



CANADA

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foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce,
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, DECEMBER 22, 1956, Vol. 106, No. 13

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Hull.
Price: \$2.00 a year in Canada, \$5.00 abroad.
Single copies: 20 cents each.

Authorized as second class mail by the Post Office Department, Ottawa.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

cover This towering balsam was grown in a Canadian forest; last Christmas, sparkling with lights, it stood on New Orleans' famous Canal Street. For pictures of other Canadian products that move to markets far more distant, please turn to page 15.

The Southern States: a Changing Market

Growth and change in the Southern States should mean increasing demand for traditional Canadian exports to this area, and opportunities to introduce new types of goods into this market.

A. A. CARON,
Consul and Trade Commissioner, New Orleans.

THE MOST SUCCINCT OF ALL DESCRIPTIONS of today's "changing South" is the quip: "Cotton going west, cattle going east, Negroes going north, Yankees coming south". True though it is, it omits one other significant change in the South—the country is coming to town.

For generations the South has been largely rural. This was true in the colonial days of plantations and slavery, it was true in the reconstruction era, and it was true as recently as 1938, when Franklin D. Roosevelt termed the South "the nation's No. 1 economic problem". The high percentage of small farmers in the South's economy was largely responsible for the accompanying problem of low per capita income. In those days there were too many farmers—and they made too little money. But the South is no longer rural. People have left their homes in droves and have come to town. In the past decade, city population has climbed from one-third to nearly one-half the total. Both Louisiana and Florida have already passed the 50 per cent mark. Louisiana is 54·8 per cent urban, Florida 65·6 per cent.

This table shows how southern cities have grown:

CITY POPULATION AS PER CENT OF TOTAL

1790	1·8
1890	13·4
1940	34·8
1950	47·1

Cities have been growing faster in the South than they ever did in the North. In 1900 there were only three cities in the Southeast with more than 100 thousand

population—New Orleans, Louisville and Memphis. In 1900 the Southeast contained only six of the nation's fifty largest cities. Now it has nine—New Orleans, Memphis, Louisville, Atlanta, Birmingham, Miami, Richmond, Norfolk and Jacksonville. Five cities in the Southeast have more than doubled their population between 1940 and 1950—Baton Rouge, Biloxi, Key West, Fort Lauderdale and Panama City.

Buying Power Increasing

What does this urbanization of the South mean to the southerners and their buying power?

As country folks come to town, their occupations shift. They leave farming for manufacturing, trade and service jobs. These changes in the South between 1940 and 1950 are reflected in the following table:

PERCENTAGE OF WORKERS IN INDUSTRY

	1950	1940
Agriculture	21	35
Manufacturing	18	15
Trade and services	61	50

As country folks move to the city, their incomes go up. Between 1939 and 1954 the annual per capita income in eleven Southern States rose from \$381 to \$1,305. And the income level in the South, although it is still below the average for the United States, has shown a higher-than-average increase in recent years.

PER CAPITA INCOME OF THE SOUTHERN STATES

	(dollars)		
	1929	1940	1954
United States	703	595	1,770
Alabama	324	282	1,091
Florida	521	513	1,610
Georgia	350	340	1,237
Kentucky	391	320	1,216
Mississippi	285	218	873
North Carolina	334	328	1,190
South Carolina	270	307	1,063
Tennessee	377	339	1,212
Virginia	435	466	1,480
West Virginia	462	407	1,232
Regional total	369	348	1,222
Region as per cent of total	52·1	58·5	69·0

Source: U.S. Department of Commerce, Survey of Current Business.

The second noteworthy development in the South is the growth of industry. In 1955, more than 200 new multi-million-dollar manufacturing plants sprang up in the South and the pace has continued in 1956. This industrial expansion not only is impressive in total but covers a wide variety of industries. Outstanding are aluminum, titanium, pulp and paper, chemicals, fertilizer and electronics. Moreover, the new units are scattered from North Carolina to Texas.

Alabama took a major share of new pulp and paper mills; Florida landed a new \$16 million oil refinery and several new chemical plants; Georgia's additions were highly diversified, with one multi-million-dollar brewery included. More than 30 new major plants were reported in Mississippi and more than 40 in Texas. A variety of enterprises were located in Arkansas, Louisiana, Maryland, Oklahoma, the Carolinas and Tennessee. Included were plants for manufacturing such diverse products as bicycles, electric motors, plate glass, cement, gypsum board, television parts, guided missiles and atomic reactors.

Altogether, more than a thousand new plants of all sizes and descriptions were established in the region during 1955.

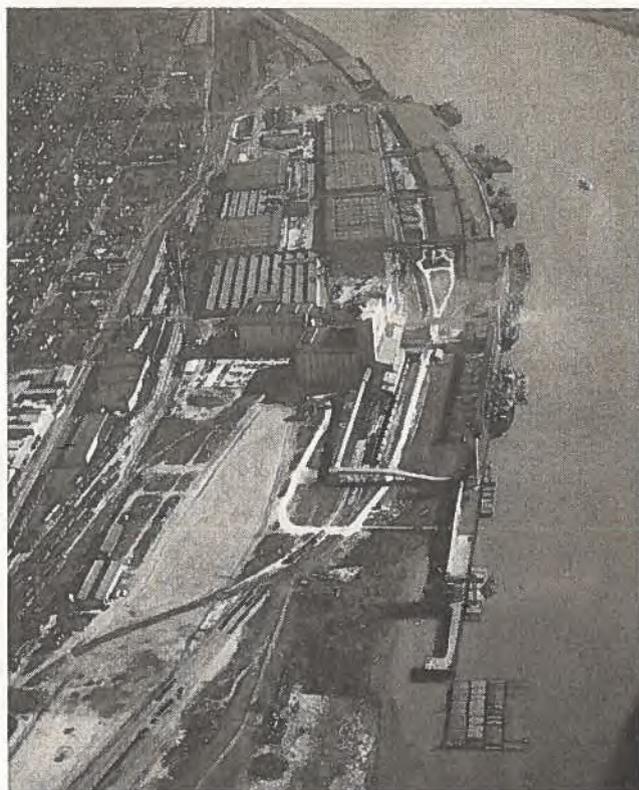
How Canadian Trade Affected

Canadian companies who are selling or who wish to sell in this area should bear in mind all these changes. Generally speaking, they have improved the market for Canadian goods. For example, many new southern industries rely on Canadian raw materials—such as aluminum for several factories, particularly in Florida and Texas, gypsum and rock from Nova Scotia for plants in Savannah, Jacksonville, and New Orleans. Other raw materials imported from Canada include zinc, asbestos, nickel, copper and lead. One Savannah plant producing titanium dioxide obtains its total annual requirements of titanium ore (200 thousand tons) from Sorel, Quebec.

The market in this territory for Canadian newsprint and for hardwoods and softwoods for the construction industry is increasing, particularly in Texas and Florida. The demand for our lumber will continue to rise with industrialization and the resulting demand for buildings and urban homes. Canadian veneers and plywoods are sold in all Southern States for furniture and for sash and door manufacturing.

Christmas trees are shipped by rail from Ontario, Quebec, New Brunswick, Nova Scotia and British Columbia to the Deep South.

Canadian exporters do not always realize that the Southern States import approximately 70 per cent of the rutabagas (turnips) and apples shipped from Canada to the United States. Moreover, Florida,



This aerial view of the busy port of New Orleans shows, in the foreground, the public grain elevator and, immediately beyond, the public commodity warehouse and the Foreign Trade Zone.

Georgia and the Carolinas offer practically the only U.S. outlet for seed potatoes grown in the Maritime Provinces.

Pears, frozen berries, miscellaneous vegetables, canned hams, canned foods, fresh-frozen fish fillets and canned fish are among other food products sold in large quantities here.

Selling Manufactured Goods

The South is worth considering also as a market for manufactured consumer goods and some Canadian exporters have been successful in this field. As an example, a Canadian manufacturer of sweet biscuits appointed this year some twenty agents to sell his products in this territory. One of these agents, covering only one state of the Deep South, reported that he has sold appreciable quantities of biscuits for his Canadian principal during the first three months of the contract.

Canadian firms—particularly those who have proved that they can sell their products competitively in the North—should start by doing some active market research in such important centres as Dallas, Atlanta, Memphis and Charlotte. If they are successful there, the Deep South could later be investigated.

The high freight rates do, of course, affect exports to the South and are a definite factor in the expansion of our exports there. Lower rail freight rates and better trucking facilities would help to solve this problem. Increased shipments from Canada might be possible through the Detroit and Niagara gateways if established motor carriers published through rates instead

of a combination of rates which is in effect at the present time.

This fast-developing part of the United States is also offering attractive possibilities to Canadian investment capital. A number of Canadians who came here during the winter months have decided to stay and have established new industries, particularly in Florida.

French Equatorial Africa in 1956

Import trade picked up in second quarter of year, but purchases from dollar countries still under allocation. Government promoting industrial and agricultural projects and protecting local industry through increased duties.

K. NYENHUIS, *Trade Commissioner, Leopoldville.*

THE HOPED-FOR ECONOMIC RECOVERY in French Equatorial Africa from the 1953 depression has been slow in developing. Even in those regions which had an increase in business during the first nine months of 1955 the demand for imported goods fell off sharply towards the end of the year and in the early months of 1956. The reason for this probably lies in a rather general uneasiness about the future, a weakening in the prices of lumber, cotton, cocoa and coffee, and an increase in the prices of imported goods.

A number of changes in import and export duties have been made to facilitate exports and to protect local industry. In addition, the turnover tax payable on most imports over and above import duty has been increased from 7.75 to 8.30 per cent. This step was taken to provide revenue for a new scheme of family allowances and maternity benefits in effect from July 1, 1956.

The French Equatorial African Government, however, is doing its utmost to bolster and promote new industrial undertakings—among which hydro-electric and mineral development rank first—and to assist the economy through public works. Agricultural projects, schools, hospitals and road-building are the main beneficiaries.

A new price control order was issued in May of this year fixing maximum profit margins for essential con-

sumer goods; the territorial governors have the power to fix absolute maximum prices where necessary.

Price stabilization funds are being established for coffee and cocoa from export levies on coffee of 2.70 CFA francs and on cocoa of 3.20 CFA francs per kilo. Half of the receipts are to be used for price support measures and the remainder for anti-pest campaigns and improvement of marketing methods.

Mineral Development

The Bureau Miniere de la France d'Outre Mer and the Bethlehem Steel Corporation have formed a study group to investigate the iron ore deposits near Mekambo. This investigation, including a survey of a railroad route to the coast near Libreville (about 350 miles) is expected to take two years.

Test borings at Ozouri, 20 miles from Port Gentil, have shown that oil is available in commercial quantities. Production is to start in 1957 at an expected rate of 100 thousand tons a year.

Agriculture Progressing

During the last three years, work has been proceeding on the reclaiming of land between the rivers Logone and Chari, north of Bongor (Tchad). An area of 230 square miles will be made available for agriculture, probably cotton growing. The Tchad territory pro-

duced during the last season (apart from 70,000 tons of cotton) 20,000 tons of paddy rice for local consumption. Further irrigation will raise this figure.

About 1,500 tons of wheat were produced for local consumption, and 5,000 tons of peanuts were grown, 1,000 tons of which were exported. The area is said to be capable of producing 80,000 tons of peanuts a year.

One of the most important industries of the Tchad territory is cattle breeding. It is estimated that 200 thousand head are exported each year, of which only a small proportion is recorded. Fresh meat shipments by air have risen from 67 tons in 1950 to 3,200 tons in 1955, 50 per cent of which was exported. New abattoirs and a refrigeration plant at Fort Lamy with a capacity of up to 10,000 tons a year (financed by U.S. aid) will be completed this year.

Import and Export Picture

The second quarter of 1956 has seen a gradual increase in imports into French Equatorial Africa, particularly of beer, salt, iron and steel, metal products and machines, and petroleum products. The most important imports by volume continue to be machinery, petroleum products, cotton materials, metal products, trucks, sugar, and wine. France and the French overseas territories supplied over 62.4 per cent of the territory's imports (valued at 6½ billion CFA francs), followed by the United States with 8.5 per cent (including foreign aid), the Netherlands Antilles with 4.5 per cent, West Germany with 4 per cent, and the Belgian Congo 3.5 per cent. Canada's sales to the territory in the first half of this year were valued at 793 thousand CFA francs and included flour, canned salmon, and outboard motors. Imports from dollar countries continue to be handicapped by exchange regulations. All dollar imports are under allocation worked out in Paris and for that reason, sales of Canadian goods in the territory will probably not increase to any great degree in the near future.

Exports from this area in the first half of 1956 have shown, in the main, little change when compared with the same period of 1955. Exports of peanuts, however, have almost doubled and those of cocoa and coffee increased in volume but, because of the weakening in world prices, fell below the first half of 1955 in value. French Equatorial Africa's main markets were France and the French overseas territories (70 per cent of total, or 4.6 billion CFA francs), West Germany 12.1 per cent, Nigeria 3 per cent, United Kingdom 2.8 per cent, and the Netherlands 2.5 per cent. Canada's purchases were valued at 655 thousand CFA francs.

The territory's leading exports by value were cotton, wood logs, wood (other), diamonds, and coffee. ●

DECEMBER 22, 1956

78240—2½

Exploring Business in Boston

THERE IS NO SUBSTITUTE for top-level, on-the-spot appraisal of a prospective export market. Personal acquaintance with potentialities, problems, procedures and customers can spell the difference between success and failure.

