

CANDIES IMPORTED

Year	*Total—lb.*	*Total—$*
1951	13,065,407	4,627,455
1952	15,030,399	5,364,392
1953	17,638,735	6,435,319
1954	19,536,736	7,310,391
1955 (ten months)	19,250,528	6,558,301

CHOCOLATE (SWEETENED) IMPORTED

Year	*Total—lb.*	*Total—$*
1951	1,776,304	980,648
1952	2,354,651	1,252,481
1953	3,957,671	2,354,895
1954	3,070,491	2,026,905
1955 (ten months)	3,399,026	2,080,533

Under Paragraph 506 of the Customs Tariff, sugar candy and all confectionery n.s.p.f. is subject to duty of 14 per cent ad valorem if valued at six cents per pound or over. Under Tariff Paragraph 777(*b*) sweetened chocolate, in bars or blocks weighing over 10 lb. each, pays a duty of $\frac{8}{10}$ of a cent per lb. and in any other form, if valued at 10 cents per lb. or more, is subject to a duty of 10 per cent ad valorem.

Sweet Biscuits

United States trade returns show that imports of sweetened bakery products, principally biscuits, are steadily increasing. In 1954, imports were valued at $1·5 million compared with only $877 thousand in 1951. Imports for the first ten months of 1955 were valued at $1·6 million and it is expected that the value of 1956 imports will be even greater. United Kingdom exporters traditionally hold the largest share of the market (1954: United Kingdom, $534 thousand; Netherlands, $221 thousand; Belgium, $225 thousand; Canada, $118 thousand) but, according to testimony which domestic bakers gave before the Committee for Reciprocity Information last January, Canadian firms are making inroads into the expanding market. It appears that Canadian bakeries can compete not only in the better quality lines, up to now more or less monopolized by United Kingdom and European brands, but also in the lines suitable for mass distribution. When statistics are released for the whole of 1955, it is expected that they will show a sharp rise over 1954 in imports from Canada and probably 1956 figures will go up even further.

Imports of wafers, cakes and baked articles (not including unsweetened biscuits) for each of the years 1951-1954 and the first ten months of 1955 were:

Year	*Total—$*
1951	877,571
1952	1,135,934
1953	1,378,290
1954	1,564,091
1955 (ten months)	1,602,314

Under Paragraph 733 of the Customs Tariff, biscuits, cakes and wafers, and similar baked articles, whether or not they contain chocolate, fruit, nuts or confectionery, are subject to a duty of 9½ per cent ad valorem.

Distribution Methods

Canadian firms who wish to enter the United States market or who want wider distribution would be well advised to enlist the aid of food brokerage firms located in the desired areas. Most reliable food brokerage firms are members of the National Food Brokers Association (NFBA), with headquarters in Washington, D.C. The Association requires members to maintain a certain standard of ethics and to act only on behalf of the seller. The association publishes a directory of members (there are over 1,800 at present) and copies may be obtained free of charge by writing to the Association, Munsey Building, 1329 "E" Street, N.W., Washington, D.C. The directory lists firms according to geographic locations and indicates the types of products which each handles.

Trade Commissioners stationed in the United States can assist Canadian firms to make initial contact with brokers. It would be helpful to send the Trade Commissioners samples of the product, plus full information on price. However, once the initial contact is made and the broker feels that the product has possibilities, it is then essential for the Canadian firm to visit him and discuss marketing details. The broker then feels that he has the co-operation and backing of the principal for the promotion effort usually necessary to introduce a new product or brand successfully.

The Association stresses this point by stating in its directory that: "The most satisfactory method of selecting food brokers, after selecting a preliminary list from the directory, is through personal visit and discussion." Good brokers, in fact, are very discriminating about the products they will undertake to handle and, in consequence, they must first be sold on the value of a product. The main reason is that the shelves of most retail outlets are crowded to the saturation point; this is particularly true of chain stores. (In the Washington area, 85 per cent of grocery sales are made through chain stores.) A broker must use all his ingenuity to persuade a retailer to make room for a new line and must convince him that the product will move. Canadian principals must therefore work in close co-operation with brokers, must follow suggestions on labelling, etc., and be prepared to put up funds for promotion if necessary. In other words, to gain entry into this market, a Canadian firm must pay just as much attention to distribution problems in the U.S. as it would in Canada.

The NFBA holds an annual convention alternating between Atlantic City and Chicago. These conventions provide opportunities for principals to maintain contacts with brokers or to seek out new ones. At the conventions, principals often display their products in hotel rooms for the benefit of brokers. The NFBA has no objection to Canadian principals taking part and will allot suitable accommodation to those who apply. The next NFBA convention is scheduled for early next year in Chicago. Over 1,400 brokers and nearly 650 principals attended the last convention. ●

Marine Insurance

its place in the export sale

To the novice in export, marine insurance seems complex and the terms used baffling. In this article, ninth in our series on the techniques of export, a veteran in this field answers many of the questions which exporters ask about transfer of title, coverage, types of policy, etc.—and also explains some of the more common terms.

R. S. HENDERSON, *M.I. Ex.,*
R. S. Henderson & Company, Ltd.

MARINE INSURANCE IS ESSENTIAL to the financing of export sales and every care must be exercised in the preparation of the policy. The terms or insuring conditions, amount, etc., are governed by the sales contract, letter of credit, or custom.

The seventh article in this series (May 26, 1956) dealt with terms of sale, particularly Cost Insurance and Freight (named port of discharge). An exporter's C.I.F. quotation to his customer should stipulate the terms of the marine insurance which he will furnish. This is necessary so that, in the first place, there will be no misunderstanding between the seller and his customer; second, to give the exporter the protection he needs until risk and title pass to the buyer, and third, to give the buyer an opportunity to order broader terms at his expense if he or his banker consider this necessary.

The International Chamber of Commerce in 1953 published *Incoterms,* or "International Rules for the Interpretation of Trade Terms", which, if they are incorporated in a sales contract, call for a very restricted form of insurance, leaving the buyer with the responsibility of asking and paying for broader terms. This is perfectly sound but it does not satisfy this writer because the suggested terms (F.P.A., or Free of Particular Average) are too restrictive. It is suitable to insure certain commodities on a limited form but practically all forms of manufactured goods require broad or so-called "all risks" terms, if these are available.

Who Is "at Risk"?

Under a *true* C.I.F. (port of destination) sale, the exporter is at risk until the goods are placed aboard the vessel at port of lading, after which the buyer is at risk although title may not necessarily have passed to him. The policy the exporter furnishes protects him in accordance with its terms while he is at risk, and thereafter it protects the buyer.

It is important to know and remember that although a marine insurance policy is assignable without permission of the underwriter, it can only be assigned while the assured (exporter) has an interest in the subject matter insured, unless beforehand he has expressly or by implication agreed to assign it. It is not unusual to find an exporter who has sold on open account holding the insurance policy until his invoice has been paid, in the belief that if the goods are damaged, he has some protection for the debt owing him. To do so on a C.I.F. sale probably has the effect of making the exporter responsible for delivery, thus destroying the character of the C.I.F. contract. At the worst, when the sale is made under a letter of credit there is an incomplete tender of documents and payment may and can be refused.

The exporter should endorse the policy at the time and in the same manner as he does the document of title (bill of lading). Insurable interest and title in the goods will pass to the buyer simultaneously.

Calculating the Premium

To the manufacturer or merchant in the export field the procuring of marine insurance is no mystery, although its terms may be. The insurance premium will depend on many factors—the commodity, its packing, the class of steamer carrying it to port of discharge, the final destination and, of course, the terms or conditions of the policy.

Preferably, the exporter should consult a broker or agent who is thoroughly competent. Marine insurance rates are not regulated by so-called Tariff Associations or Conferences, but the experienced intermediary will select a suitable company and secure a fair rate. With an increasing volume of exports and a favourable loss experience, the exporter will find that rates will be reduced and his costs will be less. Marine underwriters are as anxious as the exporter is to see that merchandise is delivered in sound condition, because this benefits everyone. The exporter's cost is lower, the underwriter makes a small profit, and the buyer is content. To this end the packing employed can be one of the most important factors and some insurance companies maintain a staff of experts in this field to help with the problem.

What to Insure Against

Turning now to the question of what perils should be insured against, we must first examine the sales contract. In making his quotation (C.I.F. port of discharge) the exporter will or should specify the terms of coverage he will furnish for the price asked. Next, he must look for variations of these terms in the acceptance or letter of credit if there is one. Should an extension of terms be required, any extra cost is for account of the buyer. It is essential that the policy provided state in the same words what is called for in the letter of credit. With this in mind, as soon as the exporter receives advice of the opening of the credit, he should consult his broker or agent and determine whether a policy can be written in the terms required. Quite often the foreign buyer or his banker use expressions which are meaningless and it is vital to the seller's economic well-being that amendments be made before the credit expires. Too often the exporter leaves consideration of the marine insurance until the day before the documents must be presented to the bank. Should a million dollar sale be jeopardized through a fall in the market price, he may wish he had paid attention to detail.

The "Open Policy"

For the regular exporter, the open policy is the usual and most satisfactory contract between him and his underwriter. It is a contract under which the exporter agrees to declare every shipment sold on C.I.F. terms and those which the buyers have instructed him to insure. The underwriter in turn agrees to accept all such declarations and to issue a policy or certificate for each as the assured requires.

The open policy contains all the conditions of the insurance, including a valuation clause setting out the formula to be followed in arriving at the amount to be written. Often the goods are on the way to seaboard or actually aboard the ship before all the charges are known for the calculation of the insured value. If a loss occurs before the individual policy is issued, the liability of the underwriter is defined.

Because marine insurance as we know it had its greatest development in England, beginning early in the 14th century, the standard form of English marine policy is employed as the basic contract. There has been little variation for 200 years and although the wording may appear archaic, the meaning has been defined by the Courts and codified by statute. The following provinces of Canada have passed Marine Insurance Acts identical with the Marine Insurance Act 1906 Great Britain—first, British Columbia in 1926, followed by Nova Scotia 1941, New Brunswick 1943, Manitoba 1945 and Ontario in 1946.

In Quebec, provisions respecting marine insurance are contained in the Civil Code, Articles 2470, 2479, 2482, and 2492-2567. These are special conditions in the Civil Code which are similar to English law. Any differences are not substantial. In general, in the absence of Quebec statutory authority, one must fall back on English Common Law.

The basic form is amended by clauses or endorsements which alter its scope according to the needs of the assured. First in importance is the "Free of Capture and Seizure" clause which "takes out" the risks of war. These are put back in and defined by special wordings, to which can be added cover against the risks of "Strikes, Riots & Civil Commotions and damage caused by persons acting maliciously".

Each commodity has its special need for cover: liquids in bulk—leakage and contamination; machinery, stoves and refrigerators—breakage; flour to the West Indies where lighterage is necessary and tropical rains are sudden—fresh water damage; canned goods out of East Coast ports via the Panama Canal to West Coast ports or vice versa—ship's sweat. All these are additional to the cover provided by the basic marine policy. Each open policy must be prepared according to the needs of the exporter.

Terms Explained

It is difficult to discuss marine insurance without bringing technicalities into it; neverthless, there are many inflexible rules. Some explanation of the terms Particular Average, General Average, and Sue & Labour Expenses may help the exporter to understand his policy a little better.

The purpose of the marine policy is to indemnify the assured for loss or damage caused by perils insured against. The manner in which the indemnity is fixed is set out in the Marine Insurance Act 1946 Ontario. Briefly, the assured is entitled to the same proportion of the sum insured as the goods are found to have depreciated. The depreciation is determined (in the absence of mutual agreement) by comparison of the gross sound and damaged duty-paid values at the place of arrival.

A Particular Average loss is a partial loss of the subject matter insured, caused by a peril insured against, and which is not a General Average loss. The following examples of the adjustment of Particular Average losses will illustrate the principle and demonstrate the effect of rising and falling markets.

Particular Average Demonstrated

An exporter sells 100 bags of flour C.I.F. Liverpool for $500 and furnishes a policy for $550. Upon arrival the flour is found to have been damaged by perils insured against, and cannot be used for the purpose for which it was bought. It is sold at public auction, with all charges payable by the seller, for $400 gross.

