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foreign trade

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COVER On the Canterbury Plains stretching beyond Christchurch, New Zealand, a shepherd with his dogs leads his Romney ewes out to pasture. Well over 90 per cent of the country's foreign exchange income comes from products of its sheep and cattle stations. For a survey of New Zealand and the factors that influence its trade policies, turn to page two.

New Zealand as a Market

Four years as Canada's Commercial Counsellor in Wellington have given the author an insight into New Zealand's economic background and current problems. In this article he gives the exporter pointers about this market and some understanding of changes in the trade pattern there in recent years.

LESTER S. GLASS,
Commercial Counsellor, Wellington.

GEOGRAPHY, CLIMATE, THE PEOPLE and many other factors play a part in determining what kind of a market a country offers. This is particularly true of New Zealand, in the far South Pacific. New Zealand is composed of two islands (not taking into account several small adjacent ones)—the North Island with an area of about 44,000 square miles and the South Island of just over 58,000 square miles. Together they support a population of slightly more than two million. But because, on a per capita basis, it is one of the greatest exporting nations in the world and consequently has a high standard of living, New Zealand constitutes a market with greater possibilities than this relatively small population would suggest.

Sheep and Cattle Stations

Both islands are of volcanic origin, extremely rugged, and criss-crossed by numerous mountain ranges which have made inland transportation very difficult. As a result, the population is concentrated on or near the coast. The four main centres are Auckland and Wellington in the North Island and Christchurch and Dunedin in the South Island. Although New Zealand is mountainous for the most part, between the ranges lie many lush and fertile valleys, plateaus and plains. It was here, on the rich dairy and sheep lands, that the first settlers laid the foundations of New Zealand's present prosperity.

In 1954 the sheep population of New Zealand numbered over 38 million and nearly 6 million cattle were run. The dairy industry is largely confined to the North Island, particularly in the Waikato area which is served by Auckland in the north, and to the valleys and plains of the Wairarapa and Taranaki in the south, served by Wellington. In the South Island, the Canterbury Plains stretching beyond Christchurch are renowned for their production of store sheep and lamb; the hills, valleys and plateaus of Southland produce a major share of New Zealand's wool. New Zealand grew and thrived on the products of the sheep and cattle stations and even today well over 90 per cent of the foreign exchange income results from these operations.

Forest Industries Expanding

The terrain and climate of New Zealand and the well-distributed annual precipitation make it a well-forested country. (Rainfall in any part of the country is rarely less than 40 inches a year and on some of the western slopes of the Southern Alps of the South Island reaches 500 inches a year.) The first settlers who arrived in 1840 found that the woods from the native forests were the most satisfactory and ready-to-hand building material. During the first forty years of settlement, the population grew to over half a million and the inroads

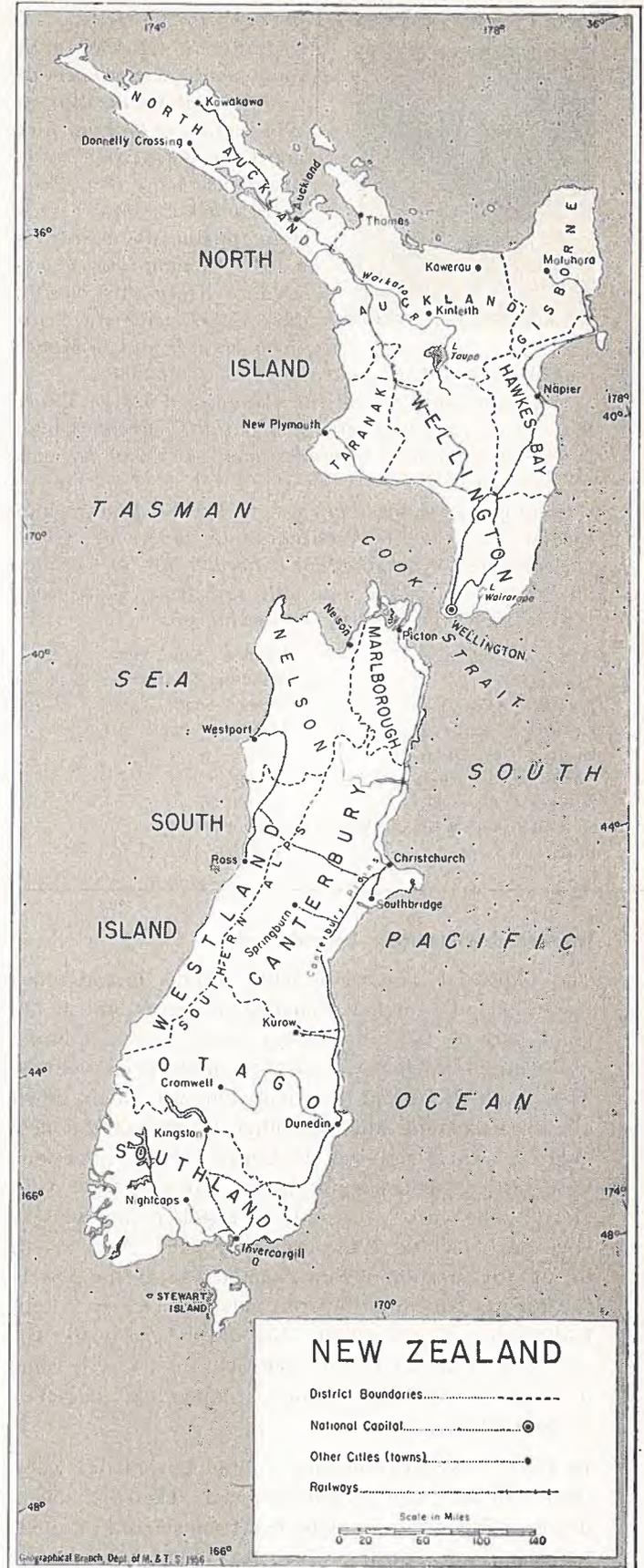
on the standing timber made by these first settlers—to say nothing of the thousands who followed—can easily be imagined.

Early in the twentieth century the rapid disappearance of the indigenous forests aroused concern and steps were taken to remedy this. Quicker growing exotic trees such as pinus radiata and Douglas fir were planted to replace the ravaged native forests and plantings were also made on lands which were producing no worthwhile vegetation. These exotic trees flourished in New Zealand and now the country is reaping the benefit of these man-made forests. Products of the local sawmills are now replacing some types of timber which were formerly imported and growing export markets are being found in Australia and parts of South East Asia.

A well-organized pulp and paper industry has also been developed. For some time past, local manufacture has supplied New Zealand with practically all the paperboard and kraft papers it needs. In 1955 the first newsprint was produced in the mill of the Tasman Pulp and Paper Company at Kawerau. Incidentally, drilling is now going on at the site to tap the geothermal steam under the area; this will be used to produce power and heat to operate the mill. This mill, it is expected, will supply 75 per cent of New Zealand's newsprint needs and provide a worthwhile surplus for export to markets already earmarked in Australia and the South Pacific Islands. Near this undertaking, another new mill will shortly come into production and will fill the greater part of the demand for tissue of all types.

Industrial Expansion

Before 1935 New Zealand was predominantly an agricultural country. There were, of course, many small industries supplying local requirements but in 1932 the factory-door value of manufactured goods totalled less than £70 million. The Government which came into power in 1933 introduced a period of industrial expansion and industrial production rose steadily until, in 1939, the figure stood at approximately £110 million. This program necessitated heavy overseas purchases of equipment and raw materials. With the exception of her forests, fisheries, hydro-electric power and fertile soil, New Zealand has few known natural resources. Gold and iron are the only metalliferous minerals found in any quantity. The gold is now practically exhausted and the iron, found in large concentrations of titanium sands, has not yet been commercially extracted. Small amounts of scheelite and silver are recovered. With the exception of coal, limestone, sand and gravel, non-metallic minerals have been found so far only in small quantities and usually of low grade.