A group of businessmen and provincial government officials from the Atlantic Provinces recently acted on this advice and had a first-hand look at one of Canada's promising markets. Under the auspices of the Eastern Division of the Canadian Manufacturers' Association and with the co-operation of the Canadian Trade Commissioner in Boston, they visited the "hub of New England" to see for themselves.

Among the industries represented by the twelve members of the party were eelgrass insulation material, heating equipment, chocolates, hardwood furniture, Irish moss, frozen blueberries, and fish products.

The three-day itinerary included a courtesy visit to the Mayor of Boston, a luncheon with senior officers of two of the city's more prominent banks, a reception at the home of the Canadian Consul General where the group met some 40 Boston businessmen, and a luncheon with 60 members of the Canadian Club, many of whom have family connections with the Maritimes.

A meeting with the Collector of Customs for the Port of Boston District and a bull session led to a beneficial exchange of questions and information. An entire afternoon with the Chief Appraiser of Merchandise provoked a thorough examination of appraisal problems, including a useful fill-in on the provisions of the Customs Simplification Act. In the Appraiser's Stores building the group saw a variety of imported goods being opened and later examined. The Chief Chemist of the Food and Drug Administration proffered some helpful advice to members of the group interested in selling food products.

One morning and one afternoon were set aside for individual business discussions between the visitors and local agents, brokers and buyers.

The group was impressed with the enthusiasm, interest, and cordiality displayed by their New England hosts. They concluded the tour feeling that the program had been valuable, and would continue to bring results in the future. The success of this project may encourage other exporters to get in contact with the Canadian Trade Commissioner and plan a similar trip—or to duplicate this type of export study elsewhere. ●

Burma's Trade Languishes

With no rice available to meet increased demand from traditional cash markets in South East Asia, Burma faces severe exchange difficulties. Shifting of trade to the Sino-Soviet bloc means that many western countries, including Canada, have found sales to the Burmese dwindling.

M. P. CARSON, *Trade Commissioner, Singapore.*

THE BURMESE ECONOMY has recovered somewhat since early 1955, when foreign exchange reserves fell dangerously low and open general licences for imports had to be suspended temporarily. A combination of smaller rice sales and greatly increased demand for goods forced the authorities to take this step. Since then, rice surpluses have been moving well but Burma seems to have committed itself to barter all of its rice—at least until the new crop reaches the market. About 80 per cent of the country's foreign exchange normally comes from the sale of rice abroad.

Barter Trade Poses Problems

One of the major economic problems facing Burma stems from numerous barter agreements negotiated with Sino-Soviet bloc countries. When Burma's rice surpluses were increasing to serious proportions and sales were slow, the Government decided that barter trade offered the only solution. The barter agreements which Burma negotiated then are now causing some difficulty. They committed large quantities of rice and Burma could not supply the heavy demand for rice which developed in the cash markets. Consequently, a severe shortage of foreign exchange occurred and there was no rice to satisfy the demand from Burma's traditional markets in South-East Asia.

Most of the barter agreements called for the shipment of capital goods and equipment to Burma. Thus the country, tied to barter deals, experienced a serious shortage of essential consumer goods and prices rose. In June 1956, the Government attempted to halt the rising prices of essentials by announcing an expansion of the Open General Licence list to include coconut oil, dried prawns and fish, onions, tires and tubes, selected building materials, machinery and parts.

Importers and dealers were warned against speculative buying but the foreign exchange reserves were not considered large enough to withstand the drain if imports increased. The Government then dropped its

proposal to expand the Open General Licence list and instead offered to go into partnership with Burmese importers to buy scarce goods. This scheme currently is in effect.

Economy Depends on Rice Exports

The barter deals commit Burma to ship all available rice from this year's crop and because rice prices have declined since 1953 the economic position has worsened.

Following World War II, there was a world shortage of rice and prices rose; countries such as Burma, with large exportable surpluses, enjoyed a few years of



—UN Photo

To give added employment to its rural population, Burma, with outside technical assistance, has been developing small and cottage industries, such as pottery-making. Here a block of clay is being sliced; later it will be kneaded by foot.

prosperity. Other countries in South East Asia, however, encouraged home production and the United States and Italy substantially increased their exports of rice and became new competitors in world markets. At the same time there has been a growing tendency for Eastern countries to consume other grains, notably wheat.

This year Burma is expected to ship close to two million tons of rice. This is in keeping with the general increase in the world rice trade which is running some 5 to 10 per cent above that of 1955—one of the record years for rice since the war.

Before the war rice exports were much larger and economists are urging increased paddy rice production because a shortage of Burmese rice is indicated for 1957. But there are limitations to increased production; for example, there is a shortage of farm workers and no Chinese or Indian labour now is available. Conditions are still unstable in certain parts of the country which limits expansion of cultivation and reclamation of former rice lands. Although there are some encouraging signs, it seems reasonable to assume that the prewar figure of rice production will not be reached in the immediate future.

Industrial Development Slows

Burma had embarked upon an ambitious industrialization program but has had to scale it down because of the lack of foreign exchange. Towards the end of 1955 the Government discontinued all development projects except those already started and for which it had agreed to allow equipment purchases. Notable gains, however, have been made in industrialization.

The country expects to attain self-sufficiency in petroleum products this year, except for aviation gasoline and lubricating oils. Output of cement from the Thayetmyo plant has risen but, because of the large demand for new construction, imports are still necessary. Added capacity for sugar mills is expected to expand sugar output beyond domestic needs. A steel-rolling mill, a jute mill, a tea factory, and a pharmaceutical plant are either completed or close to completion; their production will help Burma conserve foreign exchange.

Part of the development program is an 84,000 kw. hydro-electric plant nearing completion at Baw Chaung. A new steam-generator plant will begin operating shortly on the outskirts of Rangoon to meet the increased demand for electricity in the new industrial area.

Although industrialization helps, Burma's economic development depends more on expanding output of her marketable raw materials; timber and mineral production, for example, is far below prewar. There

are encouraging signs that these sources of exchange earnings will receive more attention.

Foreign Aid Helps Recovery

To assist in overall economic planning, a great deal of foreign aid is required. Assistance from the Colombo Plan and United Nations agencies has been playing an important role in Burma's development and will continue to be vital. India has offered to lend Kyats 200 million (\$40.4 million) to Burma to be converted into sterling currencies and to extend credit for purchases of Indian consumer goods up to a value of Kyats 100 million. Burma still has not taken up the Indian offer.

The United States, under its surplus disposal program, has made available large quantities of cotton to Burma to help relieve the shortage of cotton goods and rising prices; the cotton will be processed in the United Kingdom, Japan and West Germany.

The World Bank has extended a loan of \$14 million to improve facilities in the Port of Rangoon and during June and July clearing of the harbour began. The World Bank granted a further loan of \$5.35 million to raise the efficiency of the Burmese railways.

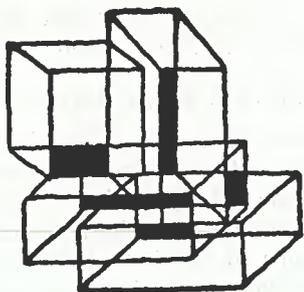
These loans and increased aid under the Colombo Plan and United Nations Technical Assistance will greatly affect economic development. Government efforts to expand exports and tighten internal security measures are other decisive factors.

Trade Prospects Not Promising

There is little hope that Burma will allow trade generally to operate freely. The continuing foreign exchange reserve problem makes it imperative for the Government to impose control measures. Burmese-owned importing firms are encouraged by the Government, which grants to them a large proportion of the import licences.

The shortage of dollars means that there are no immediate prospects of increasing Canadian shipments to Burma. Exports amounted to only \$480 thousand in 1955 and consisted mainly of automobile parts and semi-fabricated aluminum, totalling over \$400 thousand. Canadian sales to Burma in the first seven months of 1956 declined to a mere \$59 thousand.

Last year Canada bought only a negligible \$7,000 worth of goods from Burma and in the first five months of 1956 no Burmese imports were recorded in Canadian statistics. This same situation is being experienced in other countries because the pattern of Burmese trade has shifted decidedly to the Sino-Soviet bloc with which Burma has negotiated barter agreements. Imports from its traditional suppliers—the United Kingdom, India, Japan and West Germany—have fallen off seriously during the first half of 1956. ●



commodity notes

Australia

WOOL—Wool exports for the period July-September 1956 totalled 222,499,000 lb. valued at £65,653,000—more than £10 million more than for the same period in 1955. Exports to the sterling area rose from 60,410,000 lb., worth £15,271,000, to 63.8 million pounds valued at £18,093,000. Exports to dollar countries fell sharply and earned only £2.6 million compared with £5.5 million in the same period of the previous year. Japan remained Australia's largest wool customer with purchases worth £17.9 million, followed by Britain, £16,829,000—Sydney, Dec. 3.

MINERALS—Australia achieved a record production of minerals in 1955 valued at £198,744,000, compared with £184,218,000 in 1954. Higher prices contributed to this, but increased production of copper concentrates was a main factor. Coal, at £57.9 million, and lead and zinc at £53.7 million were the two leaders. Mineral exports were valued at £71.5 million in 1955 compared with £58 million in 1954—Sydney, Dec. 3.

Belgian Congo

COTTON—Cotton exports during the first seven months of 1956 amounted to 30,273 metric tons, an increase of 40 per cent over those in the corresponding period of the previous year. Total 1956 exports are expected to exceed the record 51,000 metric tons exported in 1950. In value, cotton ranks as one of the Congo's leading exports. To assure remunerative prices to native growers, it is marketed by government-controlled co-operatives—Leopoldville, Nov. 30.

Cuba

CEMENT—The domestic cement industry, currently unable to meet the heavy demand from government projects and brisk private building, is expanding. It is expected that the addition of a new kiln to the Santiago de Cuba plant, which is expected to be in operation this month and to double the mill's present output of 15,000 bags per day, plus the completion

of a third mill in western Cuba with a capacity of one million barrels a year, will make the country self-sufficient in this basic building material. Present per capita consumption of 78 kilos is likely to double in the next three or four years—Havana, Dec. 5.

Greece

VINE PRODUCTS—Greece has just harvested record crops of vine products and exports of table grapes (so far more than 9,000 tons) have gone chiefly to West Germany and the United Kingdom. The Ministry of Agriculture estimates that the 1956 crop will consist of 86,450 metric tons of currants, 42,000 tons of sultanas, 436 thousand tons of must and 123 thousand tons of table grapes—Athens, Dec. 2.

Italy

SYNTHETIC FIBRES—A new and modern factory was opened recently at Lake Orta, in northern Italy, to produce Ortalion. This polyamidic fibre belongs to the nylon 6 group and is obtained from a derivative of phenol. Ortalion is used in the manufacture of women's stockings, knitted wear, fine fabrics, fancy fashion fabrics, upholstery fabrics, and textiles for industrial and military use—Rome, Dec. 4.

Jamaica

MEATS—Because of an outbreak of foot and mouth disease in Britain, imports of meat products (other than those in hermetically sealed containers) from England, Scotland and Wales have been prohibited. The U.K. normally supplies close to £20,000 worth of pork products to the Island each year and Jamaican merchants will therefore look to Canada and other sources of supply for their requirements until the embargo is lifted—Kingston, Nov. 29.

COCOA—With the aid of £294,750 supplied from Colonial Development and Welfare Funds, the Jamaican Government hopes to increase cocoa

production from 3,000 to 12,500 tons a year. About 900 thousand cocoa seedlings propagated from the best stock are now being distributed to Jamaican farmers. The seedlings are estimated to be sufficient to plant out at least 3,000 acres and are the first instalment of the government program. A total of 15 million trees will be planted on about 50,000 acres to give the increased tonnage contemplated—Kingston, Nov. 23.

Japan

SHIPBUILDING—Japanese shipyards will not be able to operate at full capacity in 1957 because of a shortage of steel materials. The Ministry of Transportation estimates the available capacity for ships to be started in July 1957 at 878 thousand gross tons, but the steel shortage may mean that construction will be limited to a maximum of 670 thousand gross tons—Tokyo, Dec. 1.

Malaya

RUBBER—Large Malayan rubber planting companies are studying a new process of extraction developed by the Rubber Research Institute. It has been found that the use of stimulants and double cuts may double or treble the yield. Full-scale application of the method of extraction must wait until its effect upon the rubber trees can be ascertained. The research is being conducted to determine the maximum possible rubber production at minimum cost—Singapore, Nov. 25.

Portugal

FERTILIZERS—Consumption of chemical fertilizers reached 654,687 metric tons in the 1955-1956 crop year—an increase of 18 per cent since 1952-1953. Average consumption per cultivated acre in 1955 was 35 lb. compared with 12·8 lb. in 1937. The principal varieties in use are nitrates and phosphates; however, the Portuguese recognize that greater use of potassic fertilizers and lime would be beneficial. It is intended to extend the government subsidy, which applies to nitrates and phosphates, to cover lime for agricultural purposes. Increased use of fertilizers has contributed to higher yields per acre—Lisbon, Nov. 26.

Spain

CITRUS FRUITS—Spain's citrus fruit production shows a serious drop for the 1955-1956 season because of the heavy frosts experienced in February this year. Total production is estimated at 519 thousand

metric tons compared with 911 thousand metric tons in 1954-1955 and 1,005,000 metric tons in the 1952-1953 season. Exports of oranges for the period January to May 1956 amounted to 296,906 tons, valued at 64·8 million gold pesetas, compared with 680,133 tons valued at 188·7 million gold pesetas during the same period of 1955. This year's lemon crop is estimated at 11,000 to 13,000 tons compared with 35,000 in the previous season—Madrid, Dec. 4.