Upon arrival, the gross wholesale price of flour was $10 per bag. Therefore the value of 100 bags in sound condition was $1,000. In damaged condition it sold for $400 and the buyer lost $600 or 60 per cent of its value. The policy pays 60 per cent of the insured value or $330, so the buyer receives $400 from the sale and $330 from his underwriter, or $730 against a C.I.F. price of $500. That looks like a good profit, but it must be remembered the buyer would have made a profit of $500 had the flour arrived sound.

But suppose that, upon arrival, the sound market value (duty paid) has dropped to $4.00 per bag and because of damage the flour sold for $2.40 per bag. This shipment has been damaged to exactly the same extent as the one above, 60 per cent. The assured recovers 60 per cent of the insured value or $330 and adding the proceeds of sale, $240, his total is $570. Had the flour arrived in sound condition he would have sold it for $400 for a loss of $100.

The adjustment of both claims was governed by the same principle—the policy pays the same percentage of the sum insured as the goods are found to have depreciated, without any consideration being given to market fluctuations. Before the days of controlled commodity prices it was not unusual to find flour or tea selling in damaged condition at destination for more than its purchase price at time of shipment.

It is not proper for the underwriter to settle for the difference between the insured value and the net proceeds of sale, although many consignees present their claims in this manner. An adjustment such as this is called a "Salvage Loss" and is only permissible when the goods are damaged and have to be sold before arrival at destination.

General Average Explained

A General Average act occurs where "any extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure" and a General Average loss is one caused by or directly consequent upon a General Average act.

A ship laden with cargo is on her voyage when fire breaks out in cargo, say in No. 2 hold. Steam and/or water is introduced into that hold and this saves the ship and the remaining cargo, but destroys or damages the cargo in No. 2 hold. The cargo unaffected by fire and smoke but damaged or destroyed by steam and/or water is sacrificed to preserve the ship and cargo imperilled in the common adventure. The owners of the cargo sacrificed are thus entitled to claim their loss from those who benefited. For this reason, the party at risk when the cargo is safely landed (the buyer under a C.I.F. contract) is required to put up cash or an underwriter's guarantee to secure payment of the proper proportion of the cost of the sacrifice.

In the foregoing example there are several kinds of losses. The cargo damaged or destroyed by water gives rise to a claim for a General Average loss—that is, one caused by or directly consequent upon a General Average act. The damage from fire and smoke is Particular Average or a Total Loss directly caused by perils insured against. Undamaged cargo must pay its rateable proportion of G.A. contribution to reimburse the owners of cargo sacrificed, and the latter must also pay G.A. contribution on the amount made good by the contributions of others.

The value on which cargo will be assessed is called its Contributory Value. In order that all shall contribute uniformly, this value is usually the wholesale market value at port of safe arrival and discharge, less duty and landing charges—that is, its worth in the condition landed, less all charges which would not have been incurred if the ship had failed to arrive. As the policy will pay G.A. contribution in full if the insured value equals or exceeds the contributory, it is essential that the goods be insured for more than their C.I.F. cost. In the absence of any special instructions from his buyers the exporter should add 10 per cent.

Sue & Labour Expenses

It is the duty of the assured (or the assignee) to take all reasonable steps to preserve the property from loss or damage which would be recoverable under the policy. A peril insured against must first be in operation, not just a fear that a peril will perhaps operate. Such expenses are paid in full even though the steps taken failed to prevent a total loss. In short, the assured should act as a prudent uninsured person would.

Take the example of the merchant who receives a shipment of tinned goods which has been wet by sea water. If he is prudent, he will immediately unpack the tins and dry and buff them, otherwise the pitting and rusting will soon destroy them all. The cost of this and of relabelling are Sue & Labour expenses which are recoverable in full. But suppose such action, reasonable and prudent as it seemed at the time, failed to save the tins and all or most became a total loss. The expense is nevertheless recoverable as well as the loss of or damage to the interest insured. What is prudent and reasonable can be determined by agreement with the underwriter's representative before the work is undertaken. If no representative is available, the assured is not excused from taking appropriate action immediately. As the Sue & Labour clause says: "It shall be lawful (i.e., a legal duty) to the Assured, their Factors, Servants and Assigns, to sue, labour, and travel for, in and about the Defence, Safeguard and Recovery of the said subject matter of Assurance without Prejudice to this Assurance—". It may sound archaic but its meaning is clearly defined.

Delay in Transit

The coverage afforded upon an open policy attaches from the time goods leave the warehouse at point of origin and continues in due course of transit until the goods are delivered into final warehouse.

The marine extension clauses which replace the warehouse-to-warehouse clause provide for continuity of coverage, if there is no interruption or suspension of the ordinary course of transit within the control of the assured. Thus, if either shipper or buyer elects to interfere with the ordinary transit by, say, delaying the shipment by holding it for the next vessel, the due course of transit has been interrupted and insurance terminates immediately. It is a simple matter to arrange for the continuance of insurance if the underwriter is given prior notice and an additional premium, if required, is agreed upon.

Should the shipment be delayed in transit for reasons beyond the control of shipper or buyer, insurance does not terminate.

The main exception to these general provisions of the marine extension clauses concerns shipments to South America. After discharge from the overseas vessel at a South American port, insurance continues for sixty days (or ninety days if via the Magdalena River) or until delivered into warehouse at final destination, whichever shall first occur. As distinct from shipments to other destinations, insurance after discharge from the overseas vessel is not terminated when the ordinary course of transit is interrupted for reasons within the control of the assured.

War, Strikes

The risks of war and strikes, as mentioned before, are insured by special wording added to the policy. Each is covered by a separate set of clauses.

The coverage afforded under the war clauses does not attach before loading on board the overseas vessel and terminates upon discharge from the overseas vessel at final port. When cargo is not discharged immediately, it terminates after the expiry of 15 days from the date of arrival of the overseas vessel at final port. The lack of coverage on land is of particular importance to those buying goods abroad. Whenever possible, they should leave this uninsurable risk with the seller by purchasing "F.O.B. vessel" or "C. & F. port of destination" rather than "ex works".

Space does not permit a discussion of the provisions pertaining to transhipment, forced discharge or other conditions of these clauses, or of the special clauses used for "Sendings by Air" and "Sendings by Post". Any broker or agent can give details.

The strike clauses cover theft or pilferage by, or other loss of or damage to, the property insured caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions. In addition, they cover destruction of or damage to the property insured by persons acting maliciously.

These are primarily "on land" risks and the clauses cover from warehouse to warehouse.

Cargo owners who are aware of the continuous strikes etc., hazard normally insure against those risks as they do against war risks. It is not recommended that war risks insurance be excluded in view of the need for cover should there be an outbreak of war with little or no warning. And the additional premium is a very small one.

Claims Procedure

Though under the C.I.F. contract of sale it is the buyer's responsibility to make claim against underwriters or stand any losses not recoverable, it is desirable to know the procedure to be followed. The policy will instruct the holder to notify the appointed representative of the insurance company for survey of the damaged goods or, if there is no representative, to call in Lloyd's agent or surveyor to the Board of Underwriters of New York. The request for survey must be prompt. The delivering carrier must be notified and a claim lodged within the time limit set in the bill of lading, in order to preserve for underwriters their rights under subrogation. The following documents make up the full complement.

(1) Survey report

(2) Shipper's invoice

(3) Copy of bill of lading

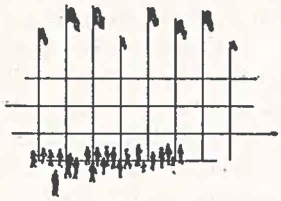
(4) Original or negotiable copy of policy properly endorsed.

(5) Copy of claim against carriers and the latter's reply.

The broker or agent should prepare the claim according to the law and practice governing the adjustment of marine claims and effect collection for the exporter or his customer.

Contingency Insurance

Certain countries prohibit C.I.F. buying, thus compelling the Canadian exporter to sell C. & F. port of destination, or else to keep title and risk until delivery has been made to the final warehouse. The writer believes that most Canadians adopt the C. & F. type of sale after first securing themselves against loss by means of the irrevocable letter of credit. If the terms of payment are documents on acceptance or documents on payment or open credit, it is advisable to insure the goods. Such insurance is for account of the exporter only and only pays for loss or damage from perils insured against if the buyer has refused to pay his account. Upon any such payment the underwriter is subrogated to the exporter's rights to recover from the buyer to the extent of the amount paid out under the policy. This can be particularly valuable to the exporter whose customer has refused payment because the goods were lost or arrived badly damaged. ●



fairs and exhibitions

Electronics—Theories and Uses

OVER NINETY LEADING CANADIAN MANUFACTURERS of electronic equipment have already booked space in the exposition which will form part of the 1956 IRE Convention, October 1, 2 and 3. The Institute of Radio Engineers in Canada is celebrating its 30th anniversary this year and plans to make its convention-exposition an outstanding event. American and overseas manufacturers will join Canadian exhibitors in the Automotive Building, Exhibition Park, Toronto, to show the latest in radio, radar, television, control mechanisms, computers, and a host of related products, including transistors. Peacetime applications of atomic energy will also be illustrated.

Technical papers by leading experts to be read at the convention—some 40 have already been received—cover such subjects as medical electronics (for diagnosis and treatment), scatter propagation, the application of electronics to atomic energy projects, the use of computers in automation and engineering problems, and several papers dealing with transistors. The Weizmann Institute of Science, Rehevoth, Israel, has contributed a paper on magneto-resistive amplifiers.

For more information about the IRE Convention-Exposition, write to: Canadian I.R.E. Convention, 745 Mount Pleasant Road, Toronto.

Canadian Exhibits at Foreign Fairs

HANNOVER INDUSTRIES FAIR

For the first time, the Hannover Industries Fair this year accepted a foreign exhibitor in its large and well-designed chemical building—and the exhibitor was Canada. Our display, located on the main floor of the building, included the products of eleven Canadian chemical manufacturers—both basic raw materials and consumer products.

A heavy building program is under way in West Germany and business visitors to our stand were specially interested in products for home construction, such as vinyl asbestos floor tile; synthetic rubber floor tile; polyester fiberglas reinforced plastics, processed with propylene glycol to impart a lustrous shiny finish; high-impact polystyrene exhibited in the form of German-made refrigerator door liners and "Stenorette" dictating machines; polyvinyl chloride flame-resistant plastic film, and fabric-backed and heavier grades of upholstery sheeting suitable for many home furnishings. Vinyl plastic base garden hose with a reinforced embedded mesh and carrying a ten-year guarantee also attracted a great deal of attention, as did phenolic laminates for various uses and coloured plastic film and sheeting. The polysar synthetic rubber on display

Part of the wide-ranging display of Canadian chemicals at the Hannover Industries Fair in the late spring. Both raw materials for various types of plastics and products made from them were featured; eleven Canadian companies participated.

was well known to the German buyers whose main concern was to obtain additional supplies from Canada. Many questions were asked about the manufacture from materials on display of plastic raincoats, toys, etc.

Attendants on the Canadian stand received 48 serious business inquiries from 26 countries, including some from Iron Curtain countries and many from Western Europe, Scandinavia, the Middle East and South America. These inquiries have been reported to the Canadian manufacturer and to the Canadian Trade Commissioners in the countries concerned. German trade inquiries totalled about 112, and these were turned over to the recognized German agent of the Canadian firm or to the firm itself.

Canada, with 12 other countries, also operated an information booth in the "International Export Boerse", with a bilingual staff to answer trade inquiries and provide services for visiting representatives of Canadian firms.

The Hannover Industries Fair is comparatively young—it has been in operation only since the end of World War II—but it has become one of the most successful and important in Europe. This year it provided 3,024,000 square feet of indoor exhibit space and 1,296,000 outdoors. Of the 3,946 exhibitors (the management permits only manufacturers to show), 385 were foreign. Capital goods and basic materials made up 62·5 per cent of the total; the remainder covered consumer goods. About 1·5 million visitors saw the Fair during its ten-day run and a good proportion were bona-fide buyers and business people. High admission prices tended to discourage sightseers.

—S. G. BARKLEY,
Commercial Secretary, Bonn.