LESTER S. GLASS, with four years' experience as Commercial Counsellor in Wellington, is looking forward to discussing trade problems in the New Zealand market with Canadian businessmen during a cross-Canada tour scheduled to begin this month. Mr. Glass will start his three-month tour in Mont-

real August 6-15; his itinerary is given below.

Lester Glass joined the Canadian Foreign Trade Service in 1927 and was posted that year to Bristol as Assistant Trade Commissioner. In 1930 he was transferred to Port-of-Spain as Trade Commissioner; subsequent postings took him to Rio de Janeiro and Lisbon, and then to Wellington in 1952. Mr. Glass will complete his Canadian itinerary late in October in British Columbia and will sail from Vancouver for another tour of duty in Wellington.

Quebec—Aug. 16	London—Sept. 13
Arvida—Aug. 17	Windsor: Walkerville—Sept. 14
Toronto—Aug. 20-29	Sarnia—Sept. 17
Kitchener: Waterloo—Aug. 30	Winnipeg—Sept. 20-21
Guelph: Galt—Aug. 31	Regina—Sept. 24
Hamilton—Sept. 4-7	Calgary—Sept. 25-26
Niagara Falls—Sept. 10	Edmonton—Sept. 27-28
St. Catharines: Welland—Sept. 11	Vancouver—Oct. 1-12
Brantford—Sept. 12	Victoria—Oct. 15-16

Import Restrictions Introduced

The industrial expansion made serious inroads into New Zealand's foreign exchange resources and in the latter part of 1938 the Government, to put a brake on overseas spending, instituted import restrictions. These restrictions had two aims. One was to cut down overseas spending and the other to protect the new industries which had been developed. These restrictions were further tightened during the war years and were aided by the scarcity of goods for export in the overseas countries which were the usual suppliers. As a result, the industrialization of New Zealand was given a powerful impetus and by 1945 the value of factory output had reached £190 million. Nor did the end of the war end New Zealand's import controls—an acute shortage of overseas exchange made it imperative that they be continued.

In 1951, however, following a fabulous year for wool, the restrictions were largely removed. The results were drastic. The consumer, who had been starved of goods for years, and industry, which had found it impossible

to obtain raw materials and new equipment, went on a buying spree and New Zealand again found her overseas resources rapidly approaching the vanishing point. Controls were immediately clamped on again and overseas buying cut to a minimum. It was only in 1954 that any significant move towards decontrol again took place. This time, however, the relaxation was judiciously spread out and this policy, though at present it has slowed down, is still being maintained.

During this period the development of local industries has continued apace and the value of industrial production in 1955 has been placed at £550.7 million, nearly eight times output in 1932. Put in another way, the value of industrial production now stands at £275 per capita. This means, of course, that the pattern of New Zealand imports, including those from Canada, has changed compared with the years before 1938. Many of the present import controls in New Zealand, in fact, serve to protect local industries which have grown up in recent years.

Tariff Being Revised

The Customs Tariff currently in force in New Zealand was introduced in 1938 and did not envisage the industrial development which has taken place. In many instances, it is felt, it does not give these new industries suitable protection. The Board of Trade of New Zealand is now in the process of revising the tariff and hopes to complete this work by the end of 1956. However, it is improbable that the new tariff will come into force before mid-1958. Until that time import control will continue, as in the past, to be a protective device.

Advice to the Exporter

In dealing with New Zealand there are some points that Canadian exporters should always bear in mind. The difficulty of inland transportation has already been mentioned and this makes it necessary for the exporter to ensure that goods are transported to the port of destination which the consignee specifies. If goods destined to, say, Dunedin, are unloaded at Auckland, there may be a delay of many weeks before they arrive at their true destination and the buyer will be faced with extremely heavy inland or coastal transportation charges. Other delays and inconveniences are often caused through carelessness or lack of knowledge on the part of the exporter who transmits shipping documents by airmail bearing insufficient postage. As a result, shipping documents often arrive six weeks or more after the goods have been landed.

New Zealanders have a warm regard for Canada and Canadians and, although they have been denied many Canadian products for a long time, they are sincerely looking forward to the day when they may again turn to Canadian manufacturers for their requirements. ●

Venezuelan Imports Increase

Seven per cent rise in imports, with machinery and metals and their products well in the lead, witness to country's continuing economic growth.

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

THE LIVELY FOREIGN TRADE OF VENEZUELA has again surpassed all previous records. Exports, at Bs.6,186 million, were far higher than the total of Bs.5,660 million of 1954. Imports were valued at Bs.2,959.6 million (or about \$887,791,808) which was over 7 per cent higher than in 1953, the previous peak year.

Sources of Supply

Each of the principal supplying countries enjoyed a share of the increase. In fact, the eleven leading suppliers maintained their relative positions, with the exception of Western Germany which, with the greatest percentage rise, passed the United Kingdom and took second place only to the United States. This change may prove temporary because it resulted, in part at least, from the arrival of certain engineering equipment, probably a non-recurring item.

VENEZUELAN IMPORTS BY COUNTRIES

(values in dollars converted at 0.3)

	1954		1955	
	Value	%	Value	%
Total	823,748,097	100	887,791,808	100
United States	507,017,202	61.6	522,738,003	58.9
Germany	56,362,330	6.8	79,532,806	9.0
United Kingdom	64,606,415	7.9	69,408,517	7.9
CANADA	32,611,419	4.0	35,125,873	4.0
France	29,166,843	3.5	32,563,012	3.7
Italy	20,836,720	2.5	24,354,312	2.8
Netherlands	18,437,824	2.2	21,209,919	2.4
Japan	10,290,287	1.2	16,737,903	2.0
Belgium	14,164,110	1.7	16,267,915	1.8
Switzerland	10,660,420	1.3	10,917,823	1.2
Sweden	6,561,383	0.8	8,530,392	1.0
Others*	53,033,144	6.5	50,405,333	5.3

* Includes Aruba, Argentina, Brazil, Cuba, Curaçao, Colombia, Czechoslovakia, Chile, Denmark, Finland, Honduras, Luxembourg, Mexico, Peru, Philippines, Portugal, Puerto Rico, Spain, Trinidad, etc.

The above table does not include imports by air freight or parcel post.

Canadian sales were maintained at about 4 per cent of the total, a proportion which has continued constant for several years. Venezuela is a highly competitive

market because world producers are attracted by the uncontrolled dollar exchange. The details of Canadian sales vary from year to year, as competition from other countries takes some business away but energetic Canadian efforts improve sales of other lines.

The total value of imports becomes more interesting when subdivided by main groups. From the data on imports by general classification, it is clear that machinery, instruments and apparatus, comprising a third of all imports, continue to typify the substantial economic growth of Venezuela. Naturally associated with the use of machinery are metals and their products—actually products rather than raw metals—which accounted for more than a sixth of the total. These two classes together made up over half of all imports.

VENEZUELAN IMPORTS BY MAIN GROUPS

(values in dollars converted at 0.3)

	1954		1955	
	Value	%	Value	%
Total	819,731,390	100	887,889,803	100
Machinery, instruments and apparatus	272,186,085	33.0	292,524,903	32.9
Metals and manufactures	129,439,393	15.7	158,724,595	17.9
Foods and beverages	121,873,552	14.8	130,614,998	14.7
Chemicals	44,170,699	5.4	48,901,025	5.5
Textiles	49,438,191	6.0	48,420,742	5.5
Minerals, glass and pottery	34,540,019	4.2	33,966,297	3.8
Wood, paper and products	21,236,264	2.6	25,180,767	2.8
Vegetables and industrial products	15,069,037	1.8	17,529,089	2.0
Animals and industrial products	4,539,862	0.6	4,277,482	0.5
Sundry	33,886,952	5.3	43,891,376	4.9
Duty-free goods	77,766,152	9.4	78,714,811	8.9
Goods restricted to Government	15,585,184	1.2	5,143,718	0.6

Exports

During the past four decades, petroleum has been the foundation of Venezuelan prosperity and dollar income. Despite the soaring exports of iron ore, petroleum still accounts for about 94 per cent of the total exports, worth about \$1,855.8 million. Iron ore makes up somewhat over 4 per cent of the total and the remainder consists of coffee, cacao and some lesser items. ●

The Freight Forwarder and His Function

Many exporters are finding that entrusting the intricate detail of export shipping to a freight forwarder leaves them free to concentrate on their main business—selling. This article, eleventh in our series on the techniques of export trade, outlines the services which the forwarder offers to both new and experienced exporters.