Sweden

AUTOMOBILES—General Motors and the Ford Motor Company are closing their assembly plants in Sweden. The reason is the general preference in Sweden for small cars which are readily available from European factories which have recently been expanded—Stockholm, Dec. 7.

CALCULATING MACHINES—A new company financed by United States interests has been formed in Sweden to produce electronic calculating machines for sale in the European market. Textile mills in the city of Norrkoping, which are experiencing difficulties, have been purchased as a site for the new factory—Stockholm, Dec. 7.

United Kingdom

TELEVISION SETS—Although sales of television sets in the United Kingdom in the first nine months of 1956 were 4 per cent higher than in 1955, production was 22 per cent down from last year. Output for the first three quarters of this year has totalled 961 thousand sets, compared with 1,233,000 sets in the corresponding period in 1955. Production of all types of radio receivers, at 1,020,000, was down 18 per cent compared with the first nine months of 1955—London, Dec. 6.

United States

IMPORTED CARS—Imported cars are selling well in the United States this year—sales in the first six months, at 43,400 units, were 69 per cent above the same period last year. Although this represents only 1·7 per cent of U.S. car manufacturers' sales in the first half of this year, it is nearly double the share of the market that foreign cars enjoyed in 1955. More important is the fact that foreign manufacturers have been able to increase their business although domestic manufacturers are running 10 per cent below last year. In times past British makes dominated the foreign car market but now Germany's Volkswagen is setting the pace. Altogether there are more than 50 makes of imported cars in the field—New York, Dec. 7.

Markets for Plastic Raw Materials

AUSTRALIA—*Primary plastics industry well-developed and expanding but large amounts of imported PVC, polystyrene, and polyethylene still required. Market limited by dollar import restrictions but leeway permitted if there is price advantage in buying from Canada.*

AUSTRALIA'S PLASTICS INDUSTRY has expanded rapidly since the war and offers a worthwhile market for exporters of the raw materials. Currently, investment in plants turning out primary plastics is high and there has been a pronounced expansion in the industry over the past five years.

Some of the more important materials not produced before the war and now manufactured in Australia are: urea and melamine moulding compounds, phenol formaldehyde, resins and resin solutions, polyvinylchloride, cellulose acetate, and polystyrene.

Australia also exports some plastic raw materials to adjacent markets and sales, although small, are rising steadily.

Need for Imports Continues

It is likely that Australia will continue to be a market for certain types of primary plastics—particularly for the ones she cannot produce economically because of market limitations. The demand for plastic products of all types has been rising steadily and annual Australian consumption is estimated at five to six pounds per capita, compared with 10 pounds in the United Kingdom and 24 pounds in the United States. The industry now employs about 7,000 persons and the annual value of output exceeds £A18 million. The scope for expansion of the industry is great but local production of primary plastics will rise also to meet most of the needs.

Although Australia is moving towards self-sufficiency in all the more common polymers, she imports at least small amounts of all the common primary plastics; in the case of PVC, polystyrene and polyethylene the amounts are substantial. Sterling area countries supply most of the polymers not produced locally as well as the copolymers and monomers, basic chemicals, and other materials required by the primary plastics industry. Indigenous raw materials are used, where possible, to manufacture most of the common polymers, although considerable quantities of urea, melamine, cellulose, styrene copolymers, calcium carbide, pentaerythritol, natural gums, and higher alcohols have to be bought abroad. The main primary plastics imported by Australia during the 1955-1956 fiscal year are listed below:

PLASTIC RAW MATERIAL IMPORTS
(1955-1956 fiscal year)

	Quantity (pounds)	Value (£A)
Polyethylene resin	4,671,405	937,330
Acrylic type resins	1,621,625	610,970
Styrene type resins—moulding powders ...	3,760,484	597,595
Styrene type resins—other than moulding powder	1,080,784	122,563
Modified polystyrene	622,589	117,662
Cellulose acetate (excluding cellulose transparent paper)	766,148	409,724
Films, sheeting or sheets produced from synthetic resins, supported with textile fabric or printed, polished or embossed	3,421,461	386,608
Polyvinylchloride—moulding powder	2,757,555	346,795
Polyvinylchloride copolymers	2,437,764	331,439
Polyvinylchloride—other than moulding powder	1,786,765	208,549
Polyvinylidene type resins	1,119,197	190,003
Vinyl type resins n.e.i.	562,021	103,426
Resins, synthetic, n.e.i.	1,620,266	342,181
Cellulose acetate butyrate moulding powder	660,511	182,037
Cellulose nitrate	418,428	149,903

FOREIGN TRADE

The United Kingdom was the largest supplier of the plastic raw materials listed above; British sales to Australia exceeded those of all the other countries combined. The United States, Germany and the Netherlands also participated in the trade in a substantial way; Canada, Italy and Japan gained an important share.

Imports from Dollar Area Limited

The severe import restrictions currently in force in Australia limit imports of plastic raw materials from the dollar countries. Generally, if plastic raw materials are available from domestic sources of supply and from soft currency countries, import licences are not granted for purchases from dollar countries. Because plastic raw materials are in a special category, the Australian import licensing authorities permit importers some leeway in choosing their sources of supply. If there is a definite price advantage in buying Canadian plastic raw materials, import applications receive careful consideration.

Interested Canadian firms should approach either the Department of Trade and Commerce in Ottawa or the Canadian Trade Commissioners in Australia when they have primary plastic materials available for export. The Australian market is expanding and this growth should continue over the next few years.

—J. C. BRITTON,
Commercial Counsellor, Sydney.

NEW ZEALAND—*The local plastics industry enjoys low tariffs and relative freedom from licensing requirements when it buys plastic raw materials abroad. The market is expanding and offers opportunities for the Canadian manufacturer of primary plastics.*

THE MARKET IN NEW ZEALAND for plastic moulding powders is growing and Canadian exporters whose products compete in price and quality could increase their sales. Although restrictions on dollar imports continue, the Government freely grants dollars for purchases of moulding compounds and certain resins in paste or liquid form. The United Kingdom is by far the largest supplier of primary plastics, followed by Australia and the United States; Canada has not participated in the trade to any great extent.

The rapid development of the domestic plastics industry, which now supplies most of the demand for finished goods, has expanded the market for plastic

raw materials. In this country of just slightly over two million people, there are more than 40 firms engaged in the industry and using more than £1 million worth of plastic materials a year. Goods turned out include kitchen and tableware, toys, buttons, refrigerator components, garden hose, polyethylene film, laminated plastic sheet, electric switches, plugs and plastic-coated wire and cable.

Except for casein, all plastic raw materials used in New Zealand are purchased abroad. One manufacturer produces his own moulding powder from phenol and other imported materials, but uses all of it in his own factory. The following table gives total imports of primary plastics for 1955 and the first three months of 1956. (A breakdown of these figures by country of origin is available from the Chemicals Division, Department of Trade and Commerce.)

	1955		Jan.-March 1956	
	Cwt.	£(N.Z.)	Cwt.	£(N.Z.)
Thermosetting resins—in powder, flake or other dry form	55,649	672,909	13,038	155,214
—in paste or liquid form	7,958	80,351	3,399	37,370
Thermoplastic resins—in powder, flake or other dry form	34,316	410,376	6,766	85,683
—in paste or liquid form	20,483	199,222	1,614	21,225

The thermosetting moulding powders in the above table include casein, phenol formaldehyde, urea formaldehyde and melamine formaldehyde. The thermoplastic category comprises cellulose acetate, polyethylene, methylmethacrylate, polyvinylchloride and polystyrene.

Fewer Restrictions on Primary Plastics

The New Zealand plastics producers have indicated in their submissions to the Tariff Board that they prefer the current policy of a low tariff and liberal import licensing for primary plastics. At the same time, they are anxious to maintain adequate protective duties and restrictions on imports that compete with their finished goods.

The customs tariff on synthetic plastic raw materials is 3 per cent for all countries, with one or two minor exceptions. This rate applies to all forms including powder, rod, sheets and tubes. All plastic moulding powders are exempt from licensing for import from any source. For partly manufactured synthetic resins such as urea formaldehyde in solution, a licence is required if it is bought from a country outside the sterling area. Dollar licences are sometimes granted when the importer can prove that he would receive a reasonable advantage in quality and price if he purchased from a dollar country.

The tariff and import licensing regulations are much more restrictive when it comes to finished plastic

products. In the customs tariff the goods are not normally classified separately, but are included in the item which relates to the particular commodity. Nearly all finished goods are subject to licensing and with a few minor exceptions, licences are not granted for imports of plastic articles from any source.

The New Zealand plastics industry will continue to emphasize the manufacture of finished goods from imported raw materials. Although an affiliate of Polymer Corporation Pty. Ltd., Australia is now putting up a plant to produce a wide range of synthetic resins, the need for overseas supplies of raw materials will increase for some years to come.

—J. MacNAUGHT,
Assistant Commercial Secretary, Wellington.

SOUTH AFRICA—*Best market here is for phenol and urea formaldehyde thermosetting moulding compounds. Domestic industry mainly fabricates finished plastic goods; primary plastics output limited to polyvinylchloride.*

SOUTH AFRICA'S PLASTICS INDUSTRY offers a growing market to Canadian exporters of plastic raw materials. Only polyvinylchloride is produced in the Union at present by a subsidiary of Imperial Chemicals. The remaining primary plastics needed are imported mainly in the compounded form; exceptions are raw materials required by the plastic tile manufacturers and a few other firms which mix their own powders for moulding and extrusion. Most basic plastic materials are exempt from Customs duty and foreign exchange is made available freely to enable manufacturers to buy from whichever country offers the best price. Canada suffers no competitive disadvantages either from tariffs or import controls.

Local Industry Favoured

The plastics industry was started in 1932 with the founding of the first firm; today there are over 30 fabricators (excluding manufacturers of wire and cable) and the number is still growing. Wartime shortages gave an impetus to the industry which was later accelerated by the imposition of import control. One handicap is the rather small market, which has forced processors to concentrate on the products which are consumed in quantity; many firms are forced to combine custom and proprietary moulding to obtain a profitable volume of business.

A survey made for the year ended June 30, 1954, showed investment in the industry—covering land,

buildings, equipment and operating capital—at more than £2 million, but only 12 of the 30 firms owned their own premises. The total number of employees was about 2,000 and nearly 85 per cent of the factories had fewer than 100 workers. Production for the period under review was valued at £2½ million but judging by the increase in raw materials used since then, should now be about £4 million.

The local manufacturer of plastic articles has several advantages over his foreign competitors. In addition to the customs tariff, the foreign exporter must surmount the barrier of high freight rates and landing charges and in some cases inland freight costs, particularly to the Union's major market in the Johannesburg area. Labour costs are low which is especially important in the finishing and sanding operations but costs are high if an intricate assembly is necessary.

Materials Used

Thermosetting moulding plants, using mainly phenol and urea formaldehyde, consumed the largest amounts of compounded plastics. Polystyrene was the next in importance, followed by the natural resin, shellac, and then by vinyl polymers, polyethylene, and cellulose acetate. However, polyvinylchloride is used in bulk by the plastic tile and other industries in the polymer form, and taking into consideration its consumption by the cable and leather cloth industries, is the most important plastic used.

The 30 plastics firms reporting in the 1953-54 survey of the industry gave their consumption of compound plastics at that time as follows:

Phenol formaldehyde	1,414,773 lbs.
Urea formaldehyde	508,137 "
Polystyrene	786,000 "
PVC and vinyl copolymers	287,000 "
Polyethylene	161,861 "
Cellulose acetate	121,554 "

Since then nylon has come into use; one firm is extruding fishing line and also rods which are sold to processors for the manufacture of bearings, silent gears, and so on; another factory is making nylon combs by injection moulding.

Consumption of polyethylene and polyvinylchloride is increasing, especially for making pipes and tubes. There are four firms using the calendering process to manufacture tiles and a fifth should begin production soon; one firm uses the slush moulding method.

Import statistics for 1953 and 1954 are available for the Union but, unfortunately, do not indicate the specific plastic materials. Exporters who would like details of quantities and country of origin should write to the Chemicals Division, Department of Trade and Commerce, Ottawa.

The South African Customs classifies plastics imports as follows: celluloid in sheets or rolls; other artificial plastic materials in blocks, slabs, tubes, rolls, and sheets; celluloid in other forms; plastic, other, in powder, granular or flake form; other plastic in any form; nylon monofilament; plastic piece goods; plastic manufactures, not elsewhere specified; resin, synthetic or artificial, compounded with films or fabric in sheets, bars, rods, and blocks; resins, natural, dry resinous gums and dry shellac; resins, artificial and synthetic.

Future Appears Good

Some sections of the industry have an assured future in the event of the removal of import control, but others may be affected adversely, particularly com-

panies which make a wide variety of products such as toys. They will face severe competition, especially from the Far East. The tendency for newer firms is to produce plastic articles which are consumed on a large scale domestically, such as components for industry.

South Africa's continued economic expansion offers a bright future to the plastics industry and with it an excellent opportunity for Canadian exporters to sell the raw materials which it requires. Competition, however, is keen in this wide-open market and price is the dominating factor.

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

FEDERATION OF RHODESIA AND NYASALAND—This area offers

small market for moulding materials, primary forms, and plastic goods. As output rises and prices fall, market for primary plastics should expand.

PLASTIC MATERIALS ARE IMPORTED into the Federation in blocks, sheets, rods, tubes, powder, chips and other primary forms for further processing, but there is no market for monomers and raw plastics. Compounded plastics and calendered sheets for further manufacture comprise the major imports.