BRUSSELS INTERNATIONAL TRADE FAIR

Canadian food products, displayed in gay surroundings of striped awnings and aluminum poles, were a star attraction in the Hall of Nations at the Brussels International Trade Fair this spring. Visitors to the Fair, which included the general public, showed tremendous interest in Canadian cheddar cheese, known in Belgium as "Chester". About 13,000 samples of the cheese were given out and 68 per cent of the tasters said they had never eaten it before. There is considerable confusion in Belgium about the difference between Canadian and American cheddar and it would very worthwhile for Canadian cheese producers to exhibit at the Autumn Brussels Food Fair.

The fact that the Brussels Fair is open to the public at all times was particularly useful for Canada as an exhibitor of consumer goods. Attendants on the Canadian stand received several inquiries from consumers for products not on the shelves of their local stores. These inquiries, complete with the name and address of the consumer and his retail outlet, were passed to the representatives of the Canadian manu-

The pleased expressions on the faces of these visitors to the Canadian stand at the Brussels Fair testify to the quality of the Canadian cheddar cheese which they have just sampled.

facturers. Other inquiries ranged from requests for the agency for a Canadian whisky not yet on the Belgian market, to that of an elderly lady who had heard so much about maple sugar but had never been able to buy any.

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

MILAN INTERNATIONAL TRADE FAIR

Atoms for peace were featured in Canada's exhibit at the Milan International Trade Fair held in April, with the spotlight on the Theratron Junior. This latest beam therapy unit for cancer treatment uses Cobalt 60 and is produced by Atomic Energy of Canada Limited. In addition to atomic energy, the display illustrated with maps, photographs and other devices Canadian achievement and progress in agriculture, forestry, fisheries, mining, industry, transportation, communications and power.

This year, the Milan International Trade Fair (in its 34th year) attracted nearly four and a half million visitors and the interest shown in the Canadian stand was much greater than in any of the previous eight years in which Canada has exhibited at this Fair.

—S. G. MACDONALD,
Commercial Counsellor, Rome.

Fair Calendar

Danish Radio and Television Exhibition, August 31-September 9, 1956, Copenhagen. For information: Danish Radio and Television Exhibition, % Radio Manufacturers' Association, 4 Amaliegade, Copenhagen K.

6th International Exhibition of Cotton and Rayon Textiles, September 22-October 7, 1956, Busto Arsizio. For information: Commercial Attaché, Embassy of Italy, 136 Queen Street, Ottawa.

3rd Annual Stationery Trade Fair, February 4-8, 1957, Brighton. For information: General Secretary, The Stationers' Association of Great Britain and Ireland, 6 Wimpole Street, London, W.1.

World Trade Fair in New York

PLANS for a United States World Trade Fair in 1957 have been made and the city's new Coliseum booked for April 14-27. Exhibits will be classified in nine groups: (1) National pavilions, institutional, information, etc.; (2) Textiles, furs, upholstery fabrics, footwear; (3) Furniture, home furnishings; (4) China, glassware, ceramics, leather goods, cosmetics, jewellery, works of art, etc.; (5) Hardware, electrical appliances, sports equipment, toys, musical instruments; (6) Foodstuffs, beverages; (7) Office equipment, stationery, printing materials, books; (8) Building materials, electronic equipment, scientific instruments, precision tools, etc.; (9) Basic materials—steel, aluminum, copper, brass, plastics, chemicals, rubber, petroleum products, etc.

One section of the luggage exhibit which opened on June 6 at the Canadian Showroom in Rockefeller Centre, New York. The display, which covers billfolds, briefcases and handbags as well as travel sets, will be on view until July 6.

For information about exhibiting at or visiting this fair, write to: United States World Trade Fair, Suite 1103, 331 Madison Avenue, New York 17, New York.

Trade Fair in the East

ONE of the most important events of its kind in the Near or Middle East, the Izmir International Fair is being held this year from August 20 to September 20 inclusive. Last year the fair welcomed 1,739,919 visitors, and 15 foreign countries set up national pavilions.

This year, the Turkish Government will grant special fair import quotas permitting the import and sale of exhibits. Because of foreign exchange difficulties it is expected that the import of other than essential goods will not be considered, although some quotas may be granted for a few items of lesser importance. However, quantities and values of goods brought in to the Fair for display and subsequent re-export will not be restricted.

For information, write to the Commercial Counsellor, Turkish Embassy, 197 Wurtemberg Street, Ottawa.●

The Chicago Market for Plywoods and Veneers

Demand for Canadian plywood and veneers in territory served by Chicago office continues strong. Here is information on what the market wants and how best to serve it.

W. G. D'ARCY, *Vice Consul and Assistant Trade Commissioner, Chicago.*

MANY INDUSTRIES in the United States are always anxious to obtain Canadian birch plywood. Its attractive grain, stability, strength, excellent finishing qualities and medium price make it ideally suited to hundreds of uses. It is not surprising that in 1954 the United States bought over $9 million worth of Canadian hardwood plywood, practically all birch. In the first eleven months of 1955, nearly $11·5 million worth was shipped from Canada and $8·75 million worth of hardwood veneers was shipped during the same period. In fact in 1955 the United States used 260 million square feet of birch-faced, veneer-core hardwood plywood and well over a third of this was Canadian.

The postwar trend toward flat surfaces in furniture and building has been a major factor in the growth of the plywood market. Today about 40 per cent of Canadian plywood goes into flush doors and birch door skins are in very short supply.

Trailer Builders Demand Birch

The trailer industry in the area covered by this office is largely centered around Elkhart and South Bend, Indiana, and is one of the largest single users of birch plywood. Trailer builders want an attractive, reasonably priced panel which requires little labor to install and finish. Many builders use two or three cars of birch plywood a week and a few take much more. With trailer living becoming more popular in the United States, Northern Indiana will probably become an even more important user of Canadian plywoods.

Although the average trailer manufacturer can buy in carload lots, few order direct from the mills; most prefer to buy mixed cars from the large plywood distributors or jobbers in Chicago and Detroit. In Chicago, three or four wholesale plywood firms have specialized in serving the trailer industry, extending credit often for sixty days and sometimes for as long as 120 days. These firms can give the builder exactly the pieces he wants when he wants them, sparing him the trouble of ordering far in advance and storing. A Canadian mill is too far away to satisfy the delivery and credit demands of the trailer builder but it can sell the growing trailer market through a jobber or distributor.

Favourite Cabinet Material

Birch plywood is also a favourite material in the cabinet-making industry, and cabinet shops are scattered throughout the Midwest, with some concentration in Iowa and Wisconsin. Many of these manufacturers buy from distributors or jobbers in Chicago and elsewhere, but some have direct connections with small plywood mills in upper Wisconsin and Michigan. As with the larger boat manufacturers, orders from the small mills are for carload lots, paid for upon receipt of goods.

The furniture industry, a large end-user of hardwood plywood, is concentrated in three or four major areas. Grand Rapids, Michigan, concentrates on making quality wooden furniture and is able to draw on nearby woods, including Canadian. Southern Indiana, North Carolina, and Kentucky have many furniture plants which benefit from lower wage costs. The woods which formerly supplied this branch of the industry have largely been depleted and materials must be brought in. North and South Carolina still have access to plentiful stands of gums and other woods which support a very large furniture industry. This branch of the industry makes a good deal of lower-priced furniture.

Use of Canadian Veneers Increases

Large furniture manufacturers "lay up" their own panels, and some cut their own veneers. It is estimated that one-third of all hardwood plywood made in the United States does not reach the open market but goes directly to manufacturers*. Other furniture plants buy from small plywood mills which specialize in cut-to-size furniture panels for delivery in small lots and

* Captive production used by themselves in production of furniture.

on relatively short notice. These mills are able to supply matched panels as well.

With its attractive modern appearance, birch furniture stimulates a good demand for veneers. To cater to this trade, the Canadian exporter should be willing to deliver material cut to the manufacturer's requirements. This is especially important in competing with the small, specialized American plants.

Because hardwood plywoods and veneers have been in short supply for some time, manufacturers have little trouble moving their production, and many have their output committed months in advance. In the United States, some wood products suppliers have become apprehensive over predictions of a 5 to 10 per cent drop in residential building, and softwood plywood manufacturers are already feeling the pinch. Fewer new homes and a softer furniture market will no doubt affect the birch plywood manufacturer in time but the effect should not be serious. House trailer manufacturers expect their business to expand and families who are not able to afford new dwellings will turn their attention to renovating. For this, birch is an ideal material.

Competes with Other Materials

Of more concern than predictions of mild recession or fewer building starts is the increased competition. In the first eleven months of 1955, 687 million square feet of Japanese lauan plywood entered the Midwest market, at prices far below those bid for birch. Although this material is harder to finish than birch and has some other disadvantages, it is a strong competitor with all other hardwood plywoods, particularly for use in flush doors. Hardboard also is becoming increasingly popular with cabinet manufacturers and is entering the flush door and furniture industries.

Another competitive material making progress is fir plywood faced with birch. Although this creates a demand for Canadian birch-face veneer, it competes to a considerable extent with hardwood plywood in the heavier thicknesses. It is adequate for many uses and its quality is improving steadily.

Conditions today are favourable for Canadian manufacturers but careful attention to their U.S. markets is even more necessary if our present position is to be maintained or strengthened. Good quality, delivery on schedule, and good grades are expected and are very important. Exporting firms with well established representatives or agents in the U.S. are in a much better position should demand fall off. If the market softens, a manufacturer's representative can expect support from customers who have been regularly visited and with whom aggressive merchandising policies have been practised. Exporters with good agents get an accurate estimate of the market from them and are not at the mercy of buyers. ●

Yemen Opens Its Doors

THE YEMEN, with its population of approximately five million, has recently emerged as a potentially rich but unexploited country. It lies at the southern tip of the Arabian peninsula and is bounded by the Red Sea on the west, Saudi Arabia to the north, and Aden Colony and Protectorate to the south.

The country is, for the most part, covered with mountains which for centuries have protected the relatively concentrated and hard-working population from foreign conquest. Ancient terraces which are designed to make use of run-off water produce fruits, cereals and cotton. Mocha coffee, so called after the country's principal seaport, is internationally famous. Recent surveys indicate that the Yemen has even greater agricultural potential, particularly along the coastal plain, and FAO and government experts are studying plans for irrigation.

Recently, the prospects of finding oil and other minerals such as coal and iron, have attracted foreign interests. Last year, the Yemen Development Corporation of Washington was given rights to exploit oil and mineral reserves in north Yemen but excluding the coastal plain. Another company was granted an oil concession at Salif on the coastal plain and is reported to be drilling. As a result of these concessions, Yemenis living abroad have returned home with the hope of participating in this new wealth.

A cotton textile mill is being built, plus a broadcasting station at Sana and a spinning factory at Bajil. In addition, the Ste. de Construction des Batignolles is building a harbour at Mocha and a road to Faiz.

Yemen's foreign trade totals $16 million. Apart from 6,000 tons per year of coffee (which goes principally to the United States, France, and Egypt), exports consist of rock salt (about 10,000 tons per month sold to Japan), hides and skins, cotton, fruits and vegetables.

There is no exchange problem in the Yemen and all purchases are paid for in dollars. Its imports of consumer goods and capital equipment should increase steadily and its potential as a small market for Canadian goods should not be overlooked. Among the imports of particular interest to Canada are agricultural implements, irrigation equipment, and motor vehicles.

—M. R. M. DALE,
Commercial Secretary, Cairo.

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Japan's Film Industry
Grows and Prospers

Awards and honours won at international film festivals have encouraged Japan's 76 moving picture producers to consider export possibilities. With a huge domestic audience, earnings from average film usually cover producion costs and provide profit, but keen competition is creating problems.

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

FIFTY-EIGHT YEARS AGO the first feature film was made in Japan; in 1955, the Japanese film industry produced no less than 336 features and 86 shorts—proof of its growth and of its complete recovery from the damage inflicted during the war. The industry is dominated by six major companies which made about 90 per cent of the films released last year. Each of these enterprises can supply local movie houses with a continuous flow of new pictures throughout the year. In addition to the "big six", there are about 70 independent producers capable of turning out full-length films, although only about one-third of these operate on a regular schedule.