G. A. A. DOUGLAS, *President, Canadian International Freight Forwarders Association.*

THE TERM "FREIGHT FORWARDING", in its simplest sense, covers the movement of all types of products from the seller to the foreign buyer, using the most expeditious means and routes. Someone once remarked that primitive man acted as his own forwarder: he packed his wife on his back, clutched his elementary tools or weapons in his hand, and set off for a new destination. As trade and travel became more widespread and more complicated, experts in both began to appear. About two hundred years ago freight forwarding on the continent of Europe evolved as a recognized business; today the forwarding agent plays a well-defined and important role in export trade.

The modern freight forwarder controls the movement of goods from the exporter's plant up to the point where the foreign buyer has agreed to take possession and accept responsibility. Often the forwarder, after he has fulfilled his obligations to his Canadian client, continues to look after the goods, carrying out the foreign buyer's instructions. In both situations, he

acts on behalf of principals; he himself normally never enters a transaction as a principal nor acquires a financial interest in it.

Helping the New Exporter

Companies with a large foreign trade and a well-organized export department often undertake themselves many of the services which a freight forwarder provides. It is the new exporter or the firm with fewer overseas connections that find him particularly helpful. The businessman thinking about his first foreign sales often asks: "How can a freight forwarder help me?" He should put that question to the forwarder himself and together they should sit down and talk over the exporter's prospects and problems.

In this preliminary discussion, not all the questions will come from the exporter. The forwarder will have his innings too. What product does the businessman wish to export? Where is his plant? What percentage of his production can be devoted to export sales? In what markets is he interested? What competition does he face? Has he worked out his export prices? Has he selected any agents? If the exporter wants to get the best possible service from a forwarder, he should answer these and other questions fully and frankly. He can be certain that everything he tells the forwarder will be considered confidential. In fact, the relationship between them resembles that between a doctor and his patient or a lawyer and his client. The exporter can "bare his soul commercially" without any qualms.

Initial Services

Many people still think of a freight forwarder as a man who books ocean freight space, prepares the shipping documents, and sees that the goods are placed on board the vessel selected. Actually his services—particularly to a new exporter—may begin long before the time of shipment and extend much farther. An experienced forwarder can help with one of the first problems—finding suitable agents. Suppose his client

wants to sell steam shovels in Spain. The forwarder through his correspondents there can check on the size of the market, potential agents and customers, and so on. He thus confirms or supplements the information which the Canadian Trade Commissioner can supply. By quoting a through shipping rate, he helps the exporter to determine his export prices.

The best way for the exporter to investigate a foreign market is to visit it himself. But at the outset, and if he is beginning in a small way, he may not want to spend a sizable sum on travelling expenses. The forwarder helps him to compensate for this lack of personal knowledge by advising him on various technical matters. These include selling terms in foreign countries (such as cash against documents, open account, etc.), export packing and marking, foreign weights and measures, exchange operations and restrictions, documentation, and so on. In fact, the new or the small exporter can regard the freight forwarder as his export department—as near as the telephone on his desk. Even the larger firms often find it convenient to let the forwarder handle the complicated details that export shipping involves. This leaves them free to concentrate on developing markets and increasing sales.

Speeding the Shipment

In moving goods swiftly and easily, the forwarder relies upon the knowledge gained over the years of rates and routes, sailing schedules, port facilities and so on. He can advise on the proper timing of a shipment so that it will reach a seaport at the right moment for a certain sailing, and on how to avoid transshipment with the danger of damage and pilferage that it involves. Before shipment begins, his staff takes control of the goods, checks quantities, arranges for or provides suitable export packing (especially important in shipping manufactured goods). He supervises the marking, weighing, measuring, and the transfer to the ship, and the placing of the necessary marine and other insurance. His clerks look after the shipping documents, consular invoices, certificates of origin, documents of title and so on. This service is especially valuable to the exporter whose plant is inland, where there may not be foreign consulates. Practice makes the forwarder's staff efficient at dealing with consular documents and there is less risk of mistakes which delay the departure of the goods or errors which prove costly. The forwarder also looks after and presents to the bank the necessary documents for obtaining a letter of credit.

Occasionally forwarders offer a small exporter, particularly of package freight, a "consolidated shipments" service. Under this plan a number of small shipments are forwarded together and the cost of each is reduced. Freight forwarders in the United Kingdom often use this method, offering small shippers to continental

European points a direct-to-the-buyer service. In other cases, where transportation rates for a certain commodity have not yet been established, the forwarder negotiates with carriers and the insurance underwriters for equitable charges. He also advises on export permits and on export drawbacks when these apply.

Tracing Lost Shipments

Sometimes in spite of all precautions an export shipment is lost at some stage of its long journey from seller to buyer. The forwarder is always alert to this possibility. Whenever a shipment fails to arrive at some point at the designated time, he puts a tracer on the goods and calls for proof of delivery. He also dispatches letters of reservation to all the carriers. These letters keep the door open against the possibility of a claim; if they are not sent within a reasonable time, the claim may become obsolete and the exporter loses out. And the search for a missing shipment can consume a lot of time and energy. The forwarder sees that the various carriers make a port-to-port check on the movement of the goods and sometimes pushes the search on his own. Employees of one forwarding firm recently discovered a missing shipment in the wrong hangar at the airport in the city to which it was consigned.

Services Abroad

Many of the freight forwarder's services are performed for his client within Canada. But most forwarding agents also have branch offices or correspondents in foreign countries or work with old-established and reputable forwarders who act as their sub-agents. When the Canadian exporter travels abroad, he has access to the facilities and services of these branch offices or agents—often in places where there is no Canadian Trade Commissioner stationed. These offices can provide him with interpreters or guides, can arrange for samples to be sent to his next stop or shipped home, and can advise the visitor about his own purchases. In exploratory trips, the forwarder usually covers the exporter's movements with letters of recommendation. He may also arrange for the necessary outlay on foreign duties or duty deposits, expenses, etc. The exporter, under this system, need not carry a great deal of money with him and need not wait over at any particular point for the purpose of settling accounts. All these arrangements leave him free to concentrate on his main business—getting customers.

Fees and Services

What does the forwarder charge for his services? Freight forwarders in Canada have not yet agreed upon a standard rate of fees, although the Canadian International Freight Forwarders Association, formed about five years ago, is working on the problem. At present,

each shipment is handled on an individual basis and the charges set accordingly; but there are no hard-and-fast rules about fees. There is, of course, a nominal fee for the preparation of each set of documents. In practically every case, the forwarder's fees are much below the cost of maintaining an entire export shipping department.

To the exporter who thinks that the freight forwarder can help him do a more efficient selling job, I offer

a word of advice. Take the forwarder into your business confidence, give him the facts he needs, and discuss with him how he can be of service. Then, when you have decided to make use of him, give him *exact* instructions. By satisfying the instructions and wishes of both the seller and the buyer, the forwarding agent fosters goodwill between the two parties to a transaction and so helps the growth of international trade.

Canada's Steel Imports

their regional significance

What types of steel does Canada import, and how do these imports vary by areas? The analysis that follows answers these questions; it is based upon a survey of steel sales by Canadian manufacturers by regions, and of regional imports by customs points of entry, as collected by DBS.

J. P. LOUNSBURY }
FRANK PELLETIER } *Economics Branch*

CANADA CONSISTENTLY IMPORTS well over a million tons a year of steel rolling mill products, aside from such secondary products as pipe, wire and stampings.