The following table will give the exporter some idea of the extent of the market and will show that several countries share in it. The figures are for plastics in any form and represent imports for the first six months

of 1956; unfortunately information about the specific type of plastics included in the totals is not available.

Country	Quantity (pounds)	F.O.B. Value (£)
United Kingdom	181,611	19,051
United States	103,606	11,438
Union of South Africa	60,339	5,428
Italy	6,772	475
West Germany	4,409	250
Canada	779	165
Total	357,516	£36,808

Many kinds of plastic goods are produced in the Federation and plastic materials currently used are:

Polyethylene—for piping, layflat tubing, blow film, extrusion, and moulding.

Polystyrene—as sheets and compounds for moulding.

DUTIES ON PERMITTED PLASTIC IMPORTS

Tariff Item No.	Goods	Countries not receiving most favoured treatment, e.g., Japan and USSR	Most favoured nations, e.g., United States	Self-governing countries of British Commonwealth e.g., Canada	U.K. and South Africa for certain commodities
188	Synthetic plastic moulding materials in block, powder or similar primary form	10%	5 %	free	free
	Polyethylene, polyvinylchloride ...	5%	free	free	free
72(3)	Plastic sheeting, strip pliable: in the piece or in the length for further manufacture	40%	20 %	20%	10%
	When imported for bag, trunk, suitcase, or leather work manufacturing industry	35%	15 %	15%	3%
331(b)	Laminated sheet (Lindica, Arborite, etc.)	30%	22½%	20%	10%

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Polyvinylchloride—miscellaneous extrusion and moulding, also used for welding.

Cellulose acetate—for moulding mainly, small amounts for sheeting, and some for vacuum forming.

Phenolics—for compression moulding of small novelty items, ashtrays, etc.

Many Kinds of Goods Manufactured

African consumers in the Federation are responsible for the fairly large demand for novelty goods: plastic goods such as wallets, purses, comb and mirror sets, and cheap belts sell well. These products are manufactured in Salisbury from imported sheet and rolls, at prices well below those offered by outside competitors.

Plastic radio cabinets are moulded in Bulawayo by a large radio firm. It also has its own pressing plant for making knobs and other plastic components for its radio sets.

Garden hose is another Federation product turned out in large quantities and tobacco growers and market

gardeners use it extensively. Sales of this hose for industrial purposes are brisk because the price is low and it easily undersells imported types.

The table on page 13 shows what plastic materials are permitted entry from dollar countries and the duties applicable.

At present, imports of finished plastic goods from dollar countries are not permitted. However, imports of plastic materials from Canada are much smaller than from the United States.

The future for the local plastics industry looks bright and prices should fall as more modern techniques are evolved and greater output achieved. When plastics become cheaper, the Africans, who form the largest purchasing group in the Federation, will be able to buy more plastic articles than at present. This area should develop into a good market for primary plastics.

—E. G. MCKRILL,

Office of the Trade Commissioner, Salisbury.

BELGIAN CONGO

THE RATHER SMALL PLASTICS INDUSTRY in the Belgian Congo is currently limited to the output of two plants turning out insulators, belts, insulating sheathing and wrapping, and tubes; a new firm just established will manufacture general plastic articles. There are plans to set up another plant to fabricate insulating sheets, tubes and sanitary articles but so far nothing has come of them. The Congo does not produce any plastic raw materials; recent attempts to manufacture phenol formaldehyde have fallen through because costs were too high.

Plastic Imports

The country's statistics do not identify the various plastic materials imported, classifying them only as condensation products, polymerization products, cellulose derivatives, natural resin products, and other artificial plastic materials and artificial resins. Purchases of these primary plastics* in the first five months of this year totalled 1.6 million pounds. Belgium was the main supplier (654 thousand pounds) followed by

West Germany (420 thousand), United States (246 thousand), and the United Kingdom (209 thousand); Canada's share was insignificant. Largest demand is for the polymerization products which include polyethylene and derivatives, polystyrene, polyvinylchloride, acetate and polyvinyl derivatives, and acrylic and metacrylic derivatives.

Local Industry Needs Development

The local industry has a long way to go before it can meet the diverse demand for plastic products such as protection equipment, clothing, table utensils, materials used in making lamps, pharmaceutical capsules, boxes, and washers. The Africans are gradually acquiring more purchasing power which would seem to offer scope for expansion. Canadian exporters should note that there are few restrictions on imports into the Belgian Congo. Import licences are granted freely for most products without regard to country of origin and customs duties apply equally to imports from all sources.

—K. NYENHUIS,

Trade Commissioner, Leopoldville.

* More detailed statistics are available from the Chemicals Division, Department of Trade and Commerce.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".



In the United Kingdom—When British children enjoy an ice cream treat, chances are they lick it up from Canadian wood. The ice cream sticks on the far left came from Canada.



In Lebanon—A welcome sight to motorists on Lebanese mountain roads is this Canadian snowblower. Four are in use on the Beirut-Damascus highway and the roads to skiing resorts.



In South Africa—The University of Cape Town has installed a Canadian organ in its Great Hall. Seated at the console is the Director of the College of Music at the University.



In the Antarctic—This United States Navy airplane, taking off from Little America on a search and rescue mission, is one of nine ordered from Canada for "Operation Deep Freeze".

Brazil

The Market for Automotive Parts

Canadian sales of automotive parts are declining as government fosters growth of domestic automobile and parts industry. Certain types still bought abroad, but next five years will probably see sales shrink further.

G. F. OSBALDESTON, *Vice Consul and Assistant Trade Commissioner, Sao Paulo.*

TWO FACTORS are currently limiting Canadian sales in the Brazilian market. One is the present foreign exchange system (see *Foreign Trade* of July 21, 1956, page 8, for an explanation of this system). The other is the increasing industrialization of Brazil, which is influencing the import pattern. And this factor will continue to present Canadian exporters with a problem and a challenge even when foreign exchange difficulties have been overcome.

Both the extent of Brazilian industrial growth and the effect on imports are graphically illustrated by the progress made by the automobile parts industry in the past six years. The following table, for example, shows how imports of parts from Canada have fallen off:

CANADIAN AUTOMOBILE PARTS EXPORTED TO BRAZIL

Year	Value (\$)
1950	21,205
1951	512,143*
1952	599,185*
1953	56,998
1954	28,436
1955	1,993
1956 (January to June)	1,563

Domestic Industry Develops

The most important influence in this decline in sales has been the emergence of a domestic automobile and parts industry. In July 1953 a member of a Govern-

* Export of over \$8 million worth of Canadian-built automobiles in 1951 and nearly \$4 million in 1952 accounts for the very large shipments of parts in these years.

ment Commission studying the Brazilian automobile industry stated that at that time it could supply 40 per cent by value of automobiles manufactured in Brazil. It was estimated that by 1956 this figure could rise to 65 per cent. However, steps were not taken at that time to achieve this goal.

On June 16, 1956, Government Decree No. 39.412 was passed which detailed the basic regulations governing the creation of a Brazilian automobile industry and established a government body which is called the Executive Group of the Automobile Industry. This group is to implement and supervise the laws regulating the industry.

On July 12, 1956, Decree No. 39.568 and Decree No. 39.569 were signed by the President. These set out in detail the regulations governing the planned growth of that part of the industry producing jeeps and trucks.

According to Decree No. 39.568, the national producers of trucks must achieve, by the date noted, the following goals, expressed as a percentage of the weight of the parts manufactured in Brazil:

December 31, 1956	35 per cent
July 1, 1957	40 " "
July 1, 1958	65 " "
July 1, 1959	75 " "
July 1, 1960	90 " "

Decree No. 39.569 established a similar schedule for producers of jeeps:

December 31, 1956	50 per cent
July 1, 1957	60 " "
July 1, 1958	75 " "
July 1, 1959	85 " "
July 1, 1960	95 " "

On July 30, 1956, a similar decree, No. 39.676-A, was passed establishing the following schedule for pick-ups, light trucks and vans:

December 31, 1956	40 per cent
July 1, 1957	50 " "
July 1, 1958	65 " "
July 1, 1959	75 " "
July 1, 1960	90 " "

These decrees also state that producers may import the parts necessary to complement national products at a special exchange rate as compared with general importers of parts.

In this way the local automobile industry, which has an approved plan of progressive industrialization, has been given a schedule of expected progress. Obviously, to meet such a schedule there must be a great expansion in the local parts industry.

Automobile Parts Industry

According to statistics released by the Syndicate of the Automobile Parts Industry, Brazil has 843 factories producing automobile parts. These factories are classified as follows:

<i>Types of Factories</i>	<i>Number of Factories</i>
Metallurgical and mechanical	404
Cork, asbestos and cardboard parts	13
Rubber	54
Electrical material	26
Batteries	17
Glass	12
Tires	13
Upholstery	21
Fluids, paints and waxes	52
Accessories	41
Bodies, trailers, dump trucks, etc.	165
Semi-finished products	25
Total	843

Today there are some 350 different types of automobiles and trucks in Brazil, and the economic production of local parts for all types is obviously impossible and only parts for the more common vehicles are turned out. If the local industry could count on a steady demand for a relatively standard type of part, as can be expected under Instruction 127, then it could build on a firmer base. This should result in better parts at lower prices. Many segments of the parts industry cannot function economically when they depend solely on a replacement market. This is true of factories for wheels and hubs, roller bearings, king pins and pins, carburetors and hydraulic brakes.

Regulations Governing Imports

Parts dealers may import all kinds of automobile parts into Brazil but the great majority of them are classified in the fifth category. Usually this means that the parts are manufactured locally. The import of a fifth category part to compete with a locally manufactured one is completely uneconomic.

Those parts not classified in the fifth category may be imported by parts dealers in the third category. The cost of such parts is high but there is usually no local manufacture and thus a limited opportunity.

Parts which can be imported in the third category include sparkplugs, steering knuckles, transmission

and differential gears, windshield wipers and blades, crankshafts, connecting rods, gasoline motors, relays and voltage regulators, generators, armatures, fuses, wheel cylinders, clutch discs, bearings, sealed beams, six and twelve-volt lamps, vacuums, carburetors and woven brake linings. It is impossible to give a complete list but possible to determine into what category a given part falls for purposes of import.

At the present time when a local importer of automobile parts applies for an import licence from the Bank of Brazil, the request is transferred to the "Syndicate of the Automobile Parts Industry and Similar". This body determines whether the parts are manufactured locally and advises the Bank of Brazil accordingly.

The import of automobile parts is further complicated by the fact that many parts are brought in outside of the regular channels.

Future Outlook

Within the next five years nearly all types of parts will probably be manufactured locally. Only a few items involving some element not present in Brazil—such as a large market, special steels or heavy capital expenditures—will be imported.

Switzerland Sells More Watches

Switzerland's famous exports, watches and watch parts, earned S/frs.93.6 million more in the first nine months of 1956 than in the same period of 1955. Of sales worth S/frs.829.1 million, finished watches accounted for S/frs.577.5 million. Sales to European countries, at S/frs.240.6 million, were 5 per cent higher than last year. Larger purchases by West Germany, Austria, France, Italy, the Netherlands, the United Kingdom, Norway, Finland and Greece more than offset the drop in exports to Spain, Sweden, East Germany, Poland, Czechoslovakia, Hungary and Yugoslavia. Deliveries to African countries were stable at S/frs.53.9 million; those to Asian countries were more than four times as large as in the same period last year—S/frs.165.5 million compared with S/frs.34.6 million.

Switzerland upped its sales in the western continents too: United States imports of Swiss watches were worth S/frs.238 million, compared with S/frs.202 million during the first three quarters of 1955. A decline in sales to Colombia, Venezuela, Brazil and Bolivia was fully compensated by higher sales to Argentina, Mexico, Uruguay and Peru. Swiss watch exports to Canada during the first nine months of 1956 reached a value of S/frs.32.1 million, or S/frs. 1.6 million more than in the same period of 1955. On a per capita basis, Canada is one of Switzerland's best markets for watches and parts.

Internal Management Problems in Export

What is the most efficient way to ensure steady production for export? In what different ways can a company organize to handle export orders? How can the export man gain management's support? These and other problems are discussed in this article, twentieth in our current series on the techniques of export trade.

IVAN E. LENARD,
Export Sales Manager, Canadian Breweries Limited.

DOES THE EXPORT MANAGER enjoy the same standing and receive the same co-operation as the domestic sales manager? Frequently we hear the complaint that he does not. We hear too of companies which short-ship export orders or even refuse them altogether to satisfy domestic needs.

It is only common sense for any business organization to put first things first, but many are apt to forget that export sales can be built only on a record of steady, dependable supply. These problems become acute when domestic shortages persist and the supplier finds himself in a buyers' market.

Planning Export Production

One of the most difficult tasks of management is to reconcile conflicting export and domestic claims when production facilities are taxed to capacity. In some organizations where domestic and export products are identical, the problem is solved by reserving a pre-determined percentage of total output to service export demand. Several manufacturers reserve part of their total production for new market development and a substantial proportion of this can be earmarked for export.

Complications arise, however, when export needs require changes in product design or engineering. Under such circumstances, export orders have to be routed through the plant and this may involve important, and in many cases complex and costly, changes in normal production routine. Such alterations on manufacturing equipment can result in production losses which, if properly charged against export, could make the company's products non-competitive in foreign markets. Thus a great deal of planning is required at the early stages, before export business is solicited, to ensure available plant facilities to process foreign orders. Frequently manufacturers gear production to seasonal peaks and find certain months in the year when special orders can be handled without interrupting seriously the normal flow of production. Export orders in slack seasonal periods can help to balance output and carry fixed overhead charges.