Domestic Market Huge

One of the advantages of the Japanese industry is that a picture can easily earn its production cost, plus a comfortable profit margin, from domestic release alone because the home market is so large. Box office returns usually total more than double the production cost, without taking foreign revenue into consideration. Annual attendance at cinemas totals about 877 million, which means that every man, woman and child in the country goes to the movies about ten times a year. Catering to this vast audience are some 4,600 motion picture theatres, of which 70 per cent feature Japanese films. Box office receipts in 1955 totalled an estimated \$186 million, of which \$177·5 million was earned by domestic productions.

It is not surprising, therefore, that Japanese film producers have concentrated mainly on pictures for home consumption—theirs is a market on which television has not yet made any substantial impression, and in which they enjoy a fair measure of protection from foreign competition. Immediately after the war there was a big influx of foreign pictures into Japan, especially from the United States, but these imports are now controlled by a quota system, under which the number of films to be brought in each year is allocated in advance to each of the supplying countries. For the past three years, the total number of foreign films imported has averaged 195 a year—136 from the United States, 19 from France, and 17 from Great Britain. Of course, this concentration on the domestic market creates its own problems because the keen competition among companies is leading to a greater volume of pictures every year. The indications are that 1956 will see some 360 features and 200 shorts

—RKO Pictures

(Right) Rashomon, *a Japanese film which won the Grand Prize at the 1951 Venice Film Festival, encouraged the producers to make other films which could be shown abroad, both to earn dollars and to increase understanding of Japanese life and the Japanese people.*

—International Film Distributors Ltd.

(Left) Gate of Hell, *produced in colour, was also a prize-winner, carrying off the Grand Prize at the Cannes Film Festival. Films like this helped Japanese producers to earn over $2 million abroad in 1955.*

turned out, with no appreciable increase in total earnings. As a result, it is reported, the principal producers have been studying seriously means of checking this competition, although no satisfactory solution has yet been reached.

Few Wide-Screen or Colour Films

The Japanese industry is naturally interested in new techniques and in new recording methods. It is also prepared to produce wide-screen pictures, but three factors have operated against any wholesale swing to this type. First, American wide-screen films are said to be earning much less here than was expected; second, the cost of remodelling conventional movie houses for such films is considerable, and third, the counter-attraction of Japanese television is not yet a serious threat. Consequently, today only 10 per cent of the theatres in Japan are equipped with wide screens.

Only ten colour films were produced in Japan in 1955; this year 30 are planned. Most of these will be in Eastman colour, although domestic colour film has improved greatly and locally-produced film stock is likely to be used more and more in the future.

Exports Should Grow

In choosing and handling themes for Japanese films, few producers and directors attempt to adapt their productions to foreign tastes and the gap between movie themes in which Japanese viewers are interested and those which appeal to western audiences is very wide. Until comparatively recently, most Japanese picture-makers appear to have paid very little attention to the potentialities of export markets. However, there are growing indications of a change in their attitude, dating from 1951 when the Japanese film *Rashomon* won the Grand Prize at the Venice Film Festival. This proof of the ability of Japanese producers to compete in international company has stimulated interest in the production of pictures which can be understood overseas, which can help foreigners to understand Japan better, and which can boost the country's foreign exchange earnings. Formerly, any Japanese films exported were sold outright, but latterly the trend has been towards rental on a percentage basis (as is the case with imported films). It is estimated that in 1955 export films earned some $2 million of which about $750 thousand was income from percentage contracts.

Other Japanese films which have won recognition abroad in the last few years are *Gate of Hell, Ugetsu, Golden Demon,* and *Samurai*—the latter won an honorary "Oscar" in the United States. None of these prize-winning pictures has been screened as yet in first-class theatres in North America, although most of them have been shown in the smaller Canadian and U.S. theatres which specialize in foreign films. In Western Europe, however, Japanese pictures have been shown in some of the leading theatres with considerable success and the outlook in that area is considered promising.

Co-operation with Foreign Producers

Japanese film producers receive no assistance from the Government in their endeavours to break into the highly competitive world market. Nevertheless, by their own efforts they have gained acceptance in the International Producers Association and are enthusiastic supporters of international film festivals, such as those at Cannes and Venice. They also helped to create the three-year-old South East Asia Producers Association whose 1956 meeting is scheduled to take place in Hong Kong. Thus the reputation of the Japanese movie industry and its creations is spreading throughout the world and, as a result, there have been several cases of joint production between Japanese enterprises and foreign companies. One of the most successful of these joint efforts was *Madame Butterfly,* produced in Rome in collaboration with two Italian companies. This year a Japanese producer has completed plans to make a film with a French company and, with the amicable settlement of outstanding reparations problems, there should be good possibilities for co-operative film production with the Philippines and Indonesia.●

commodity notes

Argentina

PHARMACEUTICALS—The Argentine Ministry of Finance has just announced that it has approved a proposal submitted by Messrs. Eli Lilly International of Indiana to establish a modern factory to produce its complete line of pharmaceutical products which were previously imported. Production is expected to begin in the near future—Buenos Aires, June 8.

Australia

CARBON BLACK—The decision to build a £A2 million plant at Geelong, Victoria, to make carbon black was announced on April 30th by the managing director of Shell Chemical (Australia) Pty. Ltd. in conjunction with the United Carbon Co. of Charleston, U.S.

The plant will manufacture a range of blacks to meet the needs of the Australian market and provide a surplus for export. Domestic manufacture will save approximtely £2 million a year in foreign exchange and will make Australia independent of overseas supplies of an important range of strategic industrial chemicals—Melbourne, June 11.

Brazil

IRON ORE—Further expansion of Brazil's major iron ore exporter, the Cia. Vale do Rio Doce, will be financed by a US$3·9 million loan from the Export-Import Bank. The funds will be used to buy railroad and mining equipment to increase production capacity. Brazil's production of iron ore in 1954 (the latest year for which figures are given) was 3,070,741 tons—Rio de Janeiro, June 4.

British Eastern Caribbean

SEA ISLAND COTTON—British West Indian production of Sea Island cotton amounted to 6,100 bales in 1955 compared with 3,400 bales the previous year. Only about 14,000 acres are planted to cotton throughout the area, of which almost half is on the island of Antigua in the Leeward group—Port-of-Spain, June 18.

Federation of Rhodesia and Nyasaland

COPPER—The new £4½ million copper refinery being built at Ndola, Northern Rhodesia, is to have its estimated capacity doubled from 55,000 to 110 thousand tons a year. Production, at the initial volume of 55,000 tons, is expected to begin in 1958 and full output to be reached by 1960—Salisbury, June 4.

France

WINE—The French Wine Institute has forecast a reduction of 20 per cent in wine production in Metropolitan France this year. A total production of 1,056 million gallons is expected this year, compared with 1,320 million gallons in 1955—Paris, June 18.

India

BLACK PEPPER—The Government has announced the final official all-India estimate of black pepper for 1955-56: 214,200 acres with a production of 27,200 tons. These figures represent an acreage increase of 2·8 per cent and 8·8 per cent more pepper than the revised estimates for 1954-55.

Acreage increased in all the black pepper growing states; production was higher in all states except Travancore-Cochin—Bombay, June 12.

Jamaica

ALUMINUM POTS AND PANS—Two aluminum pot and pan factories are being erected on the island and are expected to start production within the next few months. One is under construction in Falmouth on the north coast just east of Montego Bay, and the other, which will also produce aluminum doors and windows, in Kingston on the south coast. Canadian manufacturers of aluminum blanks and extrusions who wish to offer their products to these manufacturers can contact them through the Canadian Trade Commissioner—Kingston, June 14.

Japan

LIGHT MACHINERY—Japanese industry has set an export target of $110 million for light machinery for the period April 1, 1956, to March 31, 1957. Sewing machines make up a large part of the total. The new export target represents an increase of $22 million over actual exports in 1955—Tokyo, June 6.

SCRAP METAL—Because of short supplies, the Japanese Scrap Iron Association has raised the agreed buying price for best quality scrap to $77.00 per ton, an increase of $16.50 per ton over the former set price of $60.50. This action was taken in view of increased buying by non-member steelmakers and speculation by dealers, who were offering well above the Association's fixed prices.

Further measures to stabilize prices include an emergency import of 100 thousand tons of scrap, a 10 per cent reduction of steel production from July through September, and an appeal to non-member steelmakers to restrict purchases—Tokyo, June 6.

Singapore

COCONUT OIL—Export of coconut oil (refined) for the first quarter of 1956 increased 56·4 per cent over the same period of the previous year. Total exports were 1,176 tons compared with 752 tons in the first three months of 1955. Hong Kong and Burma were the largest customers.

Exports of crude coconut oil decreased by 16 per cent. In the first quarter of 1956, 6,290 tons were exported compared with 7,292 in 1955—Singapore, May 30.

COPRA—Exports of copra from Singapore have fallen sharply. Official statistics show a drop from 15,073 tons in the first quarter of 1955 to 5,715 tons in 1956. In March only 1,625 tons of copra were exported compared with 6,280 tons in the previous year—Singapore, June 5.

Sweden

IRON ORE—Iron ore mining in Sweden reached a new record in 1955 of 17·45 million tons of ore—an increase of 2·12 million over 1954. The previous record was in 1953 when production totalled 16·98 million tons. Exports in 1955 amounted to 15·65 million tons—an increase of 1·57 million over 1954. Domestic consumption in 1955 reached two million tons, 0·3 million more than in 1954. The rise in exports last year was mainly due to increased sales to West Germany—approximately 6·5 million against only 4·8 million tons in 1954. During 1956 it is expected that West Germany will import over seven million tons of Swedish iron ore. On the other hand, sales to the United States will probably continue to drop; exports to the U.S. in 1953 were 2·1 million tons, in 1954 1·6, and in 1955 1·1. It is estimated that in 1956 total Swedish production of iron ore will increase by about one million tons, most of which will go to exports. Brazil is evidently becoming a difficult competitor for Swedish exporters of iron ore, mainly because of the rapid expansion in that country. It is reported, however, that Swedish companies are investigating the possibilities of exploiting iron ore deposits in other parts of the world—Stockholm, June 13.

Uganda

COPPER AND COBALT—Production of copper and cobalt from the Kilembe deposits in Uganda is likely to start in the next few months. A smelter to handle the ore is being built at Jinja, site of the big Owen Falls hydro-electric station on the River Nile. The Kilembe mine, a $20 million project owned by a Canadian company and by the Colonial Development Corporation and the Uganda Development Corporation, has a planned initial output of 9,500 short tons of blister copper and 900 thousand pounds of cobalt a year. Deposits of exploitable ore are estimated at 13 million tons—Salisbury, June 10.

United States

AUTOMATIC COST AND PAYROLL RECORDER—A Massachusetts firm has developed an improved automatic cost and payroll recorder. The new electric unit is arranged for either trigger-trip or touch-plate registration. It is designed to furnish accurate and indisputable payroll and cost records of each employee's time—Boston, June 22.

Venezuela

DIAMONDS—The Venezuelan Ministry of Mines and Hydrocarbons has announced that diamond production during 1955 reached a total of 141,147 carats. This was a 45 per cent increase over 1954 and further increases can be expected. The principal markets were the United States, the Netherlands, Switzerland and West Germany which together purchased 137,421 carats of last year's output. The main producing areas are in the state of Bolivar, a mountainous district on the Brazilian border—Caracas, June 6.

POTATOES—The Venezuelan Ministry of Agriculture and Livestock has advised potato farmers in the main producing regions that scientific investigation by the Ministry's experts has proved that the varieties Red Pontiac and Kennebec give the best results under prevailing conditions. An extension service bulletin has been distributed to growers summarizing the results of the Ministry's experiments and recommending that these two new varieties be used exclusively during the coming season. Venezuela is expected to be in the market for some 200 thousand 50-kilo crates of certified seed potatoes this autumn—Caracas, June 6.

Wheat Flour for the Philippines

Second only to Britain as a buyer of Canadian wheat flour, the Philippines stepped up its purchases last year. Growing popularity of bread as staple food should ensure that this increase continues, though dollar problem remains limiting factor.

H. L. E. PRIESTMAN, *Consul General and Trade Commissioner, Manila.*

IMPORTS OF WHEAT FLOUR into the Philippines increased remarkably in 1955—some 33 per cent over 1954, to reach nearly 244 thousand metric tons, according to preliminary figures just released. Value of these imports increased by only 15 per cent, rising from $19·5 million in 1954 to $22·5 million in 1955.