Although well over half of these imports are destined for Ontario alone, other Canadian provinces and regions are relatively more dependent upon foreign supplies than Ontario. Thus the Province of British Columbia, which only accounts for about 10 per cent of total Canadian steel imports, actually receives over half of all its steel requirements from foreign sources. The Maritime Provinces, on the other hand, because of the large integrated steel industry in Nova Scotia, are the least dependent upon foreign sources of supply. Their recent experience is that only a little more than

15 per cent of total consumption is met by foreign suppliers.

The relative importance of foreign sources of steel supplies for all five Canadian steel markets is tabulated in Table I on page 9.

Imports by Areas

The British Columbia market is the most dependent upon foreign steel because foreign suppliers have access to it by water. Canadian mills, faced with the long overland route, have not fared as well here although the revision in freight rates to this market should ensure larger future sales by Canadian mills. The local bar and rod mill goes a long way, however, toward meeting the demand for that type of product in the province. Other products such as structural steel and plate are in heavy demand for the resource type of industry locating there.

The Prairie Provinces receive 75 per cent of their steel requirements from local producers and from Ontario mills. Producers in Manitoba and Alberta supply the greatest portion of the Prairie bar and rod market; Ontario producers find a large market in servicing the transcontinental railroads. Structural steel, again, as in British Columbia, makes up a sizable portion of imports. This is generally of a size not made in Canada and is used in the many industries drawn to the West over recent years by the oil and gas industries.

Consumption of Steel Rolling Mill Products by Region Annual Averages for the Four-Year Period 1951-1954

Table I

(in thousands of net tons)

Region	B.C.	Prairies	Ontario	Quebec	Atlantic	Total
Apparent Consumption of Mill Products	199	229	2,210	983	177	3,798
Imports of Mill Products	107	58	616	301	28	1,110
Per cent, Imports of Consumption	54	25	28	31	16	29

Table II

(market figures in thousands of net tons)

Type—Region	B.C.	Prairies	Ontario	Quebec	Atlantic	Total	
Structurals:	Total consumption	46.5	36.1	247.9	218.8	33.8	583.1
	% Foreign	91.8	70.1	57.7	54.7	39.6	59.0
Plate and Skelp:	Total consumption	26.7	21.5	305.3	117.5	21.3	492.3
	% Foreign	74.4	54.7	37.2	54.9	17.0	43.4
Rail and Track Material:	Total consumption	8.8	60.9	191.0	71.1	37.0	368.8
	% Foreign	93.3	1.1	2.7	1.8	7.3	4.9
Bars and Rods:	Total consumption	53.7	63.8	621.9	325.1	33.5	1,098.0
	% Foreign	20.6	3.9	12.7	9.5	5.7	11.4
Hot Rolled Sheets:	Total consumption	22.5	23.6	299.9	84.9	6.1	437.0
	% Foreign	84.0	61.4	57.6	75.8	71.3	62.9
Cold Rolled Sheets:	Total consumption	3.3	5.1	238.3	60.9	3.0	310.6
	% Foreign	16.9	17.1	27.0	23.0	21.5	25.9
Other Sheet:	Total consumption	37.4	17.5	218.8	87.6	6.3	376.6
	% Foreign	14.0	15.1	5.4	7.2	21.7	7.4

Most types of products, except rail and track material, are imported by Ontario in sizable volume. The bulk of these are generally brought directly across Lake Ontario from the United States. Two of the largest items are structural steel and hot rolled sheet in sizes which Canadian mills do not yet turn out. The above table reveals that Ontario strikes the average for the country, with its 28 per cent dependence upon imported supplies.

Quebec, open to ocean transport, receives relatively more of its steel supplies from abroad than Ontario does. However, this is also due to the fact that the sheet steel using industries here are not as large as in Ontario, but the structural market is a very large one. Canadian producers in both Ontario and Nova Scotia can supply sheet steel but the large sizes demanded by the structural fabricating industry must be imported.

The Atlantic Provinces receive most of their steel requirements in every category except structural steel from Canadian mills.

On a more detailed basis, Table II above depicts the share of each product market which foreign suppliers have held in recent years.

The above analysis shows that Canadian steel imports are the result both of geography and of the economics

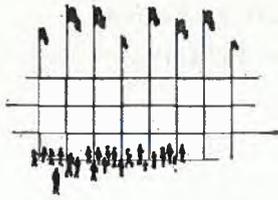
of producing for a limited market. As one example, there is the case of wide flange beams which make up a large proportion of total structural steel imports. The market in any one or two regions has not been sufficient to warrant producing these in Canada. The same holds true of imports of very wide sheets and plates. But just as Canadian steel mills have added new product lines in the past, they will no doubt make these other products when the size of the market warrants it.

Foreign suppliers and domestic producers alike, in looking ahead to future market possibilities, will no doubt apply their slide rules to these and other statistics in formulating their growth plans.

Tour of Territory

G. F. MINTENKO, Acting Canadian Trade Commissioner in Bombay, India, will visit Calcutta, August 12-19, and Madras, August 20-23.

Businessmen who would like Mr. Mintenko to undertake assignments should get in touch with him at his post as soon as possible.



fairs and exhibitions

DIDACTA—for Educators

THE MODERN APPROACH to the “three R’s” will be illustrated by the teaching equipment on display at the 4th European Educational Materials Fair, September 8-13. The teaching and learning aids for kindergarten to university will include: atlases, globes, maps, working and learning material, Froebel and Montessori tools, scientific educational aids for physics and chemistry, laboratory equipment, models for biology, skeletons, projectors and films, school furniture, sports equipment, musical instruments, and tools for manual training. There will also be school books, pedagogic literature, copybooks, chalk, ink, pens, coloured pencils and crayons. At a European Conference of Educators during the fair, reports on modern education will be given.

This year’s DIDACTA will be held in Bremen, Germany, in the five modern school buildings of the professional education centre. Inquiries should be directed to: Europaischer Lehrmittelverband, Freiburg-Ebnet i. Br., Kirchstraze 7, Bremen.

Two British Shows

FASHIONS and the fabrics that make them—new cottons, woollens and man-made fibres, new blends and new finishes—are promised to visitors at Britain’s Sixth National Fabric Fair in the Royal Albert Hall, London, from October 1-5. The best-known names among British producers of fabrics will be exhibiting, and London’s leading designers will parade their 1957 models, made from the materials on display.

RADIO AND TELEVISION RECEIVERS which can be made to any standards required, high fidelity sound reproduction equipment, new valves and tubes developed to meet the expanding use of frequencies in the VHF and UHF bands, and individual components—all these, plus communications, navigational aids, broadcast transmitters, studio and electronic equipment, can be seen at this year’s British Radio and Television Show. The show runs from August 21 to September 1 in Earls Court, London. On the experimental side will be a demonstration of electronic controls for the home of the future. The BBC and the Independent Television Authority are setting up studios

at the exhibition where they will produce live shows; ITA will demonstrate the techniques of advertising program presentation. The British Defence Services will show some of their latest radio communications and radar equipment.

For information about these two British shows, contact the United Kingdom Trade Commissioners in Ottawa, Edmonton, Halifax, Montreal, Toronto, Vancouver, or Winnipeg.

Fall Fashions in Leather

LEATHER GOODS come again to Offenbach in September for the autumn session of the International Leather Goods Fair (Septembre 1-6). With the German exhibits will be leather products of Austria, France, Britain, the Netherlands, Italy and Spain—a range of about 40,000 models in all. Both luxury and utility items—in finest leathers, perlon and plastics—will be there, including evening bags, dressing cases, billfolds, jewel cases, handbags and all kinds of luggage.

The German-Canadian Trade Promotion Office, 185 Bay Street, Toronto, can give you all the details about this fair.

September in Italy

BARI, on the heel of the Italian boot, and Piacenza in the north will be hosts this autumn to international exhibitors and visitors at two fairs. At Bari, the 20th Levant Fair will open on September 7 and run until the 25th. The ancient city provides 250 thousand square metres of display space for the 7,000 exhibitors (2,426 foreign) from 55 countries who have registered for this year’s fair. Visitors last year totalled 1.7 million. The exhibits will cover a broad range of manufactured goods: clothing and shoes; foodstuffs, wines and liquors; automobiles, industrial motor vehicles and motorcycles; agricultural chemistry and plastics materials; agricultural, oenologic, building, sewing and knitting machines; domestic electrical apparatus; marine engines; goldsmith work; radio and television; furniture and handicrafts. A special feature of this fair is the “Business Exchange”, a special

organization founded by the management to promote efficient contact between buyers and sellers in quiet surroundings. Forty foreign trade missions, whose members are all qualified buyers, establish offices in the Exchange each year.