In many instances the Canadian season is the reverse of peak periods in foreign lands. Our summer coincides with winter in the Southern Hemisphere. Therefore it is often possible to produce goods in seasonal demand for export at a time when domestic requirements are at their lowest.

Some companies are able to plan their export production ahead in anticipation of later foreign business. Thus they can manufacture export orders when it is most convenient and when it interferes least with regular domestic production.

The success of a plan of this nature depends on unfailing executive support carried through all levels of control in the organization. If the control is left in the hands of the export executive without full support from the top, misunderstandings and functional organization problems are bound to appear.

Achieving Executive Support

This executive support can be achieved through export committees and departmental organization illustrated later. Nevertheless, the export executive will have to use tact and ingenuity to keep up the interest in export among senior executives. He can achieve this by urging market visits on the part of management personnel and by circulating up-to-date market reports among policy-level executives. These executives should have the opportunity to meet foreign distributors when they call at head office. Copies of letters and reports from foreign distributors indicating changes in trends, suggestions for improvement in design, and commercial intelligence on the activities of competitors should always be circulated to keep management fully informed. Copies of significant speeches, statements and articles on export and information on opportunities in foreign markets should be brought to the attention of management.

Organizing for Export

The proper organization of the central export headquarters is by far the most important step. If the export department is not put into proper working order and is not adequately staffed with qualified personnel, all management's goodwill will not succeed in exploiting export opportunities.

In most organizations the work is administered at headquarters by distributing export business on a functional basis among the personnel already engaged in the same type of domestic task. The company uses the personnel setup as it exists and attempts through the export executive to give foreign trade its proper balance and attention. In many such cases the domestic sales manager, who is the direct superior of the export manager, supervises export sales. The treasurer handles financial arrangements and the credit man devotes part of his time to export credits. No special arrangements are made for documentation, packing, advertising or other functions.

This plan is simple, flexible, and economical, although the efficiency with which the foreign work is conducted depends to a great degree on the personality and diplomacy of the export executive. He accepts the responsibility for instilling a proper degree of interest and enthusiasm for export and his tact and personality may determine how successful he will be in obtaining co-operation. Domestic demand and shortages will

influence the dealings of the foreign department a great deal and will necessitate constant changes in standard department policy.

The difficulties of the export manager in such an organization are obvious. He must suggest to capable—but in some cases experienced but uninterested—fellow officers in the company precisely why and what changes are necessary in product and procedure to meet the demands of foreign trade. Production methods which, after tedious effort, have been standardized may have to be changed to provide for export needs. The traffic manager, who may have worked out to a science the methods of packing and routing for safe and economical movement in domestic trade, has to begin anew in the preparation of export shipments. Thus the success of this plan of organization depends upon the ability of the export manager to persuade his colleagues to recognize the peculiarities of export trade.

Executive control over foreign business is imperative. The export manager is not left entirely on his own resources when the president or senior vice-president is vitally interested.

Where export trade absorbs only a small percentage of total output, or in small firms, the feature of economy sounds very attractive. In some organizations domestic and export business are identical and a high degree of specialization is not needed. Several manufacturers train nearly all employees to handle both export and domestic orders, because they believe that greater efficiency results from this interchange of functions than from the employment of a specialized foreign trade staff. Moreover, there is the guarantee of more even employment because a recession in one line may have no serious effects on personnel.

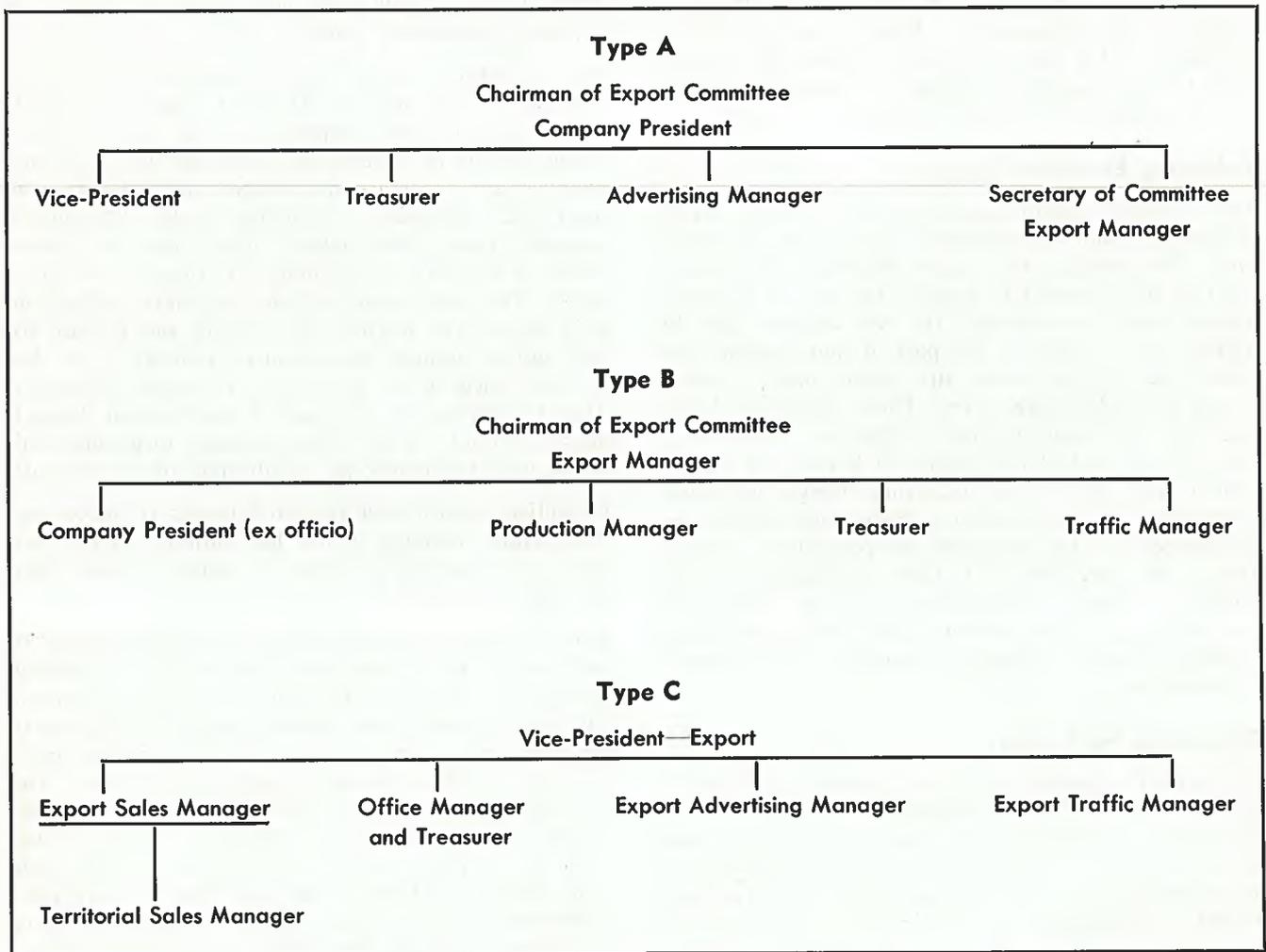
Establishing Export Committee

Some companies control foreign trade through a committee of department heads or officials. Such an export committee may, for example, consist of the president, the export manager (who can also be chairman or secretary of the committee), the treasurer, the production and advertising managers. This committee determines matters of policy and it is left to the export manager to instill the foreign trade spirit and co-operation necessary for the active promotion of the export program.

Some typical export committees are illustrated in the charts on page 20.

One can assume that the export manager has a great deal more authority in Type B than in the Type A committee organization. Large companies, however, with a separate export department or export sales subsidiary would probably operate with an export committee Type C.

Types of Export Committees



In this company, the vice-president of export supervises the complete foreign operation. All functions, with the exception of production, are under the control of the export department and this means greater specialization and concentration. The foreign business of the company and profits may be more accurately measured. Errors are less likely to creep in and aggressive promotion of export is assured.

Setting Up Export Department

Companies enjoying considerable export volume as a rule prefer a separate export department or a subsidiary export sales company. The separate export department, in comparison with the built-in department discussed earlier, performs all export functions with the exception of production. The number of divisions and personnel depend upon the volume of sales.

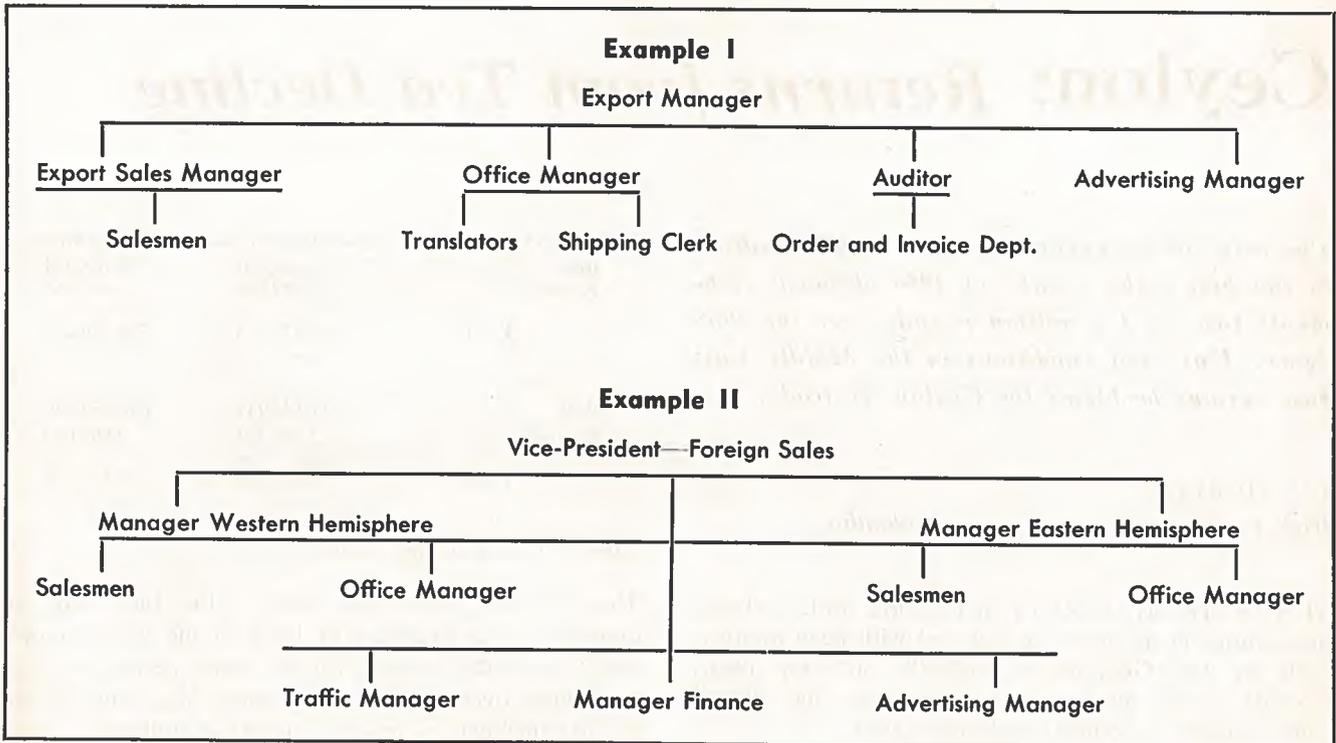
The department is under the supervision of the manager, although not infrequently a vice-president or general manager is in charge. In this organization, the

manager controls all foreign sales; he selects and trains all salesmen who work in conjunction with foreign distributors. The manager is responsible for advertising, pricing, credit, foreign licensing arrangements, etc. All correspondence (and advertising which requires translation) is handled by a staff of translators. Orders are filled, packed and shipped by the export shipping clerk. All accounts of the export department, as well as records with branches and distributors, are kept by an export auditor. The auditor prepares bills and drafts on the invoices prepared in the invoicing department and is responsible for the collection of foreign accounts. Thus this export department is autonomous in every respect.

Forms of Specialization

The export department in another company emphasizes territorial specialization. The product may be one frequently purchased by foreign government officials. Close contact with the foreign purchasers is required.

Types of Export Departments



The department might be in charge of a vice-president-foreign sales. Two sales managers are in charge of broad territories. All the details are handled in the respective geographical departments. Credits and financing are especially important in such an organization because individual orders involve large sums of money. This work is handled by the finance department in collaboration with the vice-president-foreign sales and the sales managers concerned.

Forming a Selling Company

The second way in which the foreign work of a company may be entirely separated from domestic operations is to establish a distinct selling company. The parent company then goes about billing the selling company in much the same manner as it does other customers. Often the selling company takes on the name of the parent concern—e.g., XYZ Export Co.

This subsidiary takes over and conducts the entire foreign trade of a company. The selling company buys at prices agreed on with the parent firm, pays the latter for the purchases, and endeavours to show a profit. The prices may be at cost or they may include a small profit to the parent company.

The reasons for adoption of this plan of operation are various. First of all, it means the concentration of executive control in the hands of responsible, experienced officials. The export executives of the selling company possess greater authority and responsibility

than under any other plan. In addition, all possibility of conflict between domestic and export interests or personnel is eliminated. Furthermore, one of the greatest advantages of the separate selling company is the facilities provided for determining accurately the profit or loss the export business yields. Overhead which was charged against the entire business, but which was not properly attributable directly to foreign sales, can be eliminated. This may mean showing a greater profit on export than the company ever realized before.