Unusually large quantities of flour were imported in December 1955, for fiscal reasons. This is supported by the statistics, which show 33,711 metric tons brought in in December. However the value, at $1·9 million, is still below the $2·1 million in July (21,248 tons) or the $2·3 million in October (22,362 tons) for much smaller quantities. This indicates the substantial drop in the average imports of wheat flour towards the end of 1955.

The following table shows the course of wheat flour imports into the Philippines during 1954 and 1955:

IMPORTS OF WHEAT FLOUR

Origin	1955 Quantity (metric tons)	1955 Value ($1,000 U.S.)	1954 Quantity (metric tons)	1954 Value ($1,000 U.S.)
United States	109,124	9,147	80,288	7,669
Canada	130,627	12,935	106,599	11,807
Australia	4,100	393	865	78
Japan	67	6	43	5
Netherlands	30	3	....	....
India	18	2	....	....
British Borneo	23	1	....	....
	243,989	22,487	187,795	19,559

Source: Adapted from Philippine Bureau of Statistics, preliminary figures.

Shipments from Hong Kong, which has a new wheat flour mill, totalled less than one ton, and imports from British Borneo may represent transhipments from Hong Kong or other unidentified countries of origin.

All wheat flour used in the Philippines is imported, chiefly from Canada (53·5 per cent), the United States (44·8 per cent), and Australia (1·6 per cent). In fact, the Philippines ranks second only to the United Kingdom as an export market for Canadian wheat flour.

There has been talk of building one or two flour mills but the obstacles so far have proved too hard to overcome. In any case, all the wheat for a mill would have to be imported.

Use of Bread Increasing

The use and consumption of bread is increasing, particularly as pan de sal for breakfast or lunch, in a population which previously favoured rice. This arises both from the convenience of handling bread compared with rice, which has to be cooked for each meal, and from the tendency in a country developing industrially like the Philippines for the labourer to add wheat bread to his diet, first as a luxury at certain seasons of the year, then for nutrition and convenience. Gradually its use becomes standard practice with him and his family.

Small bakeries have become fairly numerous even in remote areas, rural transportation is improving, and wheat flour in various forms is growing more popular with consumers through the enterprise of distributors. However, the Philippines has no free lunch program for schools, such as exists in Japan.

How Trade Is Conducted

The export trade in wheat flour from North America is conducted by millers and export merchants (long entrenched in the trade) from cities on the Pacific Coast, convenient for making ocean shipments across the Pacific to the Philippines. Flour shipments must be prompt, regular and well handled, to avoid too much time in transit or storage, and also market gluts, because flour deteriorates quickly.

Wheat flour is at present among the few decontrolled items for which importers can obtain letters of credit in dollars up to their current needs. Business is conducted on letter of credit terms. There is a marked tendency for trade to be channelled between firms in the Philippines and their long-standing connections in Canada. The market is intensely brand-conscious—even more so in flour than in other packaged goods. Brands are numerous and are sometimes owned by importers who have flour made under their label, and sometimes by the mill or by the exporter.

The great bulk of imports arrive in 50 lb. cotton bags for the bakery trade. Small quantities of household flour in two, five, and ten lb. paper bags are shipped for the retail grocery trade, but one or two United States brands hold the market unchallenged.

Flour is sold to bakers at a very low profit margin and it is customary for importers to finance bakers for 60 days or more. All this makes it very difficult to introduce a new brand unless there are special price inducements for a lengthy period.

The prospects for an expanding market are somewhat clouded by the scarcity of dollars, but if this problem were solved, the energetic way in which importers have continued to cover the market, plus frequent helpful visits from their overseas principals, encourage the belief that the Philippine market for Canadian wheat flour could be expanded further.

The Italian Market for Canadian Fish

Canada's traditional fish exports to Italy consist almost entirely of salted codfish and canned salmon. But recent relaxations in import restrictions should mean new opportunities for sales of pickled and smoked fish.

K. F. OSMOND, *Commercial Secretary, Rome.*

EACH SPRING FOR THE PAST SIX YEARS, Canada has been required to negotiate an agreement with Italy for the sale of salted codfish and canned salmon.

Greatly improved economic conditions, particularly in the last two years, plus the desire of the Italian Government to maintain a liberal trade policy, have recently resulted in the liberalization of additional products from the dollar area, including dried, salted and smoked fish. Fish falling within these categories may now be imported into Italy without import licences or dollar allocations. Canadian exporters can therefore look forward to the coming season with greater confidence than in other years, when their sales depended upon Canada's success in its yearly negotiations with the Italian authorities.

Canned fish, including salmon, is still on the list of restricted items. However, it is expected that sufficient dollars will again be made available to cover canned salmon which Canadian exporters can supply to this market for the 1956-57 season.

The Italian fishing industry, encouraged by various forms of government assistance, has made slow but steady progress in modernizing its fishing fleet and improving shore facilities since 1945. However, the quantity of fish taken in recent years has shown little variation and total 1955 landings of 194,747 metric tons were only 155 tons above those of 1954.

In postwar years, Italian fishing operations on the most prolific fishing grounds in the Adriatic, adjacent to the coast of Yugoslavia, have been restricted. In recent months, however, a Fisheries Agreement entered into between Italy and Yugoslavia has established the right of Italians to fish in designated zones of Yugoslav waters under certain conditions. At present, the agreement is only provisional and subject to ratification, but the Italian fishing industry hopes that it will permit greater freedom to operate in these rich Adriatic waters and result in increased catches.

Fish Imports Increased

Italy's total imports of fish during 1955 rose 20·5 per cent above 1954, largely because of increased purchases of salted codfish and fresh and frozen fish. Most of the frozen fish imports consisted of tuna supplied by Norway and Japan for local canneries.

The following statistics show the quantities and types of fish imported into Italy during 1955, compared with the previous year:

ITALIAN FISH IMPORTS

	1955	1954
	(in metric tons)	
Salted codfish	55,137	43,330
Stockfish	6,845	6,406
Fresh and frozen fish	33,083	22,988
Herring, salted and smoked	4,202	4,080
Pilchards, salted	279	853
Anchovies and sardines, salted	797	975
Crustaceans and molluscs	2,490	1,940
Other fish, fresh, salted, or smoked	97	38
Salmon, canned	1,528	1,394
Sardines and anchovies, canned	10,640	11,616
Tuna, canned	7,435	8,037
Other fish, canned	5,379	4,451
Total Fish Imports	127,912	106,108

Salted Codfish

Italy's 1955 imports of salted codfish from Canada showed a 19 per cent decrease compared with 1954. Canada's main competition comes from the heavy salted dried fish from France. Most of the salted codfish imported from countries other than France and Canada is wetsalted and is sold on the local market as such. Because of its low price, French fish has made serious inroads into sections of the Italian market which were formerly considered strongholds for hard dried light salted cod and, in particular, for Newfoundland shore fish. Imports of French fish have more than quadrupled since 1953 and although consumer demand for the French product appears to be lessening, the threat to Canadian trade remains. To meet this competition, and at the same time avoid price reductions, it is of prime importance to maintain high standards—superior quality is Canada's strongest selling point in this market.

Italy's imports of salted codfish during the past two years were:

	1955	1954
	(in metric tons)	
France	17,543	8,326
Iceland	14,735	12,467
Denmark	7,488	11,315
United Kingdom	5,695	....
Canada	3,464	4,276
West Germany	2,448	1,160
Other countries	576	2,056
Italian deep sea fisheries	3,188	3,730
Total	55,137	43,330

Canned Salmon

Canada's exports of canned salmon to Italy continue to increase and shipments during 1955 rose to 1,484 metric tons, or 123 tons more than in 1954. Most of this salmon, however, came forward in the first half of 1955 and consisted of 1954 production. The drastic decline in last season's catch of chum salmon which, because of its lower price, is the best seller in Italy, will no doubt be reflected in Italian import figures for 1956. However, increased purchases of pink salmon may help to offset the decrease in the amount of chum available.

Marketing Outlook

Slow sales and larger-than-usual stocks at the turn of the year caused considerable pessimism in the Italian salt codfish trade. However, severe weather conditions during February and March curtailed local fishing operations and demand for salt cod again became active. Sales have continued to be fairly brisk and it is expected that, for the most part, stocks will be disposed of by the beginning of the new season. By that time, import demand should be normal.

Canadian canned salmon may encounter increased competition but our brand names are well established in this market and there should be no difficulty in maintaining sales provided prices remain competitive. Canada's exports of fish to Italy have usually consisted of salted cod and canned salmon, but now all fish coming within the categories of dried, salted or smoked may be imported freely from dollar areas. Canadian exporters of pickled and smoked fish in particular might well explore the possibilities of the Italian market for these products.

Tours of Territory

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

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

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

Trade Commissioners on Tour

G. A. BROWNE, Commercial Secretary in Havana, Cuba, completes the first half of his Canadian tour in Ottawa, July 3-20. He will resume his tour, in the West, early in October.

Businessmen may get in touch with Mr. Browne through the Department of Trade and Commerce in Ottawa.

British Agriculture: production and policies

Efforts to expand markets in the United Kingdom for Canadian farm products continue to be influenced by British domestic farm policies and exchange restrictions. The market for wheat and cheese should remain satisfactory.

D. A. BRUCE MARSHALL,
Commercial Secretary (Agricultural), London.

BRITISH AGRICULTURE enjoyed a record harvest in 1955 and high yields helped considerably in its progress towards greater efficiency. More efficient production has become the main theme of the Government's dealings with the farm industry and is reflected in the Annual Price Reviews of 1955 and 1956. Livestock production, with the exception of pigs, continued to increase during the past year. Generally speaking, the British farmer is supplying a greater share of the United Kingdom's food. The Government is concerned that this be done without increasing the burden of subsidies or involving the embarrassment of over-supply.

Grain Harvest Reaches Record

After a late cold spring which retarded activity on the land, the country experienced a long, hot and dry summer. This, and the near extinction of rabbits from myxomatosis, resulted in record yields of grain. Although there was a 20 per cent drop in wheat acreage in 1955, wheat production of 94·3 million bushels was only 6 per cent below the year before. Yields rose from 41·5 bushels to 49·8 bushels per acre.

Barley acreage in 1955 rose 12 per cent above 1954 and production increased from 93·6 million to 125 million bushels. Yields per acre were up 9·4 bushels to 59·3 bushels.

Total production of oats last year reached 110·1 million bushels, up 17·4 million bushels over 1954. The oats acreage was only one per cent greater but yields increased from 63·2 to 74·1 bushels per acre.

The Government's current policy for home wheat production, as expressed at the 1956 Annual Price Review, is that further expansion is not compatible with the world surplus, particularly in the Commonwealth. Consequently the floor price for wheat was cut. However, the latest crop forecast (March 1956) shows 2,179 thousand acres sown to wheat, an increase of 230 thousand acres compared with March 1955. This is principally the result of heavier fall sowings.

More Wheat Imported

The United Kingdom imported 168·1 million bushels of wheat in 1955, 30 per cent more than in the previous year. Fifty per cent of this was purchased from Canada (84 million bushels). The rate of imports in the first quarter of 1956 was slightly below the same period of 1955, however, at 43·9 million bushels. Canada's share of this trade remained the same—about 50 per cent of total imports.

Last year over 13·5 million pounds of Canadian cheddar cheese were sold in Britain, compared with only 4·3 million pounds in 1954. This pick-up in sales is continuing.

United Kingdom Home Production and Imports

Production Highlights, 1955 compared with 1954

- GRAINS

Wheat—94·3 million bushels (down 6·0 million)
Barley—125·0 million bushels (up 31·4 million)
Oats—110·1 million bushels (up 17·4 million)

- DAIRY AND LIVESTOCK

Milk—1,953·6 million gallons total (first slight decline since the war)
426·8 million gallons for manufacturing (a smaller surplus than 1954)

In first quarter 1956 total milk production again increasing faster than fluid consumption.

Butter—35·3 million pounds (51·5 million 1954)
Cheese—54·2 million pounds (down 38 per cent)
Cattle on farms—10·77 million head (up 290 thousand)
Sheep and lambs—17·2 million head (up 330 thousand)
Swine—5·97 million head (down 1 million)
Meat produced—2,811·0 million pounds (down 260·7 thousand)

Meat production was higher in 1954 in response to derationing of meat and bacon.