AT PIACENZA, a first and a fifth: the 1st International Hydrocarbons Exhibition and the 5th National Methan Exhibition, from September 6th to 16th. Both shows will present exhibits of plant and machinery, regulating and measuring instruments, new developments, and thermic, chemical and domestic uses of liquid and gaseous hydrocarbons, endogene forces and their derivatives. At meetings on the 6th, 7th and 8th, technical and economic problems of hydrocarbons production will be discussed and factories will be visited.

For information about these two Italian fairs, write to the Commercial Attaché, Embassy of Italy, 136 Queen Street, Ottawa.

Temperature Control in '57

EXHIBITORS ARE URGED to book space now for the 13th International Heating and Air-Conditioning Exposition, February 25th to March 1st, 1957; the management of this show expects that display space will soon be filled. The exposition is under the auspices of the American Society of Heating and Air-Conditioning Engineers, and will be held in Chicago's International Amphitheatre. By the end of last April, 351 manufacturers of heating, ventilating, cooling and air conditioning equipment had reserved space for their products.

If you would like to exhibit in or visit this show, you can get complete information from Mr. E. K. Stevens, Manager, International Exposition Company, 480 Lexington Avenue, New York 17, N.Y.

In the Showroom

THREE CANADIAN PRODUCERS of glassware and pottery took over the Canadian Showroom in Rockefeller Center, New York, on July 18th. Manufacturers of fine earthen dinnerware since 1933, Sovereign Potters Limited of Hamilton is showing cups and saucers, oatmeals, plates, salts and peppers, sugars and creams, platters and bowls, and teapots in many different patterns and colours.

The sparkling crystal stemware and tumblers, decanters, jugs and vases, bowls and bonbon dishes, ashtrays and candlesticks in the display were fashioned by the artisans of Clapperton and Sons Limited of Toronto and Phillips Cut Glass Company Limited of

Montreal. These Canadian firms have been in business for 50 and 52 years.

The glassware and pottery exhibit continues in the Showroom to August 31st. Next on the Showroom bill will be church furnishings.

Coming . . .

IN CANADA—at the Show Mart, Montreal

Montreal Gift Show, August 27-30. For information: Mr. A. Baxter, Show Merchandising Limited, 9 Duke Street, Toronto.

All-Electrical Show, September 24-29. For information: Eastern Canada Exhibitions Inc., Room 257, Show Mart.

Furniture Exhibition, October 8-13. For information: Mr. Jean Blanchard, Furniture Manufacturers Association of the Province of Quebec, 1455 Drummond Street, Montreal.

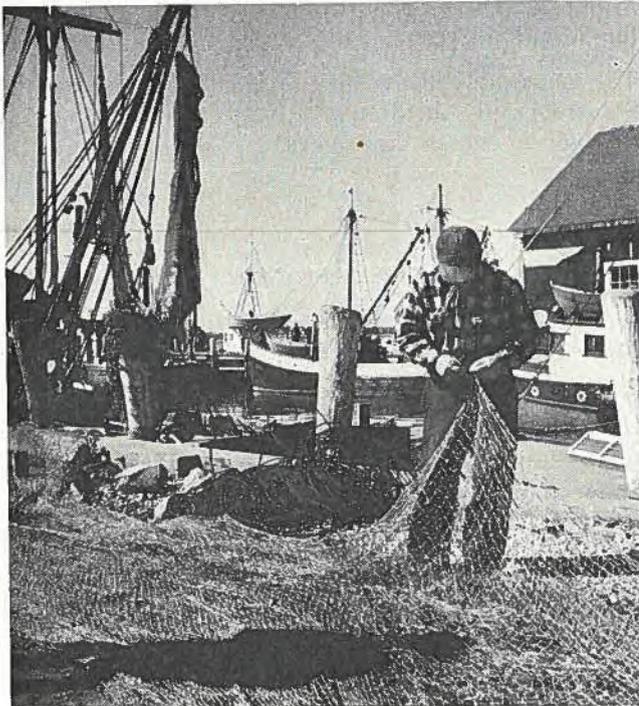
IN THE UNITED KINGDOM

6th Northern Antique Dealers' Fair, September 10-15, Royal Hall, Harrogate. For information: Wiley Displays Limited, Prince Street, Dudley Hill, Bradford 4.

70th Annual Dairy Show, October 23-26. Olympia, London. For information: British Dairy Farmers' Association, 17 Devonshire Street, London, W. 1.



Glassware like this, made by Canadian craftsmen of long experience, is featured in the current display at the Showroom.



Canadian exports of fisheries products to New England should continue high this year, despite competition from U.S. fishermen, like this one pictured mending his nets as they dry.

New England's

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

about the future of automobile sales, consumer credit and home building. Not all industries shared equally in the year's gains. Textiles, which account for a major portion of employment in this area, faced many problems. Although the fabric mills offered fewer jobs than in 1954, the drop was not as great as from 1953 to 1954, and by the end of the year there were some signs of improvement. Meanwhile, employment in other non-durables, including shoes and leather, gained substantially.

Employment in durable goods industries such as fabricated metals, primary metals, machinery and electrical equipment, transportation equipment and scientific instruments increased considerably. This was the group hardest hit during the 1953-54 recession and by the end of 1955 these earlier losses had been more than recouped.

Employment in non-manufacturing industries also expanded; in construction it reached a new record. The number of workers in wholesale and retail trade, finance, insurance and real estate also advanced steadily. A longer average work week for production workers, combined with greater numbers employed, pushed the index of man-hours worked up from 91.0 in 1954 to 98.5 (1950=100).

Price Trends Vary Widely

In the main, prices were stable. However, price movements in certain sectors showed divergent trends. Prices of farm and processed food products in primary markets went down 9.5 per cent and 4.7 per cent respectively. Prices of foods to consumers remained generally steady, however.

Industrial commodities advanced in price during the year, with the greatest increases in metals and metal products—9.7 per cent—and rubber goods, 10.3 per cent. Steel scrap prices rose from \$35 a ton in January to \$52 in December and rubber prices rose from 32 cents a pound to 47 cents in the same period. In contrast, hog prices dropped from \$18.37 to \$11.37

EXPANDING BUSINESS ACTIVITY and an atmosphere of optimism characterized New England in 1955 and, in most respects, this area followed the trend in the United States as a whole. The gains made in 1955 have continued and even increased in 1956. As a result, prospects for Canadian exporters interested in the New England market have rarely been brighter.

Progress in 1955

The pace of recovery in New England set in late 1954 was accelerated in 1955 by rising industrial production, particularly of durable goods. Although the disastrous floods of late summer did great damage to many plants, they caused only brief hesitation in the upward course of business. Employment gains were widespread and, because these were accompanied by rising wages and salaries, strong consumer demand for goods and services continued. A sizable backlog of unfilled orders prevented any serious inventory accumulation and these conditions were further supported by brisk retail trade, a record construction program, and greater use of credit. Toward the end of the year bank rates and terms stiffened in response to the heavy demands on credit facilities and upward pressure on commodity prices outside the farm and food sectors appeared.

Both manufacturing and non-manufacturing employment gained steadily during 1955. At year's end the outlook continued optimistic, despite some uncertainty

Prosperity Continues

Rising production, employment and sales apparent in nearly every part of New England economy in 1955; this trend continuing in 1956. One result: excellent outlook for sales of Canadian commodities, such as most fisheries products, lumber, sweet biscuits, and food specialties.

per 100 pounds; steer prices slid from \$29.00 to \$20.75. The higher prices for producer goods reflected the pressure on material and equipment prices because of large expenditures on new plants.