There may be other advantages to a separate selling company. Tax advantages may be one; the chance to secure sales agencies for other non-competitive products another. Facilities may be provided for selling abroad without violating foreign anti-dumping laws.

Making Final Decision

The final decision on the organization depends upon the products sold as well as upon the policy of the company. Certain tax advantages must be taken into account when the income tax laws consider the entire capital or profits of a company for taxation purposes.

Frequently the question becomes largely one of personalities and if they do not harmonize, many factors, even aggressiveness, may cause difficulty. Management must weigh and consider these factors when it is making plans for foreign trade activity. Each individual case must be decided upon its merits. ●

Ceylon: Returns from Tea Decline

The value of tea exports declined Rs.98.6 million in the first eight months of 1956 although shipments rose by 1.5 million pounds over the 1955 figure. Unsettled conditions in the Middle East pose serious problems for Ceylon tea trade.

J. J. HURLEY,
High Commissioner for Canada, Colombo.

TEA IS THE MAINSTAY of Ceylon's trade and any fluctuations in its price are watched with keen interest, both by the Government and the industry itself. Recently, a downward trend in tea prices has caused some concern in official and trade circles.

During the current year, the Ceylon tea market has been rather unsteady, with a marked contrast in prices between the high, medium and low-grown teas. Small-holders who sell tea for manufacture in "bought-leaf" factories have suffered most, because prices for this type of manufactured tea have declined considerably. The unpredictable and constantly changing prices at the tea auctions in Colombo make it difficult to say with any degree of accuracy which of the grades will bring good prices in future. However, the following average prices obtaining at the mid-September tea auctions during 1955 and 1956 may be of interest:

Type	Average price per pound	
	1955	1956
High-grown	Rs. 2.61	Rs. 2.95
Medium-grown	" 2.27	" 2.04
Low-grown	" 2.75	" 1.72

Trend in Exports

At the tea auctions held on October 9, 1956, there was a strong demand at higher prices for low-grown and other varieties of tea, except for high-grown BOP (broken orange pekoes) for which lower prices were offered because of the poorer qualities auctioned. The situation may be reversed at the next auctions.

Here is a comparative statement of tea exports during the first eight months (January-August) of 1955 and 1956:

1955	Quantity in pounds	Value in Rupees
Bulk	232,984,080	788,764,044
Packeted	2,689,378	10,460,169
Total	235,673,458	799,224,213
<hr/>		
1956	Quantity in pounds	Value in Rupees
Bulk	234,474,935	690,880,200
Packeted	2,786,792	9,662,099
Total	237,261,727	700,542,299

(Source: Ceylon customs returns)

These figures show that, despite the fact that the quantity of tea exported in 1956 in the period under review exceeded exports for the same period in 1955 by a little over 1.5 million pounds, the value of tea exports declined as much as Rs.98.6 million.



Green leaf tea, picked on a large tea estate, is being weighed as one step in processing. The tea trade is being seriously affected by the current blockage of the Suez Canal.

The following table shows the principal importers of tea from Ceylon during the first eight months (January-August) of 1955 and 1956:

1955	Quantity (000's lb.)	Value (Rs. '000)
United Kingdom	83,875	271,701
Australia	27,109	100,686
United States	25,094	80,375
Iraq	15,479	56,199
Egypt	15,428	53,232
Union of South Africa	12,470	41,482
Canada	11,939	40,057
New Zealand	8,284	31,238
1956		
United Kingdom	94,995	283,257
United States	25,951	71,886
Australia	21,704	56,548
Union of South Africa	15,447	51,439
Iraq	14,646	44,002
Canada	12,648	42,321
New Zealand	10,134	27,866
Egypt	7,226	21,257

The fall in Ceylon's exports of tea to Australia has resulted partly from a reduction in the total volume of Australian tea imports following the return of import trade to private enterprise, and partly from an increase in Australia's purchases of Indonesian tea.

Egyptian Sales a Problem

With little apparent demand from buyers for the Egyptian trade, the black leaf dust suitable for this market has had poor support at local auctions. According to tea traders, the difficulty Ceylon has experienced with the Egyptian market for some time over exchange arrangements has been aggravated by the Suez crisis. Now that Egyptian exchange has been frozen, buyers here have no credit to buy. Consequently, prices of teas suited to the Egyptian market have dropped steeply in the past few weeks. It is understood that Egypt is considering a direct barter system under which she would exchange rice, sugar, cement, potatoes, onions, and window glass for Ceylon tea. Government authorities may also discuss directly with their Egyptian counterparts ways and means of increasing tea exports to Egypt.

Other Difficulties Face Producers

The Suez Canal is vital to Ceylon's trade; 60 per cent of her exports go through the canal and so do 40 per cent of her imports. An increase in shipping charges or a diversion of shipping to other routes, falling on both exports and imports alike, affect the favourable terms of trade which Ceylon has hitherto enjoyed; exports cost more to ship and the cost of imports increases. This naturally affects the tea trade with the

United Kingdom, the United States and Canada, the principal buyers of Ceylon tea in the West.

Other problems harass the industry. The breaking-up of large tea estates in order to distribute allotments to landless villagers and the selling of small plots at high prices is a potential danger. This danger is increased because machinery from fragmented estates is usually lost to the industry in Ceylon either because it is sold as scrap or re-exported to new producing areas in Africa. The Government realizes the dangers of permitting fragmentation and now is enacting legislation to prevent any further disposal of tea estates in this manner.

Export Duty Protested

In an attempt to assist the smallholder, the Low Country Products Association has asked the Government to change the present system of taxing tea exports so that producers of low-grown and low-priced teas will receive relief. At present all teas, irrespective of price, are subject to a flat-rate export duty of 65 cents Ceylon a pound. The LCPA suggests that the tea export duty be levied on an ad valorem basis, so that the cheaper teas will be charged less per pound and the costlier teas more. This, it is pointed out, would be more equitable than the present system, under which a man who produces tea which sells for 60 cents Ceylon a pound at the auction pays the same export duty as a man who produces tea which sells at Rs.5.00 a pound. If the Government were to adopt such a plan, it would undoubtedly help the smallholder considerably and might make more profitable the production of tea on small acreages in low-growing areas.

Future Markets

Although the United Kingdom will undoubtedly remain the largest importer of Ceylon teas, there may be an increased demand for quality teas from the United States and Canada, where the tea-drinking habit is apparently making steady progress thanks to the activities of Tea Councils established there partly with the help of the Ceylon tea industry.

Although sales of tea to the Middle East have deteriorated during the past few months, there are indications that this situation may soon improve.

Tour of Territory

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, plans to visit Pekanbaru, Medan and Palembang in Sumatra between January 14 and 23, 1957.

India: Tea Crop Creates Problem

The tea industry is expected to receive more attention in India's Second Five Year Plan; more efficient production, replanting, and other measures needed to maintain competitive position in world tea trade. Planters and Government taking steps to avoid sudden drop in tea prices because of unusually good north Indian crop this year.

WM. JONES, *Commercial Secretary, New Delhi.*

THE UNUSUALLY GOOD TEA CROP in north India this season posed some problems for the tea growers. Up to the end of September the north Indian crop had risen an estimated 25 million pounds over the yield last year and threatened to exceed the large 1954-55 crop. Remembering that the '54-'55 crop had led to a rapid fall in tea prices in many parts of the world, producers decided to take immediate steps to curtail output and thus to prevent any repetition of this break in prices. They recommended action along the following lines:

- That all plucking in Assam stop by November 20th.
- That any other gardens that had reached their average for the last three crop years by November 20th should also cease production.
- That all other gardens that had not reached this average by November 30th should stop plucking in any case.

The growers also recommended that all waste and residual teas which were not taken up at the Calcutta auctions should be destroyed, for fear that these inferior grades might find their way into good quality teas and lower the reputation of the Indian product.

In south India, although the crop had not reached the unusually high figure of last year, planters stopped plucking inferior quality leaf earlier in the season and have concentrated on the high-quality teas which sell readily abroad.

Government action has also helped to keep prices from falling. In mid-October the Government announced that it would maintain the existing export duty of six annas a pound throughout November even though world prices warranted the raising of the duty.

Normally, the duty operates on a "slab" system according to the government announcement of the prevailing export price. If the Government had not given this assurance, foreign buyers would have been tempted to cover their November commitments before the rate of duty moved into its next "slab", which is 10 annas a pound. Heavy buying in October might have broken prices in the tea trade.

Study Ways to Improve Industry

Tea is vital to India's economy because it earns large amounts of foreign exchange—Rs.1,090 million in the 1955-56 fiscal year. The United Kingdom is the most important market. There are, however, several problems that must be solved if India is to maintain its dominant position in the world tea trade. To this end the Government has initiated studies designed to improve conditions in the industry.

A Plantations Inquiry Commission thoroughly investigated the capital aspects of the industry recently and published its findings about two months ago. It emphasized that the industry should aim to reduce the domestic price of tea in order to build up a prosperous market in India. Except for certain parts of north India, tea is not a popular beverage, and as long as the price remains at an average of Rs.3·4·0 a pound the poorer classes cannot afford it, and all publicity campaigns to increase consumption are bound to fail. The Indian consumer is the main market for low-grade teas.

The Commission suggested the establishment of a replanting fund and the passing of a law to compel plantations to set aside reserves for this purpose. Indeed this is a problem of survival, with an estimated 30 per cent of the tea bushes in North India more than 55 years old; the economic life of a bush is considered to be about 60 years.

A World Bank Mission has pointed out the need for improving the competitive position of the Indian tea industry and this report has been welcomed in tea circles. Among the difficulties the Mission singles out are inadequate transport facilities, persistent pressure from labour for more wages and amenities, and

restrictions on planting. The figures it quotes for production and expenditure in tea gardens are rather alarming: output per worker per acre in the West Bengal gardens declined 20 per cent from 1939 to 1955 and the cost of production increased about 40 per cent during the same period.

The tea industry is expected to play a prominent role in the agricultural program of the Second Five Year Plan. The Plan calls for tea exports of 470 million pounds a year by 1960-61; earnings from tea exports during the five-year period 1956-61 are expected to reach Rs.6,350 million.

Indonesia: Recovery of Tea Trade Slow

Once a major contributor to the world's tea trade, Indonesia has experienced great difficulty in reviving tea production because of wartime neglect and postwar difficulties. Output is still barely more than half what it was before the war.

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

INDONESIA has not regained its prewar position as a large producer and exporter of tea, and is not likely to do so in the foreseeable future. Fewer than half of some 300 estates producing before the war are growing tea at present and the area under cultivation is about 50,000 acres less. Indonesia is supplying, on an average, about 7 per cent of the world's total tea exports; before the war she accounted for 20 per cent.

Estate Production Improving Slowly

Indonesian tea is cultivated by estate growers in Java and Sumatra and there is some production by smallholders, who usually sell their crop to estates with tea-processing factories. Smallholder production is gradually declining, while production on estates is improving with the scientific use of fertilizers. Since the war the industry has averaged barely more than 50 per cent of the prewar output. This situation results from a combination of factors including losses from insects and plant diseases, partial uprooting of tea bushes, labour difficulties, insecurity, and steadily increasing production costs. In many instances estate operators have sold or given up many of their plantations and smallholders have turned to other crops.

The following table shows the production of tea in Indonesia from 1948 to 1955, including the first six months of 1956, compared with 1939.

TEA PRODUCTION

(metric tons)			
1939	83,159	1952	37,277
1948	12,930	1953	36,778
1949	27,269	1954	46,900
1950	35,384	1955	43,368
1951	46,279	1956*	23,700

* January-July 1956.



Tea picking going forward on an Indonesian tea estate. Production on big estates is going up with greater use of fertilizers since the war; output by smallholders is gradually declining.

Currently about 79 per cent of Indonesia's tea goes overseas to a great number of markets, compared with 88 per cent exported before the war; it makes up 5 per cent of total exports by value compared with 8 per cent prewar.

Exports are divided into two categories—broken grades with leaf teas, and tea fannings with dust. The combined exports for the years 1952 to 1955 have averaged 32,650 metric tons a year. Broken grades with leaf tea are by far the most important category, accounting for 77 per cent of total tea exports. About 84 per cent of this tea goes to the Netherlands, the United States, the United Kingdom, Singapore, and Australia.

The following table shows the export of broken grades and leaf teas in metric tons from 1952 through 1955 and the first seven months of 1956.

Country	1952	1953	1954	1955	(Jan.-July) 1956
Netherlands	11,985	11,492	12,212	10,410	7,087
United Kingdom ..	3,304	2,208	2,891	3,281	2,521
Singapore	337	886	6,225	2,424	533
United States	1,979	2,317	2,898	1,190	1,138
Australia	1,986	945	1,237	1,590	3,235
Port Sudan	1,617	63	1,110	752
Germany	173	359	589	534	528
Others	2,752	2,887	4,253	2,239	877
Total	24,173	21,149	31,415	23,140	15,919

According to Indonesian tea exporters, sales from January to July 1956 indicate that Indonesia is gradually regaining its normal prewar markets. The large increase in exports to Australia is of particular significance, because this country formerly purchased an average of 15,900 tons of tea a year.

Exports of tea fannings with dust, which account for 23 per cent of the total, are shipped principally to the Netherlands, Singapore, the United Kingdom, the United States and Egypt.

Tea Trade with Canada

Indonesia has had a small market in Canada for many years; the broken grades with leaf teas are used for blending and the tea fannings with dust for tea bags. In the years before the war with Japan—except for 1940 and 1941, when tea shipments to Canada rose to between 650 and 850 metric tons a year—exports averaged about 50 metric tons a year. Shipments since the war have fluctuated widely, as the following statistics show.