Import Highlights, 1955 compared with 1954

- MEATS

Beef and veal—789·1 million pounds (up 31 per cent)
Bacon—690·5 million pounds (up 3 per cent)
Pork—68·5 million pounds (up 14 per cent)

- DAIRY PRODUCTS

Butter—694 million pounds (up 64 million)
Cheese—242 million pounds (down 8·8 million)
Cheddar from Canada increased from 4·3 million pounds (1954) to 13 million in 1955

- GRAINS

Wheat—168·1 million bushels (up 3 per cent from 1954) 84 million bushels from Canada
Flour—345·1 thousand tons (down 15·5 thousand) Canada's share of market 75 per cent
Oats—3·3 million bushels (1954 amount about half) Mostly from Canada
Barley—43·3 million bushels (slightly more in 1954) 89 per cent from Canada

Feed grain imports very much reduced in first quarter of 1956 compared with same months of 1955. Wheat imports are down only slightly.

Canada remained Britain's largest supplier of wheat flour, shipping over two-thirds of total imports in 1955. The trend to reduced flour imports continued in 1955 when they totalled 345·1 thousand tons compared with 360·6 thousand tons in 1954. This is still evident in the first quarter of 1956, when 70·4 thousand tons of flour were imported compared with 76·4 thousand in the same quarter of 1955. Canada retained 75 per cent of this business. In September the Government will discontinue its £23·5 million a year bread subsidy to bakers making the "National" loaf.

More Feed Grown

At the 1956 Annual Price Review when the Government reduced the guaranteed prices of wheat, those for barley and oats were increased. The fertilizer subsidy rates also went up and grants were set up for assistance in the construction of silos. The Government's program calls for greater home production of feedingstuffs.

In addition to the high yields at home, imports of feedingstuffs in the U.K. in 1955 continued, mainly at a higher rate than in the year before. Imports of corn in 1955 were 50 per cent higher than those of the previous year at 1,502 thousand tons. The United States supplied most of this. Imported oats totalled 3·3 million bushels, more than double the amount imported in 1954; most of these supplies were shipped from Canada.

Barley imports in 1955, at 43·3 million bushels, were slightly below those of the year before and Canada supplied 89 per cent. Total imports of oilseed cake and meal went up from 640 thousand tons in 1954 to 891 thousand tons last year. The trade in soya bean meal and cake has increased in the past few years: 1952, 16,000 tons; 1953, 40,000 tons; 1954, 57,000 tons; 1955, 156 thousand tons.

Statistics for the first quarter of this year indicate that the Government's incentives may be showing results. The rate of imports of most types of feeds has slowed down considerably. Feed imports were heavier than usual from January to March 1955, because of the poor harvest the year before. Even allowing for this, the figures show a decrease in imports.

Barley imports (January-March 1956) were only 3·7 million bushels compared with 11·3 million in the same period of 1955. Canada's shipments of 1·3 million bushels of barley in the 1956 period were only one-eighth those of the same period in 1955.

Corn imports dropped from 429 thousand tons in January to March 1955 to 350 thousand in the first quarter of 1956. Imports of oats similarly fell from 1·0 million to 569 thousand bushels. Purchases abroad of most kinds of oilcake and meal feeds were smaller.

Milk and Milk Products

The ideal weather for grain production adversely affected forage yields and milk production declined slightly for the first time since the war. Out of a total milk production of 1,953·6 million gallons, a somewhat smaller surplus (426·8 million gallons) was left for manufacturing purposes. During the first quarter of 1956, milk production was again increasing faster than fluid consumption.

Less total milk for processing in 1955 meant less milk available for diversion into butter and cheese. Butter production fell from 51·5 million pounds in 1954 to 35·3 million pounds in 1955. Similarly cheddar cheese production decreased 38 per cent to 54·2 million lb.

Butter imports in 1955 totalled 694 million pounds, an increase of 64 million pounds over the year before. Largest butter supplier was New Zealand, followed by Denmark and Australia.

Although total imports of cheddar cheese fell to 242 million pounds last year from 250·8 million pounds in 1954, Canada's share rose from 4·3 million pounds in 1954 to 13·5 million pounds last year. New Zealand supplied 75 per cent and Australia 18 per cent of total cheddar imports.

Shipments of 784 thousand pounds of Canadian cheddar in the first quarter of 1956 are higher than those for the same months last year. Total cheese imports were also up by 2 million pounds for the quarter.

Cheese Prices

During the last 12 months, prices for Canadian cheddar in the United Kingdom have risen steadily from 255/– to 312/– for 112 pounds (that is, from $31.89 to $39.00 for 100 pounds). There has been a general rise in cheese prices but never before, as the latest quotations of 320/– for Canadian cheddar show, has any cheese sold for a higher price than finest New Zealand butter (quoted at 290/–). English top-grade cheese sold for 280/– and New Zealand cheddar at 254/–. It is estimated that between 15 and 20 million pounds of Canadian cheddar could be sold at a fair premium over other cheddar.

A further allocation of £1½ million for cheddar from North America for the year beginning July 1, 1956, has been announced. Cheese prices may be lower because of the current high rate of cheese imports and the prospect of a greater milk surplus in Britain leading to more home production.

Livestock Production

Incentive payments continue to encourage sheep and beef producers to increase production, but the authorities are discouraging further expansion of the hog industry.

Cattle on farms at the end of 1955 totalled 10·77 million head, up 290 thousand head from 1954. Sheep numbers increased 340 thousand during 1955 to a total of 17·2 million head. Hog numbers in the same period declined by one million to 5·98 million.

At the 1956 Price Review, the guaranteed price for beef producers was increased and hog prices were reduced slightly. One aim of the hog policy is to reduce the present £50 million annual subsidy. The Government also wants to improve pork quality and encourage more economical production.

Meat Production Drops

Although livestock numbers increased, meat production in 1955 fell below 1954. Beef dropped from 1,703·9 million pounds in 1954 to 1,527·7 million in 1955; similarly veal went down from 49·2 million to 47·9 million pounds, mutton and lamb from 464·8 to 399·1 million pounds, and pork from 853·8 to 846·8 million pounds. The reason for this was that 1954 was an exceptional year, marking the last stage of derationing (that of meat and bacon in July). The British consumer insisted on home-killed meat and the British farmer cashed in. Slaughtering was heavy in the second half of that year. This lasted until price resistance appeared and increased quantities of chilled beef arrived from overseas at more competitive prices. The post-rationing pattern has not been established yet, but 1955 was a year of readjustment for British meat production.

Meat Imports Up

Total imports of beef and veal were 31 per cent greater last year (789·1 million pounds in 1955; 602·5 million pounds in 1954). Bacon imports in 1955 reached 690·5 million pounds (3 per cent higher); pork imports totalled 68·7 million pounds (up 14 per cent). The volume of bacon imports declined in the first quarter of 1956 to 171·1 million pounds, a drop of 5 per cent. This was mainly because of less bacon from Denmark and the Netherlands.

A significant development during the year was a considerable expansion of chilled beef imports (268·0 million pounds in 1955; 42·5 million pounds in 1954). In the first quarter of 1956 chilled beef imports have exceeded frozen beef imports (138·7 million pounds of chilled beef; 125·2 million pounds of frozen beef). From January to March 1954, imports of chilled beef totalled only 53·7 million pounds compared with 153·2 million pounds of the frozen product.

On September 30, the bacon contract with Denmark expires and bacon purchasing returns to the private trade. A 10 per cent duty will be levied on bacon imports from non-Commonwealth countries, but it is not yet clear how this will affect prices nor to what degree it will protect British producers.

Eggs and Apples

Imports of eggs for the first four months of 1956 were only one-third those of the year before. Despite slightly higher domestic production, the total supply of 191·7 million dozen eggs was below the 1955 level at the same date. Total egg supplies of 563·66 million dozen in 1955 were 43 million dozen below the 1954 level. Egg imports from Denmark were halved in 1955 and total imports of eggs fell from 119·71 million dozen in 1954 to 83·45 dozen in 1955.

From October 1955 to March 1956, Canadian apples again appeared on the British market under a quota of £990 thousand. Prices ranged from 37/- to 42/- a box ($5.18 to $5.88) depending on variety and grade. To compete successfully, the exporter must keep in mind that only top grades and first-class packing are acceptable to the discriminating British apple buyer.

Future Policies

At the 1956 Price Review the Government indicated that the question of a long-term policy would be discussed with the farming industry's representatives. The effect of a decade of controls is still being felt; the pattern of home production, imports, and consumption of food and agricultural products has not yet settled down. Some aspects of a long-term policy are apparent in the continued call for increased home output. The emphasis, however, is on economical and efficient production so that farmers may compete effectively with imported foodstuffs. The Government has undertaken not to sweep away price supports but it is looking for the utmost economies in that direction. By the fall, consumer subsidies will be almost entirely eliminated. ●

Trinidad Buys Canadian Beer

SALES of imported beer in Trinidad during 1955 totalled 279,300 thousand gallons valued at BWI* $765·5 thousand, which represents an increase of almost 50 per cent over the previous year. Canada was the largest supplier with sales of 104 thousand gallons (valued at $349·3 thousand), showing a gain of 25 per cent over 1954. Second and third place went to the Netherlands ($122 thousand) and Denmark ($93 thousand) respectively.

There are two breweries in Trinidad which in 1955 produced 402·8 thousand gallons valued at $91 thousand, a decrease of 26 per cent compared with 1954. To counteract this decline these companies have stepped up production and are carrying on a very active sales campaign.

Regulations in Trade

Trinidad restricts imported beer containers to imperial quarts, pints or half-pints and a 5 per cent tolerance is allowed on actual contents. The most popular size is the 10-ounce (one-half pint) bottle in a 24-unit carton. Beer may also be imported in bulk containers of not less than five imperial gallons each for eventual sale "on draught" or for bottling in smaller containers for retail sale.

Canada, with the United Kingdom and other Commonwealth countries, enjoys a 50 per cent tariff preference over foreign countries who must pay $0.63 per imperial gallon. In Port-of-Spain the local beer retails at 21 cents per half-pint bottle which is 17 cents cheaper than the highest priced imported beer and 5 cents cheaper than Canadian brands.

Outlook for 1956

Beer is imported from Canada under the terms of the B.W.I. Trade Liberalization Plan. With good salesmanship and advertising, Canadian exporters should be able to maintain present levels of sales and at the same time expect increases when trade is freed. Trinidad agents are showing greater interest in representing Canadian brewers and it appears that imported beer will remain a favourite of the buying public.

—D. B. LAUGHTON,
Trade Commissioner, Port-of-Spain.

* Note: All amounts given in BWI dollars.
BWI $1.00=approximately Cdn. $0.60.

South Africa *and its trade*

Relaxation of import control resulted in rise of £43·2 million in value of imports in 1955. Canada ranked fourth as supplier, with a $16 million boost in sales; motor vehicles and parts figured most largely in this increase.

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

SOUTH AFRICA'S FOREIGN TRADE in 1955 reflected the prevailing prosperity, with both imports and exports showing a marked rise. Substantial relaxation of import control saw incoming shipments reach a value of £482·2 million, up £43·2 million from 1954. Exports, at £361·2 million, were £36 million higher. Gold production increased to such an extent that the Union's customary deficit on current account actually dropped by £2 million.

Imports Rise

The easing of import control combined with the buoyant economy led to larger purchases from abroad. The United Kingdom (£166·8 million), and the United States (£100·4 million), were the principal suppliers, with West Germany (£29·2 million) a poor third, followed by Canada (£19·6 million) and the Federation of Rhodesia and Nyasaland (£15·2 million). The remainder of the trade was widely spread out, with European countries taking the major share.