On the other hand, wholesale and retail prices of many consumer goods remained relatively stable, as high production and increased competition offset pressures developing from growing consumer demands. However, the Boston Consumer Price Index reached its highest level in history in October—1.3 per cent above the January level. Sharp increases occurred in prices of services.

Wages Climb

New England's workers shared in the general prosperity. Weekly earnings at year's end averaged \$5.40 above January 1955. Connecticut showed the greatest relative advance, followed by Vermont and Massachusetts. Notable wage increases were obtained in the transportation, road construction, building, steel fabricating, shipbuilding, meat packing, rubber, aircraft, machinery and metalworking and paper industries. Some increases were the result of nationally negotiated settlements.

Wage levels in the cotton textile industry remained largely unchanged and pay rates in the shoe industry changed little. Some increases took effect in retail trade and in Federal Government offices such as the Post Office. Increases based on major automobile industry settlements were secured by workers at New England assembly plants of Ford and General Motors. About 35,000 employees of the General Electric Company also received a raise in pay based on the company's national agreement with the union.

Construction Sets New Record

New England set another record for construction in 1955, when contract awards for the six-state area were 19 per cent ahead of 1954 and exceeded \$1.6 billion in total value. Non-residential building contracts increased; so did manufacturing, religious, social and

recreational building. Public works contracts were important in the overall picture (particularly for highways) and were up 85 per cent over 1954.

The lumber industry benefited from the booming construction activity: demand for lumber and flooring was heavy and market prices of many species increased. Demand for Canadian lumber was brisk—particularly for eastern spruce which unfortunately remained in short supply. Western spruce from Canada has made great strides in the New England market in recent years and last year's sales were especially good. The New England furniture industry also shared in the general prosperity and helped to improve demand for some Canadian hardwoods.

Fisheries—a Lucrative Market

Canada continued to enjoy a lucrative market for her fisheries products in New England in 1955. Sales of fresh and frozen fillets went up, with emphasis on frozen blocks and slabs to supply New England's steadily expanding fish stick industry. Toward the end of last year, however, it became evident that the industry was over-producing. Competition increased and a number of the smaller stick producers were forced to the wall. This trend has continued in 1956. The heavy production of late 1955 has also forced curtailment of output in the first half of this year to reduce inventories, with consequent slackening in the demand for fish blocks from Canada. However, sales should improve in the second half of the year, although production and consumption of fish sticks are not expected to reach the 1955 figures.

Demand for fresh and frozen lobster meat from Canada was heavy and a number of our packers did an excellent business. There are good prospects for increasing our shipments of other shellfish such as crabmeat, clams and oysters, provided dependable sources of supply can be found and great care exercised to safeguard quality.

The Massachusetts Fisheries Association again pressed the Federal Government to grant hearings before the

Tariff Commission with a view to imposing restrictions on imports of groundfish fillets. This request for a hearing was ultimately withdrawn at the suggestion of economic advisers at the White House, pending a federal survey and a report on conditions in the fisheries. Early in 1956, however, a renewed request for a hearing was granted and briefs were presented before the Tariff Commission beginning June 5th. The Tariff Commission's recommendation will probably not be known until early autumn.

Marketing Co-operative Formed

A marketing co-operative comprising some twenty Boston fish producers and processors was formed early this year and thus far it seems to have helped in stabilizing the price of haddock landed at Boston. The outlook at the Boston Fish Pier is more optimistic than for some time. Fishermen and the industry generally are heartened by the increased attention which the fisheries are receiving from the lawmakers in Washington.

Although there will probably be some reduction in our shipments of fish blocks this year, our exports of all fisheries products to New England should continue high.

Dairy and poultry products form the basis of New England's agricultural production. In both categories, net returns to farmers improved in 1955. The livestock industries benefited from lower grain prices which helped to offset other increased farm costs. Egg and milk prices were slightly higher but broiler prices were lower. A large crop of potatoes was marketed at low prices. Milk production was unusually high in the autumn.

Outlook for 1956

Business activity in New England at the beginning of 1956 was higher than in any postwar year. There was a further slight increase during the first quarter, with all major industries posting year-to-year gains. Building contracts awarded were 21 per cent ahead of the same period of the previous year. With a year-to-year gain of about 100 thousand workers in non-agricultural jobs, higher wage rates generally, and longer hours, take-home pay was considerably above a year ago. Retail sales by large department stores have been about 1 per cent below year-ago levels. Commodity prices have increased slightly, mainly because of advances in metals and metal manufactures and some recovery in farm products. The metal-using industries are finding a growing demand, particularly for producers goods such as machinery and electrical apparatus. Shoe factories were operating at levels above those of 1955 and first-quarter production, at 60 million pairs, was a new record. Even in the cotton and synthetic fabrics industry, first-quarter activity has been moderately higher than a year ago.

According to the latest report by the Federal Reserve Bank of Boston, Massachusetts manufacturers plan to spend \$266 million for new plant and equipment in 1956, 21 per cent more than they spent last year. Emphasis will be on the durable goods field.

Prospects for Canadian Sales

Canadian exports to this region should show gains in coming months. The recent establishment of a plan whereby the U.S. Customs will advise Canadian firms on valuation of their products for export to the United States will be of great assistance. Not only will it make the exporter's task easier—it should also encourage many new firms to try their hand at selling south of the border.

The year 1955 has turned up some excellent openings in New England for manufactured consumer goods from Canada, particularly fancy biscuits. Several Canadian manufacturers are now finding an excellent demand for these products and sales have increased significantly. Prospects for sales of confectionery and other food specialties are also bright. With its high per capita income and standard of living and its dense population, New England offers a close, lucrative and dynamic market for enterprising Canadian exporters.

African Exports Expand

In spite of some serious obstacles to economic expansion, the countries of Africa have been holding their place as world traders.

Actually, according to a review of economic activity in Africa recently completed by the United Nations, African exports (which account for about six per cent of the world's total) expanded at a greater rate than world exports in 1954. And, in the first half of 1955, they were valued at \$2,418 million—\$48 million more than in the corresponding period of the previous year.

The range of African exports is narrow. In terms of value, the principal ones are: oilseeds, cocoa, copper, coffee, cotton, wool and hair, fruits and nuts, wine, sugar and diamonds.

In some countries one commodity brought in more than 90 per cent of the export earnings and, in the majority of countries, three products accounted for over 50 per cent of total value of exports.

Increased production of export crops was largely responsible for an overall increase in African agricultural output in 1954. Dollar-earning crops, such as sisal, pyrethrum, cocoa, sugar and cotton, were larger. Most production is for subsistence only and tribal systems of land tenure and other customs are barriers not likely to disappear quickly. However, efforts are being made to increase production.

What Canada Sells to Argentina

New trade regime in Argentina has increased opportunities for dollar area goods to some extent. Here is information on Canadian products with best sales potential there at present.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

THE PRINCIPLE OF DIVIDING THE WORLD into currency areas remains a cardinal point of Argentina's foreign exchange control regulations. However, the changes in these controls which occurred in October last (see the report entitled "Argentina Relaxes Exchange Controls" in *Foreign Trade* of December 24, 1955) did make them less rigid by establishing a free exchange market for a restricted list of products. This list, it was estimated, might account for up to 8 per cent of the annual imports. Until then, no goods could be imported from any currency area unless the shipment had been previously covered by an import and foreign exchange permit. These requirements have now been eliminated for the small segment of the import trade covered by the free market.

Favourable Factors

Because of this factor, the sales prospects for dollar area goods have improved because free market imports are no longer dependent on the sums of dollar exchange held by the Argentine Central Bank, but only on the sums that can be bought in the free market. Another factor of greater importance which has contributed to the increase in dollar area imports in recent months is the devaluation of the peso from several rates between 5.00 and 14.00 pesos to a single rate of 18.00 pesos to the U.S. dollar. Not only did Argentine export products immediately become much more attractive in price in international markets, but many types of goods, not previously exportable because of very high price when converted into foreign currencies, became competitive overnight. Some of them—for example, cotton piece goods—can under-cut the prices of long-established exporting countries. This export movement is only slowly getting under way but it is certain to result in appreciably greater overall earnings of foreign exchange.