(in metric tons)

	1952	1953	1954	1955	1956 7 mos.
Broken grades with leaf teas	81	174	34	4	14
Tea fannings with dust	15	nil	11	9	nil

Lower prices for certain grades of Indonesian tea accounted for the larger shipments in some years following the war. ●

Spain Achieves Agricultural Progress

SPAIN HAS AN ESSENTIALLY RURAL ECONOMY and she must look to exports of farm products to earn foreign exchange; the rate of imports for her growing industries depends directly on the productivity of her farms.

State support of agriculture has enabled Spain to achieve satisfactory progress over the past 20 years. Thousands of acres of once barren dry lands and marshes have been brought into production, irrigation is used widely, and soil erosion control measures are showing good results. The Government's agricultural policy aims to maintain or expand production of traditional crops and introduce important new commercial crops such as cotton, flax, hops, and tobacco.

Key to farm improvement is the National Farm Credit Service which extends loans for the purchase of machinery and finances other projects to modernize the farms. The Government first extended credit in 1925 in a small way, but it was not until recently that mechanization drew a great deal of attention. Up to 1954, the central credit agency granted 270 loans for the purchase of machinery valued at 54.3 million pesetas; in 1955 it approved 705 loans totalling 97.7 million pesetas for farm mechanization. In 1951 loans outstanding totalled 126.4 million pesetas but this figure rose to 1,358 million in 1955—a good indication of the growing importance of this credit service to the farmer.

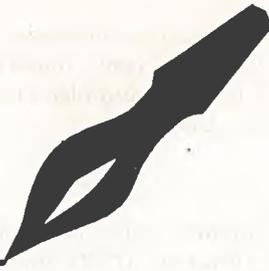
Wheat production is a matter of government farm policy to assure that output will cover national needs. The National Wheat Service, a multi-purpose organization, regulates acreages sown to the crop, establishes prices paid to the farmer, makes loans for wheat production, and supplies seed wheat and fertilizer.

Land settlement, mainly in newly irrigated areas, is another aspect of Spain's agricultural policy. The National Institute of Colonization has helped establish 33,000 settlers on 313 thousand hectares of land, brought into being 112 new villages, and is currently constructing 46 more. To aid farmers to undertake new irrigation works or improvements and put up farm buildings, the Institute administers a special loan fund which now totals more than 1,515 million pesetas. The colonization project encourages mechanization by making available to farmers a pool of tractors and a large assortment of specialized equipment.

—M. T. STEWART,

Commercial Counsellor, Madrid.

general notes



Australia

INVESTMENTS INCREASE—The Parliamentary Secretary for Trade has announced that overseas holdings in Australian companies during the year 1954-1955 increased by £40.4 million. Of this increase the United Kingdom accounted for £26 million, the United States £9.9 million, and New Zealand £2.1 million. The total reached £274 million. This figure (which includes holdings by Australian nominees of overseas investors and by overseas investors using Australian addresses) compares with £233.6 million in 1954 and £123.9 million in 1947—Sydney, Dec. 2.

Cuba

MICROWAVE RADIOPHONE—The American Telephone and Telegraph Company will soon begin construction in Florida City, U.S.A., of installations to beam radiophone waves 180 miles to Guanabo Beach near Havana, Cuba. The system should be in operation by the end of 1957. Two radio channels will allow 36 telephone circuits between Cuba and Florida, thus supplementing the submarine circuits now in use. Sixty-foot antennae will be used—Havana, Dec. 3.

Denmark

SALES PROMOTION IN BRITAIN—A Danish Week is being organized for the first time in a British town under the auspices of the Danish Agricultural Producers Information Service in London. The "research town" is Brighton, where there are good sales possibilities for high-quality Danish agricultural products. The Information Office is co-operating with the local commercial organizations and all Brighton grocers will exhibit Danish agricultural products. The public will vote for the best display. Appropriate street decorations will also be employed—Copenhagen, Dec. 3.

Federation of Rhodesia and Nyasaland

COFFEE DRYING—Artificial drying of coffee is one of the investigations successfully carried out by the East Africa Research Organization during the past two years, according to a report just published. The

same process may also be applied to pyrethrum, grain and sisal. When sun drying is not possible because of weather conditions, the loss in value of a Kenya crop has been estimated at \$250 thousand a year. The Research Organization has been authorized to give priority to further investigation of the drying process—Salisbury, Nov. 30.

STEEL INDUSTRY DENATIONALIZED—It has been announced that agreement in principle has been reached between the Southern Rhodesia Government and leading British steel interests to denationalize the Rhodesian iron and steel industry.

Southern Rhodesia's only steel mill was established several years ago with public funds but for some time the Government has been anxious to turn it over to private enterprise. The sales agreement stipulates that extensive development will be started at once and in four or five years production may reach 150 thousand tons of finished steel annually, with 500 to 600 tons of pig iron per week for sale. Some 15 million tons of proved iron ore and a possible further 15 million tons are in the hills near the mill. There is also a 15-million-ton lime deposit. At Bukwa, 150 miles distant, lies one of the world's richest deposits of top-grade iron ore still undeveloped and estimated at 80 to 160 million tons of ore—Salisbury, Dec. 4.

Italy

TRADE DEFICIT INCREASES—The Italian balance of trade during the first eight months of 1956 showed a deficit of 434,022 billion lire, an increase of 52,827 billion lire over the same period in 1955. Imports from all sources during the first eight months of 1956 totalled 1,285,362 billion lire, compared with 1,119,251 billion lire in the same period of 1955. Exports in the first eight months of 1956 totalled 851,340 billion lire* compared with 738,056 billion in the same period of 1955—Rome, Dec. 5.

INDUSTRIAL PRODUCTION RISES—Italian industrial production in the first half of 1956, compared with the same period in 1955, increased an average

of 7.3 per cent. The extractive industries showed the greatest increase, 28.6 per cent; manufacturing industries increased 6.4 per cent and electrical industries 5.3 per cent—Rome, Dec. 5.

Japan

ELECTRIC POWER—Japan's nine regional power companies generated a total of 31,227 million kwh. during the period April to September 1956. Hydro power generated reached 24,626 million kwh., an increase of 13.4 per cent, thanks to good water supplies—Tokyo, Nov. 30.

Norway

EARNINGS OF MERCHANT FLEET—The net foreign currency income of the Norwegian merchant fleet is expected to total about Norwegian kroner 3,000 million in 1956. After making allowances for

exports and imports of ships, Norwegian shipowners will be placing at the country's disposal foreign currency to the amount of about Norwegian kroner 2,000 million—Oslo, Nov. 29.

United States

FUR MANUFACTURING—The number of wholesale fur manufacturing firms in New York City has dwindled from 2,115 in 1949 to 1,681 in 1956 and the number of persons employed is now down to 8,000 from 12,000 in 1946. Manufacturers specializing in mink comprise more than 50 per cent of the industry and although it is still the leading group, it is gradually getting smaller. The Persian lamb group is the second, the muskrat group third and the squirrel group fourth but they are all decreasing. The Alaska seal, mouton and otter groups showed small gains—New York City, Nov. 27.

trade and tariff regulations

Norway

FURTHER DOLLAR IMPORTS LIBERALIZED—Effective November 1, the Norwegian authorities enlarged the list of products which may be imported from Canada and from other dollar countries free from quantitative restrictions. Moreover, all products on the import free list, including those liberalized earlier (see *Foreign Trade* of August 18, 1956), may now enter Norway on the basis of import and foreign exchange declarations; formal import licences are no longer necessary for these products.

The new measure, which was taken only four months after Norway's original dollar import liberalization, affects a relatively small number of products, including the following which may be of interest to Canadian exporters:

Dried apricots and blueberries
Paraffin wax
Vegetable and animal wax
Baking powder
Butyl acetate
Butanol
Diocetyl phthalate and dibutyl phthalate

Sanitary towels

Labels and commercial advertisements of thin metal sheets

Parts of combustion engines except cylinder blocks

Dyeing mills (colour-grinding machines)

Soap-moulding presses and soap-cutting machines

Machines for the production of glass and glassware

Parts for certain machines for automobile workshops, for the woodworking and leatherworking industries, and for the production of tobacco, chocolate and fruit juices

Heating elements for electric stoves and heating apparatus

Bicycle frames

Information concerning particular commodities on the Norwegian list of liberalized dollar imports may be obtained from the International Trade Relations Branch of the Department.

South Africa

IMPORT CONTROL POLICY—The Minister of Economic Affairs in an official statement recently gave further details about South Africa's import control policy for 1957. This was later supplemented

FOREIGN TRADE

by government notices published in the official *Gazette*.

These sources establish the official position on import restrictions for 1957 as follows: (For a preliminary notice, see *Foreign Trade* of November 24, 1956.)

1. Full requirements of industry for machinery and raw materials will continue.
2. The quantity of building materials admissible has been increased.
3. The quota for small vehicles retailing at the coast at not exceeding £700 per unit has been increased by 50 per cent.
4. The 1957 permits provide for the *import* of goods for a period of 15 months from January 1, 1957. In other years, permits have been based on shipment from January 1 of the quota year.
5. For consumer goods, the official allocation of 33½ per cent has been made, with supplementary allocation to follow during the second quarter of 1957. Total quota will probably not be increased beyond the 53½ per cent for the full years 1955 and 1956. Provision is made *ad hoc* for upward adjustment in the case of new businesses and of importers in business in growing areas.

New items admissible against consumer goods quota as a result of curtailment in the restricted list include:

Baking powder; biscuits, cakes, puddings and pastries; butter and butter substitutes; margarine; vegetable fats, etc.; casein; coffee, roasted, ground or mixed, coffee substitutes; chicory, dried or prepared; barley, buckwheat, kaffir corn and millet—raw, malted, ground or otherwise prepared; oats in the grain, rolled, or otherwise prepared; rye, raw, ground or prepared; cream of tartar and substitutes; eggs; concentrated soup; ethyl acetate; fish specialties, including potted or tinned pastes, caviar, lax and lobster; gelatine; rice starch; jams, jellies and honey; pudding, cake and jelly powders; lard and edible meat fats; macaroni, spaghetti and vermicelli; soups, excluding extracts and essences; cooked and plain cured bacon and hams; meats, fresh, frozen, salted or cured; meat pastes; onions and garlic; peas, beans and lentils; groundnuts; pickles, sauces, chutneys and condiments (excluding mustard powder); table potatoes; bird seed; starch; golden syrup, maple syrup, molasses, glucose and treacle; vinegar; fruit juices, cordials and syrups; perfumery and perfume spirit; aerated and table waters; cigars, cigarettes, snuff, tobacco, manufactured and unmanufactured; trunks, attaché cases, hat-boxes and suitcases; rubber floor mats; mats and matings of vegetable fibre; felt base and floor coverings; men's, women's and children's clothing generally; furs, including fur skins; millinery; haberdashery; silk stockings and scarves; crown corks; metal bedsteads; ice chests; tin foil; a wide variety of motor accessories; household stoves and boilers; electric percolators and waffle irons; wheelbarrows; toilet fixtures; candles; vegetable, animal and fish oils (except linseed oil); polishes and dressings; stearic and fatty acids; toiletries and cosmetics; rubber air and water hose, garden hose; leather manufactures (except watch straps); leather sundries; paper and transparent cellulose bags; cardboard boxes, jars, cups and cartons; playing

cards (not exceeding 2/6d. per pack); paintings, pictures and calendar mounts; carnival goods; envelopes; ladies' handbags; tobacconists' wares; fireworks; cinematograph projectors; matches; opera glasses; Christmas tree decorations; soda fountains.

6. Additions to the priorities list for consumer goods (in which quota has double value) include salt herring and kippers, outboard motors, power-driven lawn mowers, harmonicas and smokers' pipes.

—K. F. NOBLE,

Trade Commissioner, Johannesburg.

Trinidad

LICENSING ANNOUNCEMENT—The Controller of Imports and Exports, Trinidad, advised importers on November 27th that no further licences will be issued for the import of goods in 1956 except in special circumstances.

All goods subject to import quotas which arrive in the Colony after December 31, 1956, or which are paid for after that date, will count against quotas for 1957, notwithstanding the fact that such goods may have been ordered against 1956 quotas. Importers are advised to reserve a sufficient portion of their 1957 quotas to cover expected arrivals in 1957 against 1956 licences.

In order to ensure continuity of supplies, steps are being taken to issue import quotas for 1957 at an early date.

These directions also apply to quotas granted for the import of luxury items for the tourist trade.

With respect to allocations under the Token Import Scheme, the issue of licences against 1956 quota will be continued up to December 31, 1956, but these licences will be valid for *arrival* of goods in the Colony not later than March 31, 1957.

United States

PRESIDENT REJECTS TARIFF INCREASE ON FISH FILLETS—On October 12th the United States Tariff Commission, as a result of an investigation under the "escape clause", unanimously recommended to the President a 50 per cent increase in the United States tariff on groundfish filets. Under United States legislation, the President is required to take action on a Tariff Commission recommendation within 60 days or explain to Congress why no action was taken.

On December 10th, two days before the deadline, the President decided against a tariff increase and rejected the Tariff Commission's recommendation. The tariff remains, therefore, undisturbed at 1½ cents a pound on a quota amount and 2½ cents a pound ex quota.