IMPORTS BY COMMODITIES 1954 and 1955

	1955	*1954*
Animals, agricultural and pastoral products (not foodstuffs)	£ 4,039,495	£ 4,146,397
Foodstuffs	21,362,372	23,041,659
Ales, spirits, wines and beverages	1,894,886	1,451,014
Tobacco	2,902,389	813,126
Textiles, apparel, yarns and fibre	89,140,839	97,468,540
Metals, metal manufactures, machinery and vehicles	180,776,493	147,234,253
Minerals, earthenware and glassware	16,172,432	15,701,769
Oils, waxes, resins, paints & varnish	47,168,608	43,385,360
Drugs, chemicals and fertilizers	20,676,806	16,304,513
Leather and rubber and manufactures	13,969,475	10,090,183
Wood, cane and wicker and manufactures	16,990,777	13,810,131
Books, paper and stationery	20,008,997	17,066,366
Jewellery, timepieces, fancy goods and musical instruments	7,781,080	5,298,673
Miscellaneous	14,145,056	12,197,865
Total merchandise	457,029,705	408,009,849
Imports as government stores	25,176,582	30,944,791
	482,206,287	438,954,640

The commodity groups showing the greatest changes were textiles—apparels, yarns and fibres. Purchases abroad in this group declined by over £8 million, chiefly as the result of reduced demand for textiles. Imports of metals—metal manufactures, machinery and vehicles—rose by over £33 million, the result mainly of larger imports of automotive vehicles and parts (£16 million) and tractors (£4 million).

The table below gives imports by principal classes of commodities for the years 1954 and 1955.

Exports Also Increase

Exports, which normally consist mainly of wool, diamonds and other minerals, and varied manufactured goods, were up by £36 million largely because of shipments of uranium valued at £30 million, double the previous year. The United Kingdom continued to be the Union's best customer (£124 million) followed by the Federation of Rhodesia and Nyasaland (£54 million) and the United States (£29 million). A large number of countries shared the remaining exports.

Business with Canada

Canadian sales to South Africa rose to $56 million in 1955, $16 million above the previous year. Motor vehicles and parts were responsible for a major part of the increase, but a large number of individual items shared in this larger business. Other principal products shipped to the Union were wheat, lumber, newsprint and paper, tallow, agricultural implements, railway vehicles and parts, chemicals, upper leather and canned fish.

Canadian imports from South Africa totalled over $6 million—about the same as in 1954. Canned and dried fruit, peanuts, wool, diamonds, wines and brandy, and chrome and manganese ores were the most important commodities.

Although the Union's import control regulations hamper trade, there are still possibilities for business, as the import statistics show. In the main, the tariff is low and competition keen. South Africa is a market that no Canadian manufacturer or exporter should neglect when he is investigating export possibilities.

South West Africa

South West Africa has prospered and expanded in the past few years and 1956 promises to be no exception. The territory, although granted as a mandate to South Africa, is now for all intents and purposes an integral part of the Union. Customs duties and exchange control regulations are the same as in the Union and its trade statistics have, since January 1, 1955, been amalgamated with those of the Union. A record number of cattle were shipped to the Union in 1955—181,937 head compared with 177,479 in 1954 and 153,581 in 1953. Approximately 212,600 head of small stock were shipped to South Africa as against 152,579 in 1954. The good pasture conditions and the development of new lands should lead to further increases in the future. The karakul industry continues to flourish, with 2,864,246 pelts exported at an average of £2, as compared with 2,741,355 pelts at £1·15·6 the year before. Karakul wool followed the downward trend in prices for merino wool, but the market has now firmed, with a steady demand.

General notes

Austria

CHEMICAL INDUSTRY—During 1955 production of the Austrian chemical industry (700 enterprises) reached A.Sch. 5·86 billion, 18 per cent above the preceding year. The rise was particularly noticeable in fertilizers (production of which increased from 568 thousand metric tons in 1954 to 635 thousand in 1955), staple fibre (from 36,700 to 39,600 metric tons) and plastics and plastic goods (from 9,800 to 14,600 metric tons).

Exports reached 436 thousand metric tons valued at A.Sch. 1·27 billion, 10 per cent over 1954. Indirect exports, which are also important, are not included in these figures. Imports, mainly from West Germany, amounted to 587 thousand metric tons valued at A.Sch. 2·79 billion, a slight decrease in volume and increase in value—Berne, June 12.

Cuba

BAGASSE PAPER OUTPUT—Construction of the bagasse newsprint mill at Cardenas using the De la Rosa process seems to have slowed down and the mill is not expected to be in operation before the end of 1957. Three other projects using sugar cane bagasse are being considered: two are American-sponsored projects for the production of wallboard, and a third involves a company operating a bagasse newsprint mill in Peru. This latter company plans an initial newsprint output of 30,000 tons with a long-range target of 100 thousand tons a year—Havana, June 15.

Hong Kong

TRADE—Hong Kong's overall trade during the first quarter of 1956 showed considerable improvement over last year. Exports, at HK$777·4 million, increased 27·7 per cent; imports, at HK$1,106·9 million, rose by 18·5 per cent—Hong Kong, June 4.

Jamaica

TOURIST INDUSTRY—The last Jamaican winter tourist season has unofficially been reported as the best yet. As most of the tourists came from Canada and the United States, this "invisible export" is a large dollar-earner for Jamaica. Recently the Government created a new Tourist Board to develop this valuable business. In addition to its offices in Toronto, New York, and Miami, the Board intends to open one in Chicago next April. The Board has in view plans for the further expansion of tourism by attracting visitors from Canada, the southern United States and South America, and by publicizing Jamaica as a summer vacation resort—Kingston, June 13.

New Zealand

POWER STATION—A £6 million contract for a coal-fired, steam-driven electric power station at Mercer has been let to an organization formed by the New Zealand and American firms of Downer and Company Limited, Morrison-Knudsen (New Zealand) Limited, Morrison-Knudsen Company

Incorporated, and H. K. Ferguson and Company. The Minister of Works, Mr. Goosman, in announcing the letting of the contract, stated that the station would have a total final output of 180 thousand kw., with 60 thousand kw. available by August 1958 and full capacity reached by August 1959. An eight-mile aerial ropeway will be installed to take coal from Maramarua to the station, and a railway link with the main line will enable coal to be brought from Huntly. Cooling water will be brought from the Waikato River and ash from the station used to fill in low-lying areas of land nearby—Wellington, June 8.

Northern Ireland

BUDGET PRESENTED—The Northern Ireland Budget for the fiscal year 1956-57, presented late in May, estimated total revenue at £93·7 million and expenditure at £81·2 million. After allowing for an Imperial Contribution of about £12·5 million, a surplus of £55,000 would remain in the Exchequer.

According to the Minister of Finance, the Government will continue its contribution to industrial investment by building new factories and making grants to assist new industries. All applications involving the raising of more than £10,000 capital in Great Britain must now be reviewed by the Capital Issues Committee, but in Northern Ireland a previous exemption of £50,000 has been retained and no restrictions are placed on new capital issues of less than that amount—Belfast, June 18.

South Africa

FOREIGN EXCHANGE RESERVES LOWER—Reserves of gold and foreign exchange which stood at £129 million on December 31, 1955, dropped seasonally to £112·8 million by June 1. Although it is expected that this trend will be reversed later in the year, there is little likelihood of any change in the import quotas for the balance of 1956—Cape Town, June 12.

Sweden

NEW PAPER MILL—With the assistance of Canadian engineers, a new sulphate paper mill of Canadian design is being built by a paper company in the province of Varmland, and will be completed shortly. The 350-ton paper machine being installed will be one of the largest in Scandinavia. It can produce paper 177 inches wide and its drying cylinder has a diameter of 196 inches and weighs over 80 tons.

The company is also building a new sulphate pulp plant which will be completed next year. This modern mill will boost output from 15,000 tons to 50,000 tons of sulphate pulp a year without increasing the number of workers. All the pulp will be used for kraft paper, of which about 90 per cent will be exported—Stockholm, June 19.

NEWSPRINT—The Finnish, Norwegian and Swedish producers of newsprint who ship regularly to the British market have established a central selling organization in London—Stockholm, June 13.

United Kingdom

STERLING RESERVE—During May sterling area reserves increased by $41 million to a total of $2,369 million. So far in 1956, reserves have risen by $249 million, compared with a decrease of $76 million in the same period last year.

Excluding defence aid from the United States and the settlement of the April European Payments Union surplus, the surplus arising from all other transactions during May was only $9 million, compared with $47 million in April and $80 million in March.

During May, the sterling area had a surplus with EPU of £8 million. This is the second month in succession in which a surplus has been recorded, following a series of monthly deficits since June 1955—London, June 11.

EXPORTS—United Kingdom exports (including re-exports) reached the record level of £297·3 million in May. In the first five months of 1956 exports have averaged 6½ per cent higher than in the same period last year. The May figures included the value of the *Empress of Britain,* delivered to Canada, and of some silver bullion repayments to the United States. United Kingdom exports to North America were valued at £47·1 million, more than £13 million higher than in April. Excluding the two unusual export items, exports to North America were the highest so far recorded. In the five-month period, January to May 1956, exports to both Canada and the United States were 32 per cent over 1955's—London, June 18.

Venezuela

LIVESTOCK QUARANTINE—The Director of Livestock in the Venezuelan Ministry of Agriculture and Livestock has announced that the Ministry is constructing a quarantine station in the peninsula of Paria in the eastern part of the country. The station will be used to quarantine and immunize livestock imported from countries in which foot and mouth disease exists. Venezuela has, until the present time, forbidden imports from such countries. Canadian and United States livestock exporters can now expect competition from other South American countries and Europe—Caracas, June 13.

trade and tariff regulations

Australia

COPPER PROTECTION CONTINUED—The Commonwealth Ministers for Trade and for National Development announced last week that the Government has decided to continue the existing tariff protection for the Australian copper industry and to retain controls over copper exports. In so doing, the Government hopes to encourage the development of copper, and also has in mind the value to the economy of the producing, refining and fabricating sections of the industry. Existing duties will continue, but the practice of allowing imported copper in duty-free to supplement local production will also continue.

During the past year, mine production of copper in Australia rose to above 40,000 tons, practically all of which was produced by Mt. Isa, Mt. Lytell and Mt. Morgan interests. Production is expected to increase in the future. Should Australia move from a net importer to a net exporter the resultant gain in foreign exchange would be substantial. The Ministers said that, should the price of imported copper fall considerably and Australian producers seek assistance, the Tariff Board would be asked to conduct an inquiry and make recommendations—Sydney, May 29.

Denmark

IMPORT SYSTEM FOR TEXTILES REVISED—The Danish authorities introduced recently various changes in their import regulations for textiles involving the liberalization of certain textile imports; moderate increases in some customs duties; and the revocation of a deposit scheme under which Danish importers of textiles were required to make a cash deposit covering 35 per cent of each order, refundable at the end of 12 months, with the application for an import licence.

Semi-processed fishing nets, printers' rubber blankets on a textile base, and filter cloth are the products which are admitted from dollar countries free from quantitative restrictions under the new provisions. Imports of these products, and of several other textile items, were also liberalized upon entry from countries participating in the Organization for European Economic Co-operation.

The customs duties on textile products, which had been levied on a weight basis, were replaced by ad valorem rates which are somewhat higher in some instances. For example, on cotton piece goods, on which the previous duties were equivalent to between 4 and 6½ per cent of the value, the new duties range from 10 to 10½ per cent. On woollen piece goods the new duty is 12½ per cent of the value, against a previous duty equivalent of 7 to 8 per cent in most instances. On the other hand, the new 20 per cent duty on artificial silk fabrics is somewhat lower than the previous specific rate which worked out to about 22½ per cent—Copenhagen, May 28.

Ethiopia

IMPORT DUTIES AMENDED ON SPECIFIED COMMODITIES—Effective April 15, 1956, the Ethiopian Government has amended the rates of duty on and made revisions in the tariff items for certain commodities. Some 35 tariff items are affected by these amendments; the rates of duty were increased on 19 commodities, decreased on ten, and six rates were changed from ad valorem to specific or vice versa. Nine new sub-items were added to the customs tariff to accommodate certain imports, and other adjustments were made.

The following products currently exported by Canada to Ethiopia are affected by these amendments. On motor vehicle parts and accessories, the import duty is increased from 15 per cent ad valorem to 20 per cent ad valorem; on pneumatic rubber tires the duty is lowered from 50 cents per kilogram to 25 cents per kilogram; on tires for motor and diesel trucks and lorries from $4.00 (Ethiopian) per kilogram to free, and on rubber tubes from 60 cents to 25 cents per kilogram.