Price-wise, both Argentina's traditional and its new export products have become more attractive to dollar

area buyers. The result has been increased dollar earnings which have been translated into greater imports from the dollar area. This trend is expected to continue throughout this year.

Eligible Dollar Area Imports

Argentina provides a potential market under present conditions for only a limited range of Canadian goods. Included are those which can be imported from any currency area through the free market, plus those declared eligible for import through the official market at an exchange rate of 18.00 pesos per U.S. dollar.

The free market goods, not subject to a surcharge, consist mainly of various spices, special papers, printed books and maps, certain acids, husks and barks, essences and ethers, gum-resin, roots and various medicinal products, certain chemicals, some edible seeds, spare parts for bicycles, marine diesel motors and electric power generators. Those subject to a surcharge of 20 pesos per US\$1.00 of invoice value are mainly engines for motor vehicles and also a restricted list of spare parts for motor vehicles; spares for machinery, sewing and business machines, cloth-cutting machines, dynamos, alternators and electric motors; circular saws; sewing machine needles and dictaphones. However, periodic additions are made to this list. In time it is hoped that the free market can be greatly expanded and that finally the official market can be abolished. This is not likely at any early date.

Periodically the Argentine Central Bank announces the dollar area goods which may be imported through the official market, as supplies of them are needed. They require a previous import and exchange permit. Goods eligible neither under the free market nor the official market rules may not be imported at all, except under a special permit issued in each single case by the Bank. Goods made eligible to date by the Provisional Government consist mainly of prime materials for further processing by Argentine industry, including primary metals and minerals; industrial machinery and equipment, including electrical, metalworking and mining; railway diesel locomotives rolling stock and equipment; iron and steel shapes and forms; fuels (i.e., crude petroleum and coal); certain drugs; industrial and pharmaceutical chemicals; complex medicinal and pharmaceutical specialties; wood pulp; paper, including

newsprint; synthetic rubber; synthetic fibres; anti-corrosive varnishes; refractory and ceramic materials; plastics; seeds and plants.

Canadian Sales Opportunities

Sales opportunities for Canadian goods are limited almost entirely to the general categories of products mentioned above. There are no restrictions on the import of goods covered by the free market but those which can be imported through the official market are carefully selected within each category before dollar exchange is granted. The dollar area article must be thoroughly attractive in price, quality, suitability, delivery, etc., in competition with a similar one offered from other currency areas, before the Bank will consider the allocation of dollar exchange. This is due first to the need to conserve dollar exchange for only the most essential goods and second, as a measure of protection to local industry. Generally no exchange will be granted to import a product already produced in the country in a quantity sufficient to supply the demand. Where there is an excess of demand over local supply, exchange will be granted only to the extent of the excess demand.

The establishment of the free market did not particularly benefit Canada's exports to this country because Canada, with few exceptions, has not been an exporter of the eligible products. However, some business could be obtained in special papers, printed books, certain chemicals, and certain types of spare parts for machinery.

Greater opportunities for increased trade can be found among the goods allowed import through the official market even though these remain subject to restricting controls.

Canada's 1955 Exports

The major exports to Argentina last year included certified seed potatoes, newsprint and wood pulp, parts for agricultural machinery, and tractors. The table below gives the value of these and other leading exports:

Article	1955 (Value, Canadian dollars)	1954
Newsprint paper	2,047,407	1,786,298
Asbestos fibres and shorts	1,577,133	205,745
Wood pulp, sulphite	1,270,337	1,913,077
Tractor spare parts	261,850	108,984
Agricultural machinery parts	243,476	149,836
Certified seed potatoes	185,897	.....
Machinery and parts n.o.p.	174,451	.....
Iron and steel bars, plates, sheets, etc.	160,963	51,247
Synthetic resins	153,206	.....
Fine nickel	147,348	65,759
Iron blooms and billets	85,487	.....
Motor vehicle parts	76,518	4,035
Calculating machines and parts	74,580	.....
Material for ship repairs	55,000	.....

Source: Dominion Bureau of Statistics.

The seed potato business is not an annual one because Argentina imports these potatoes only every second or third year. The purebred cattle (\$26,700 in 1955) are chiefly Holsteins for the improvement of local herds. The business obtained in wood pulp and newsprint is merely the excess of demand over the supply obtainable from European countries. However, this trade has held up over the past two years and last year it accounted for almost half of the total Canadian sales. Present European shortages indicate that Argentina will find it necessary to continue to buy these products in the dollar area and Canada should be able to hold this trade, provided that supplies continue to be available.

Further Opportunities

The trade in iron and steel products is relatively new and worthy of greater attention. That in engines, machinery, vehicles and tractors is almost wholly for spare parts to service existing equipment. The imports of asbestos fibres and manufactured goods are standard items; the latter does not include any brake lining. The sales of synthetic resins are new and interesting. There are further opportunities for these in the Argentine plastics and paint industries. Drugs and chemicals (\$24,617 last year) also provide openings for increased sales to supply the excess of demand which cannot be filled by the well-established local chemical industry.

In the September 1 issue of "Foreign Trade" Mr. Bissett will analyze United States exports to Argentina in 1955. This may suggest opportunities to Canadian exporters of similar products—Editor.

Trade Commissioners on Tour

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10. His itinerary is:

Toronto—August 13-24
 Windsor—August 27
 Hamilton—August 28-29
 Kitchener—August 30
 St. Catharines: Welland—August 31
 Vancouver—September 10-14
 Ottawa—October 24

Businessmen in the various centres may get in touch with Mr. Bissett through the Board of Trade in Montreal; Chambers of Commerce in Hamilton, Kitchener, St. Catharines, Welland and Windsor; the Canadian Manufacturers Association in Toronto, and the Department of Trade and Commerce in Vancouver and Ottawa.

General notes



Argentina

NEW INDUSTRIES—The Argentine Central Bank has announced its approval of three new projects under the Foreign Capital Investment Law. The first is a factory to produce incandescent mantles for pressure lamps and lanterns to be built by Messrs. S. F. Products Corporation of the United States. The second is a factory to make chloromycetin by Messrs. Parke Davis and Company of the United States. The third project approved is a factory to produce long-fibre rock wool by Messrs. Gruenzweig and Hartman, A.G. of Germany—Buenos Aires, July 5.

Australia

TRADE BALANCE—Australia's trade deficit for the fiscal year 1955-56 totalled A £36.8 million, compared with a deficit of A £69.5 million in the fiscal year 1954-55. Preliminary figures show export earnings at A £784.2 million, an increase of A £10 million over the previous year, and spending on imports at A £821 million, down A £22.7 million from 1954-55. In June, the surplus of visible trade reached A £9.8 million and this aided in reducing the trade deficit, which stood at A £75.7 million at the end of March 1956. This marks the second successive year in which Australia has had a visible trade deficit—Sydney, July 6.

Cuba

EXPORTS—Cuban exports in 1955 totalled \$594 million. Main groups were: sugar and by-products, \$474 million; minerals, \$35 million; foodstuffs other than sugar, \$14 million; tobacco, \$43 million; forest products, \$8 million; animals and by-products, \$6 million; metals, \$4 million—Havana, July 12.

India

PAPER INDUSTRY—Twenty units are currently manufacturing paper and board in India, as against 17 at the end of 1950. The annual installed capacity of these units expanded from 137 thousand tons at March 31, 1951, to 211,900 tons at December 31, 1955. Production during 1954 reached 183,490 tons, and is expected to increase to 450 thousand tons by March 31, 1961, the end of the Second Five Year Plan. With

the spread of literacy, it is expected that the per capita consumption of paper and paperboard will go up from the present 1.9 lb. to 3 lb. during the same period. At present there is only one newsprint mill in India, which started production in 1955 and has an annual capacity of 30,000 tons, although its present output is much less. The target for 1960-61 is 100 thousand tons, with the establishment of new mills—New Delhi, July 9.