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Department of Trade and Commerce

No. 1 Building, 375 Wellington Street*	Gov. Local
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	2-0336
Private Secretary: A. J. Stanton	2-0336
Deputy Minister: Wm. Frederick Bull	6-6748, 2-2326
Executive Assistant: A. W. A. Lane	2-2380
Trade Policy Adviser: H. R. Kemp	2-5151
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

Administration Branch

Comptroller-Secretary: Finlay Sim	2-2262
Administrative Assistant: Miss M. L. E. Jones	6-7411
Financial Assistant: S. B. Kayes	2-4312

Personnel Division

Personnel Officer: L. J. Rodger	2-5430
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General Records

Supervisor: C. Drolet	2-4980
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Equipment and Supplies

Supervisor: E. S. Brown	2-5011
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Economics Branch

Director: V. J. Macklin	2-5658
Associate Director: Dr. J. Davis	6-7372

Trade Commissioner Service

Director: John H. English	2-2530
Assistant Director (Operations): J. A. Stiles	6-6800
Assistant Director (Planning)	6-8286
Area Trade Officers	
Asia and Middle East: Paul Sykes	6-8286
Commonwealth: R. R. Parlour	2-2144
Europe: L. A. Campeau	2-0436
Latin America: S. G. Tregaskes	6-7641
United States: D. M. Holton	2-5176
Assistant Director (Administration): J. H. Stone	2-5669
Western Representative: P. V. McLane, 355 Burrard Street, Vancouver, B.C. (Cable address: FORTRADE)	Pacific 7161
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland	2698

Commodities Branch

Director: Denis Harvey	2-5417
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.

Commodities Branch

Transportation and Trade Services Division		Gov. Local
Director: W. Gibson-Smith		6-6236
Adviser: T. G. Hills		2-5680
Export and Import Permit Section		
Chief: J. G. MacKinnon		2-3640
Processing Officers:		
Steel, non-ferrous metals, machinery, automobiles, chemicals, textiles, rubber, leather products: S. C. Cooke		6-6976
Lumber, forest products: L. M. Lang		6-6991
Imports and Office Supervisor: L. M. Lang		6-6991
Directories Section: R. Bedard		6-6681
B.W.I. Trade Liberalization Plan Section: G. L. Tighe	6-6905,	2-5670
U.K. Token Import Plan Section: A. E. Fortington		2-5680
Transportation and Communications Section: H. A. Hadskis		2-2737
Traffic: D. H. Munro		6-7835

Commodity Divisions

Machinery and Metals Division		
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Assistant: W. L. Power		2-5207
Assistant Chief: J. M. Rochon		6-8422
Steel and Non-Ferrous Metals: J. M. Rochon		6-8422
Non-Metallic Minerals		2-5823
Industrial Machinery: J. R. Johnson		6-7546
Electronic Equipment: D. L. Draper		6-6479
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Agricultural and Automotive Equipment, Aircraft: G. C. Clarke		2-3873
Miscellaneous Machinery: R. P. Mulvihill		6-8269
Forest Products Division		
Chief: J. C. Dunn		2-0273
Lumber and Manufactured Wood Products: J. C. Dunn		2-0273
Logs and Lumber Products: E. J. White		2-4863
Pulp, Paper, Pulpwood: M. N. Murphy		6-6974
E. J. Ward		2-5127
Chemicals Division		
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Oils, Fats, Miscellaneous Chemicals: R. T. Elworthy		2-5177
Pharmaceutical Products: G. A. Ferguson		6-6075
Petroleum, Organic Chemicals: T. V. Harquail		6-6075
Plastics, Heavy Chemicals: G. E. McCormack		6-7601
Consumer Goods Division		
Chief: D. G. W. Douglas		6-6197
Assistant Chief: A. C. Fairweather		6-7815
Textile Fibres and Products: G. R. Poley		2-3004
Wearing Apparel, Linens: E. G. Gerridzen		2-5378
R. M. Josephson		6-8679
Leather, Rubber and Plastic Products: F. T. Carten		2-0518
R. G. Woolham		2-0518
Recreational Supplies, Musical Instruments, Toys: P. G. Jones		2-4160
P. Mondor		6-7956
Handicrafts, Chinaware, Jewellery, Photographic Equipment: P. E. Jensen		2-5337
Business Equipment, Radio and Television, Scientific Instruments, Hospital Equipment: W. L. Herman		6-6958
Hardware, Plumbing and Heating Equipment: D. C. Meyers		6-6383
Consumer Durable Goods, Electrical Appliances: W. H. Grant		2-3209
Beverages, Imported Foods: E. B. Paget		2-4161
Records, Statistics, Office Services: Miss M. E. O'Connor		6-8760

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Gov. Local

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Plant and Plant Products: W. John O'Connor 6-7523

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R. M. Esdale 2-5830, 2-5648

Fisheries Division

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Assistant Dominion Statistician: J. T. Marshall	6-7695
Assistant Dominion Statistician: S. A. Goldberg	2-5458
Senior Research Statistician: N. Keyfitz	2-3562
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Director: F. H. Leacy	2-3071
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Assistant Administrator: R. W. Rosenthal	6-8429
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Chief: F. E. Pratt	2-0981
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Chief: D. W. Bartlett	2-5542
Assistant Chief: J. T. Hobart	6-8662

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Superintendent of Exhibits: R. L. Greene	2-3776
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Assistant Chief, Design Section: G. E. Stranks	2-3682
Administrative Officer: A. D. Simmons	6-7818
Deputy Director Canadian Participation Brussels 1958: H. B. Scully	6-6795

Export Credits Insurance Corporation Birks Bldg., 107 Sparks St., P.O. Box 655

President and General Manager: H. T. Aitken	CE2-4828
Assistant General Manager: A. W. Thomas	CE2-4828
Secretary: T. Chase-Casgrain	CE2-4828
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Credits Supervisor: C. A. Law	CE2-4828
Claims Supervisor: F. G. Reynolds	CE2-4828
Accountant: B. R. King	CE2-4828
Montreal Branch 607 St. James St. West	UN6-1268
Toronto Branch Rm. 1511, 55 York St.	EM4-5778

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

Conversions into Canadian dollar 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 1.039298.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 6	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	05345	18.71	(1)
		Free	02761	36.22	
Austria	Schilling		03701	27.02	
Australia	Pound		2.1430	4666	
Belgium, Belgian Empire and Luxembourg	Franc		01924	51.98	
Bolivia	Boliviano	Official	005064	197.47	
British West Indies	Dollar		5581	1.79	(2)
	Pound		2.67875	3733	(3)
	Dollar	British Honduras	66969	1.49	
Brazil	Cruzeiro	Effective selling*			*Nov. 14
		Category I	0181	55.20	
		Category II	0105	95.57	
		Category III	0067	148.67	
		Official buying	0525	19.04	(5)
Burma	Kyat		2021	4.95	
Ceylon	Rupee		2009	4.98	
Chile	Peso	Free	001913	522.74	(15)
Colombia	Peso	Basic	3849	2.60	(7)
		Free*	1543	6.48	*Dec. 5
		Official	1714	5.83	
Costa Rica	Colon	Controlled free	1449	6.90	
Cuba	Peso		9621875	1.0392	tax 2% (4)
Czechoslovakia	Koruna		1336	7.49	
Denmark	Krone		1393	7.18	
Dominican Republic	Peso		9621875	1.0392	
Ecuador	Sucre	Official	06415	15.59	
		Free	05198	19.24	
Egypt	Pound	Official	2.7630	3619	(6)
El Salvador	Colon		3849	2.60	
Fiji	Pound		2.4133	4144	
Finland	Markka		004183	239.06	
France, Monaco and North Africa	Franc		002749	363.76	(8)
French Colonies in Africa	Franc		005498	181.88	(9)
French Pacific	Franc		01512	66.14	(10)
Germany	D Mark		2293	4.36	
Greece	Drachma		03207	31.2	
Guatemala	Quetzal		9621875	1.0392	
Haiti	Gourde		1924	5.20	
Honduras	Lempira		4811	2.08	
Hong Kong	Dollar	Free*	1486	6.73	*Nov. 23
		Official	1674	5.97	
Iceland	Krona	Official	05908	16.93	
		Special selling	0345	28.98	(11)
India	Rupee		2009	4.98	
Indonesia	Rupiah	Basic	08473	11.80	(12)
Iran	Rial	Certificate	0127	78.73	
Iraq	Dinar		2.6941	3711	
Ireland	Pound		2.6788	3733	
Israel	Pound		5345	1.87	
Italy	Lira		001545	647.24	
Japan	Yen		002673	374.11	

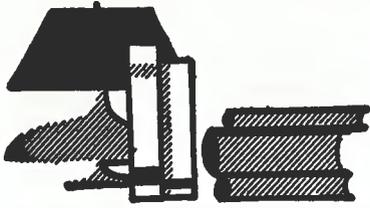
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 6	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.2993	3.34	
Mexico	Peso		.07698	12.99	
Netherlands	Florin		.2512	3.98	
Netherlands Antilles	Florin		.5062	1.98	
New Zealand	Pound		2.6788	.3733	
Nicaragua	Cordoba	Effective buying	.1458	6.86	
		Official selling	.1364	7.33	
Norway	Krone		.1347	6.23	
Pakistan	Rupee		.2009	4.98	
Panama	Balboa		.9621875	1.0392	
Paraguay	Guarani	Official	.01604	62.34	(6) (13)
Peru	Sol	Certificate	.05064	19.75	
Philippines	Peso		.4811	2.08	
Portugal & Colonies	Escudo		.03358	29.78	(14)
Singapore & Malaya	Straits dollar		.3125	3.20	
Spain & Dependencies	Peseta	Basic buying	.04394	22.76	(6)
		Basic commercial selling	.0586	17.07	
		Free	.02470	40.47	
Sweden	Krona		.1860	5.38	
Switzerland	Franc		.2246	4.45	
Syria	Pound	Free*	.2717	3.68	*Nov. 15
Thailand	Baht	Free	.04702	21.27	(6)
Turkey	Lira		.3436	2.91	
Union of South Africa	Pound		2.67875	.3733	
United Kingdom	Pound		2.67875	.3733	
United States	Dollar		.9621875	1.039298	
Uruguay	Peso	Free*	.2437	4.10	
		Basic buying	.6366	1.579	(6)
		Principal selling	.4587	2.18	(16)
Venezuela	Bolivar		.2872	3.48	
Yugoslavia	Dinar		.003207	311.82	(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 of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
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. 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 selling rate applies to certain designated commodities.
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 and 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.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.



businessman's bookshelf

Meet Indonesia 1956

The Mercantile Bank of Canada. 16 pages. Free.

THE REPUBLIC OF INDONESIA today has a population of 81 million. Its economy is primarily agricultural; farm and plantation products account for more than two-thirds of its exports and three-quarters of the labour force is engaged in this industry. The main export is rubber followed, in the agricultural field, by copra, tobacco, palm oil, coffee, spices, fibres and other vegetable products.

This well-written booklet reveals other interesting facts. For example, Indonesia is second only to Malaya in the production of tin-in-ore, producing 20 per cent of the world's supply. With only a fraction of world oil production, the Republic is nevertheless by far the largest producer and exporter of oil in the Far East. This industry provides employment for many thousands of Indonesians and constitutes one of the largest sources of income for the treasury.

The booklet also gives details about the Economic Development Plan for 1956-1960, recently announced by the National Planning Bureau. This gives priority to a list of special projects such as power and irrigation; a complex of industries based on hydro-electric power, forests and minerals; an iron and steel industry; chemical and fertilizer manufacturing, and a rayon industry. Of second priority are a number of projects concerned with major developments in the manufacture of cement and textiles.

Exporters or importers who have trade ties with Indonesia will find this latest in the Mercantile Bank series worth their attention.

Order from: The Mercantile Bank of Canada, 495 Victoria Square, Montreal; 210 Bay Street, Toronto, and 540 Burrard Street, Vancouver.

Directory of Exporters of Indian Produce and Manufactures

Department of Commercial Intelligence and Statistics, Calcutta. 212 pages. 12 shillings.

SECTION I OF THIS DIRECTORY gives in alphabetical order the names and addresses of exporters and indicates the commodities in which they are

interested. Section II contains the list of goods which are exported or available for export from India and the names of exporters interested in each commodity. Commodities are listed alphabetically under certain groups as indicated on the contents page.

The names and addresses of Indian Trade Representatives abroad are also included in the directory, which should interest particularly Canadian firms dealing in imports from India.

Order from: The Director General, Commercial Intelligence and Statistics, 1 Council House Street, Calcutta, India.

Hong Kong—1955

Colonial Office. 264 pages. \$2.36 postpaid.

HONG KONG'S SWING from entrepôt trade to industry has changed profoundly the pattern of its economy. Before World War II, manufacturing was only of minor importance; now it is the main source of livelihood and is expanding rapidly. Hong Kong's light industries are turning out an amazing variety of products, the most important of which are textiles, with an export value of £27.6 million in 1955 and rubber footwear with shipments valued at £3.8 million. Other leading exports include enamelware (£3.5 million), seamless aluminum flashlights (£3.1 million), and refined sugar (£2.0 million). During the year the number of factories in the Colony rose from 2,494 to 2,925 and this development increases its potential as a market for industrial raw materials.

The report discusses in some detail progress of the Colony's development projects and its plans for the future. Of special interest to the businessman is the comprehensive study of industry and trade and the section outlining the public utilities and public works projects proposed or under way. Hong Kong has emerged as a potent economic force in the East and her products are finding ready markets in other parts of the world. Canadian firms with trading interests in Asia will find this survey valuable.

Order from: The United Kingdom Information Office, 275 Albert Street, Ottawa, Ontario.