One new item is "wrapping paper and cardboard manufactures for packing purposes", with a rate of 10 per cent ad valorem. A new item, "secondhand clothing and sewn articles", has been added to cotton, flax, silk, artificial silk and wool textiles, at the rate of $3.00 per kilogram. (The Ethiopian dollar, 100 cents, is nominally worth 40 cents U.S. currency; a kilogram equals 2·2046 pounds.)

Details of the amendments affecting other goods under this revision, including cotton textiles, flax and manufactures, silk and artificial silk and manufactures, wool and manufactures, kerosene and power paraffin, caustic soda, dyes, and toilet preparations, may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Jamaica

SPECIFIC IMPORT LICENCE REQUIRED FOR ELECTRICAL EQUIPMENT—Imports of electrical equipment which are likely to be affected by the proposed change in Jamaica's current from 40 to 50 cycles are being regulated to ensure that there will not be a shortage of essential equipment during the conversion period, and to avoid a surplus of goods not suitable for adaption. The following items will be affected:

Refrigerators and freezers
Washing machines
Record players and juke boxes
Clocks, ranges with clocks
Organs
Oil-burning furnace equipment
Fans
Dishwashers
Sun lamps
Fluorescent fixtures
Vibrator-type shavers
Sewing machines
Ironers
Vacuum cleaners, other than domestic
Industrial food mixers
Any speed-sensitive motor-driven equipment

Although no official deadline has been set for conversion to 50 cycle current, it is hoped that the change will be made within two years—Kingston, June 18.

Pakistan

IMPORT CONTROL POLICY ANNOUNCED—The Pakistan Government announced on June 1 its import control policy for July-December 1956, and listed the items for which licences will be issued during the new shipping period. Licences will be valid for all countries of the world, including Canada, except those issued in pursuance of a trade agreement with another foreign country. The new schedule has 207 numbered items compared with 211 for the January-June period. In spite of the decrease in the number of items, there are no significant changes.

Items added to the licensable list are: apparel, small arms, metal bracelets for watches, long-playing gramophone records, air conditioners and parts, food colours, woollen yarns, woollen fabrics and unspecified textile manufactures.

Removed from the schedule of licensable goods are: crown corks, fruit seeds, oilcloth and floor cloth, filter cloth, canvas for industrial use, tea chests, nylon bristles, fibre and monofilament, and nylon gut and twine.

The schedule of licensable commodities includes the following: iron and steel, non-ferrous metals and ferro-alloys, cast iron pipe and fittings, limestone, soda ash, ironware, hardware, drugs and medicines, tools and workshop equipment, scientific and surgical instruments, newsprint and paper, books and journals, cinematograph films, photographic films and instruments, rubber manufactures, motor cars and vans, cycles, radio and wireless apparatus, electrical apparatus, tractors and mechanical farming equipment, machinery and millwork.

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

Trinidad

DUTY-FREE ENTRY FOR SOME CONTAINERS—By Government Notice No. 72, dated May 18, the Customs Tariff Legislation of Trinidad was amended to permit the duty-free entry of all types of containers, including containers made from paper, provided that a container of a similar class or type is not manufactured within the Colony. The duty-free privilege will also extend to goods and materials, including paper, which are imported primarily for the manufacture or repair of containers, again provided that the Colony is not producing material of a like class or kind—Port-of-Spain, June 6.

West Germany

ADDITIONAL DOLLAR IMPORTS LIBERALIZED—According to advance information received from the Canadian Commercial Counsellor in Bonn, the list of dollar imports which may be imported into West Germany free from quantitative import restrictions has been enlarged. Shown below are some items of interest to Canada to which the new liberalization measure applies:

Agricultural products: Canned lobster and preparations; liver for use in the pharmaceutical industry; poultry liver; salt water fish, fresh, chilled or frozen—for example herring, cod, haddock, mackerel, sprats, sardines, halibut—but *not* including plaice and flounder; salted or dried cod, haddock, and halibut; eggs and egg products except in the shell; dried apples and pears; alsike clover seed; poultry fat for human consumption; fish oils for human consumption, not purified; tomato juice; tobacco.

Industrial products: All iron oxides; coal and coke; polyvinyl chloride; fur garments; asbestos manufactures, except brake and clutch linings; all copper and manufactures; aluminum foil; cobalt and cobalt products; office calculating machines.

The International Trade Relations Branch expects to receive a complete list of the new measure in time to publish further details in the next issue of this magazine.

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Technical Adviser: G. D. Mallory	2-3819
Associate Deputy Minister: M. W. Sharp	2-2888, 2-5838
Economic Adviser: O. J. Firestone	2-4176
Assistant Deputy Minister: Oliver Master	2-2421

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Equipment and Supplies	
Supervisor: E. S. Brown	2-5011

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Associate Director: Dr. J. Davis	6-7372

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Assistant Director: G. S. Hall	6-7163
Assistant Director (Export Promotion): R. V. N. Gordon	6-6519

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

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Lumber, forest products: L. M. Lang	6-6991
Imports and Office Supervisor: L. M. Lang	6-6991
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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 1·016196.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 21	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05467	18·29	(1)
		Free	·02916	34·29	
Australia	Pound		2·2068	·4531	
Austria	Schilling		·03785	26·42	
Belgium-Luxembourg	Franc		·01971	50·74	
Belgian Congo	Franc		·01971	50·74	
Bolivia	Boliviano	Official	·005179	193·1	
British West Indies	Dollar		·5747	1·740	(2)
	Pound		2·7584	·3625	(3)
	Dollar	British Honduras	·6896	1·450	
Brazil	Cruzeiro	Effective selling*			
		* Category 1	·00823	121·54	
		Category 2	·00684	146·27	tax 10% (4)
		Category 3	·00482	207·30	*May 29
		Official buying		18·66	(5)
Burma	Kyat		·2067	4·838	
Ceylon	Rupee		·2069	4·833	
Chile	Peso	Free	·002000	500·0	(15)
Colombia	Peso	Basic	·3936	2·541	(7)
		Free*	·2166	4·617	*June 20
Costa Rica	Colon	Official	·1753	5·705	
		Controlled free	·1482	6·748	
Cuba	Peso		·9841	1·016	tax 2% (4)
Czechoslovakia	Koruna		·1367	7·315	
Denmark	Krone		·1425	7·018	
Dominican Republic	Peso		·9841	1·016	
Ecuador	Sucre	Official	·06561	15·24	
		Free	·05311	18·83	
Egypt	Pound	Official	2·8258	·3539	(6)
Fiji	Pound		2·4851	·4024	
Finland	Markka		·004279	233·7	
France	Franc		·002812	355·6	(8)
French Africa	Franc		·005624	177·8	(9)
French Pacific	Franc		·01547	64·64	(10)
Germany	D Mark		·2343	4·268	
Greece	Drachma		·03280	30·49	
Guatemala	Quetzal		·9841	1·016	
Haiti	Gourde		·1968	5·081	
Honduras	Lempira		·4920	2·033	
Hong Kong	Dollar	Free*	·1674	5·973	*June 15
		Official	·1724	5·800	
Iceland	Krona	Official	·06042	16·55	
		Special buying	·04480	22·32	
		Special selling	·03530	28·33	(11)
India	Rupee		·2069	4·833	
Indonesia	Rupiah	Basic	·08666	11·54	(12)
Iran	Rial	Certificate	·01299	76·98	
Iraq	Dinar		2·7554	·3629	
Ireland	Pound		2·7584	·3625	
Israel	Pound		·5467	1·829	
Italy	Lira		·001580	632·9	
Japan	Yen		·002734	365·8	
Lebanon	Pound	Free	·3056	3·272	
Mexico	Peso		·07873	12·70	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent June 21	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2569	3·893	
Netherlands Antilles	Guilder		·5177	1·932	
New Zealand	Pound		2·7584	·3625	
Nicaragua	Cordoba	Effective buying	·1491	6·707	
		Official selling	·1396	7·164	
Norway	Krone		·1378	7·257	
Pakistan	Rupee		·2069	4·833	
Panama	Balboa		·9841	1·016	
Paraguay	Guarani	Official	·01640	60·98	(6) (13)
Peru	Sol	Certificate	·05179	19·31	
Philippines	Peso		·4920	2·033	
Portugal	Escudo		·03434	29·12	(14)
El Salvador	Colon		·3936	2·541	
Singapore & Malaya	Straits dollar		·3218	3·108	
South Africa (Union of)	Pound		2·7584	·3625	
Spain & Dependencies	Peseta	Basic buying	·04493	22·26	
		Basic commercial selling	·05992	16·69	(6)
		Free	·02526	39·59	
Sweden	Krona		·1902	5·258	
Switzerland	Franc		·2297	4·354	
Syria	Pound	Free*	·2793	3·58	*May 15
Thailand	Baht	Free	·04747	21·07	(6)
Turkey	Lira		·3514	2·846	
United Kingdom	Pound		2·75844	·3625	
United States	Dollar		·98406	1·016	
Uruguay	Peso	Official	·6478	1·544	tax 6% (4)
		Principal buying	·5754	1·738	(6)
		Principal selling rates	·4686	2·134	
			·4413	2·266	
Venezuela	Bolivar		·2937	3·405	
Yugoslavia	Dinar		·003280	304·9	(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 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.

Cyprus: the Trade Picture

Sales to Cyprus by Canada and many other countries rose in 1955, despite tense political situation on this Mediterranean island. Import controls restrict openings for dollar goods but opportunities in certain fields are worth attention.

M. R. M. DALE, *Commercial Secretary, Cairo.*

DESPITE THE DISTURBED POLITICAL CONDITIONS, commerce and industry on Cyprus continue to expand. The half-million inhabitants of this small island (3,572 square miles) are spending more money than ever before, and the demand for raw materials, industrial equipment, and consumer goods is growing. Although the relaxation in import controls was not extended to the dollar area, Canada shared in this increase in sales.

There are several apparent reasons for this increased business. Among them are :

- Spending by the armed forces and on a sizable military and civilian construction program.
- A comprehensive program of public works, estimated to cost some £55 million in 1956, and including improvements to harbours and airports, road-building and maintenance, increased water supply, etc.
- An active mining industry, with rising exports in 1955.

Imports and Exports Rise

In 1955, imports into Cyprus rose 30 per cent over 1954 to reach £30,420,487. This rise was most marked in building materials, mining and agricultural machinery, and tractors. Cyprus also imports foodstuffs, particularly meat and fish, dairy products, and cereals (including wheat). Other purchases comprise textiles and clothing, footwear and other leather products, petroleum products, fertilizers, paper and paper products, base metals, tobacco, and rubber products.

Sales of Cypriot products abroad increased by 10 per cent over 1954 and totalled £17,327,712. This increase takes on greater significance when one compares it with the 1948 figure of only £5 million. Over 50 per cent of the foreign exchange which Cyprus earns comes from sales of minerals, and especially pyrites, asbestos, and cupreous concentrates. For example, in the first three quarters of 1955, value of minerals exported totalled £8,286,000 compared with £6,953,000 for the same period of 1954. The remaining exports consist largely of agricultural products such as citrus fruits, carobs and potatoes, wines and brandies, grapes, wool, seeds, cotton, and tobacco.

Cyprus trades with over 70 countries but the United Kingdom supplies over 50 per cent of her imports and buys not quite 30 per cent of her exports. West Germany is her principal customer, but limits its buying almost entirely to minerals. Sales of wheat to Italy brought that country up to third position as a customer, followed by the Netherlands, France and the United States. Suppliers in order of their importance (after the United Kingdom) are West Germany, Italy, the United States, France, Australia, the Netherlands, India and Iraq.

Canada's Share Greater

Canada's trade with Cyprus fell from over £1·5 million in 1947 to only £17,000 in 1953 because of the imposition of import controls. However, sales of farm machinery, automobile spares and paper liners increased last year and these, plus a cargo of wheat, brought the total to £194 thousand. As a result of a visit by Canadian Wheat Board officials this year a further cargo of 10,000 tons of wheat was sold in February, thus assuring a continued increase in our trade for '56. Our purchases from Cyprus have not mounted but remain at about £10,000 a year.

At the moment, buying from the dollar area is only considered for highly essential commodities, not readily available elsewhere. None the less, the greater Cypriot purchasing power should not be overlooked by Canadian exporters of household equipment, lumber, farm machinery and tractors, fertilizers, and motor vehicles. These exporters should maintain contact with their Cyprus agents against the time when the dollar position improves. ●