Indonesia

COPRA FOUNDATION—The Government has announced that the Copra Foundation (Jajasan Kopra), which has control over the purchase and sale of all coconut products, is to be liquidated and succeeded by a copra co-operative. The Copra Foundation will transfer its work to a special committee, composed chiefly of representatives of the copra producers, by July 12, 1956, and the committee must establish the new organization by July 12, 1957—Djakarta, July 5.

Pakistan

OIL EXPLORATION—A recently signed agreement between the Government of Pakistan and a well-known United States petroleum company provides for increased oil exploration. The United States company will conduct a seismographic survey, followed by an oil drilling program, in an area of 20,000 square miles in West Pakistan along the coast of the Arabian Sea from Karachi toward the Iranian border. American geologists are reported to be optimistic over oil possibilities in this area—Karachi, July 4.

South Africa

BUDGET SURPLUS—The Union surplus for the fiscal year 1955-56, which had been estimated at about £12 million, actually totalled over £19 million. The whole of the surplus has been credited to Loan Account to be used for capital expenditures—Cape Town, July 10.

INDUSTRIAL PROGRESS—Preliminary figures from the latest available industrial census, 1952-53, indicate the growing importance of industry in the South

African economy. Gross industrial output rose from £962.2 million in 1950-51 to £1,165.2 million in 1952-53 and the rise appears to be continuing. Estimates for 1954-55 show that private manufacturing makes the largest contribution to the net national income, accounting for 26.4 per cent of the total as against 14.2 per cent for agriculture and 13.6 per cent for mining—Cape Town, July 10.

United Kingdom

PRODUCTION—British industrial production in May continued the downward trend shown in April; the index of industrial production for May is provisionally estimated at 135-136 (1948=100), compared with a revised figure of 136 for April. In 1955 the corresponding figures were 140 and 134. Production during the first five months of this year rose less than $\frac{3}{4}$ per cent; in the same period last year there was a rise of 6 per cent. The average index for the last three months was 137 compared with 139 in 1955, a decline of 1.4 per cent.

In the first five months of the year there was no great change in the manufacturing output compared with last year; figures for March and April are given as 142.5 and 144. The effects of the maintenance overtime ban on steel output and cutbacks in other manufacturing industries, particularly car production, probably contributed to the decline in the index figures for this year. They contrast sharply with the 1955 figures which showed an 8 per cent increase in the first five months, compared with a 6 per cent increase for industry as a whole—London, July 20.

GOLD AND STERLING RESERVES—During June, sterling area gold and dollar reserves rose by \$16 million to \$2,385 million, a total gain for the first half-year of \$265 million. This compared with a loss of \$83 million in the same period last year. The June surplus was the smallest this year (May, \$41 million; April \$51 million; first quarter average, \$52 million). This drop was partly the result of special payments and also of adverse seasonal factors and is not viewed with dissatisfaction.

In addition to routine payments on United States and Canadian dollar loans, Britain has now started repayments on the outstanding loan element of Marshall Aid with a payment of \$4 million in June. The quarterly \$8 million on the Canadian interest-free loan was remitted.

Defence aid received from the United States totalled \$2 million, and \$16 million came in from the European Payments Union, representing a 75 per cent settlement of the U.K.'s May surplus of £8 million. The usual \$2 million monthly payment on

old debts was made to the EPU. In June Britain had a trading deficit of £9 million with the EPU which is due to be settled in July—London, July 20.

United States

FOREST PRODUCTS—Michigan timberlands have been the scene of several important developments in recent months. A major producer of wallboard has announced the purchase of 200 thousand acres of woodland in the Upper Peninsula and, it is reported, will build a \$6-million fiberboard plant at L'Anse, on Lake Superior. The new mill will use northern hardwoods. In the same area of the Upper Peninsula, a Chicago firm is reported to have purchased a paper mill, idle since 1954, at Ontonagon. The new owners plan to spend some \$2.5 million converting the plant to a semi-chemical pulping operation for the production of corrugating medium. A third development has taken place at Cheboygan, near the northern tip of the Lower Peninsula, where a Wisconsin firm has acquired a paper mill closed since June 1953. After a \$1-million renovation, the plant will begin operations early in 1957—Detroit, July 23.

Venezuela

NEW PIPELINE ESTABLISHED—The Venezuelan Minister of Mines and Hydrocarbons has approved the construction of a new 20" pipeline. The new line will run from Campo Silvestre in the State of Barinas to the deep-water port of Puerto Cabello, a distance of 340 kilometres. Capacity with one pumping station which is now being built will be 100 thousand barrels a day. Additional pumping stations will be built as production in Barinas increases. The project will cost roughly \$26 million. When completed, it will make possible substantial exports of crude oil from this state for the first time—Caracas, July 13.

RETAIL MERCHANDISING—The Operations Manager of the International Basic Economy Corporation, Food Division, has announced that the company will have nine supermarkets in operation in Venezuela by the end of 1956. Modern shopping centres are now open in Caracas and Maracaibo, and new stores are being built in Anaco, Estado Anzoategui; Judibana, Estado Falcon; Lagunillas, Estado Zulia, and Barquisimeto, Estado Lara. The company's investment in these retail outlets will reach approximately \$6 million by the end of this year. Total sales are now running at about \$15 million a year. Many of the new outlets will be established in oil company towns previously served by camp commissaries. The principal purchasing offices of IBEC are located in Caracas, New Orleans, and New York—Caracas, July 13.

Shipping by Truck to the Midwest

Many Canadian exporters to the Midwest States of products as varied as footwear and fish, printed matter and packinghouse products, are finding commercial trucking services both speedy and efficient.

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

IT IS DIFFICULT to think of commercial transportation without trucking services. The network of highways with huge trailers and motor carriers moving over them is a part of our everyday life, yet this form of commercial transportation in the United States has become important mainly in the last twenty years. Between 1925 and 1935, truck registrations rose only from 2.4 million to 3.4 million and in the next decade, by only a further million. But in the ten years between 1945 and 1955 the registrations doubled from 4.8 million to 9.6 million vehicles.

Trucking Services Available

The present practice of both store and plant of carrying small inventories and depending on manufacturers to supply continuously and promptly at comparatively short notice places strong emphasis on quick door-to-door delivery.

Consequently, the ability of Canadian firms to compete in the United States market often depends upon the types and the speed of transportation services. In

certain fields, it is an advantage to be able to assure prospective customers in Chicago, Indianapolis or other Midwest points that second-morning delivery from Toronto is possible—or that there is an equally fast service between Winnipeg and Minneapolis. This is feasible because of the close working arrangements between a number of established motor carriers in this area and equally responsible trucking firms in Canada.

There are, of course, other forms of transportation available and this has been recognized in earlier articles dealing with rail and water transport services. (See *Foreign Trade* of February 18, 1956, and April 14, 1956.)

A canvass of the motor transport services in Chicago and the Midwest states reveals that fully mechanized, efficient and up-to-date terminal services are in operation, with carrier vehicles of nearly every type. Most of the road transport firms do not find it too difficult to obtain northbound freight; they get an increasing share of the approximately \$3.4 billion worth of goods of all descriptions—from citrus fruits and vegetables to highly manufactured products—which Canada buys each year from the United States.

Southbound Cargoes Needed

The problem is securing compensating southbound cargoes of Canadian products for the United States markets. At present the products being carried from such points as Toronto in eastern Canada to and around Chicago include textiles, machinery, chemicals, farm equipment, sports equipment, printed matter, metals, liquors, automobile parts, foods, rubber goods, mining equipment, electrical equipment, packinghouse products, footwear, casein, glassware, and fish. From western Canada the truckers take mainly packinghouse products, fish in season, grass seeds and forage crop seeds, whisky, and agricultural implements.

Motor carriers report that the establishment of sufferance warehouses in Winnipeg and Toronto has eased the burden of customs inspection at the border. Northbound traffic can now be put in bond at the border and examined at the sufferance warehouse while it is being unloaded at either of these two cities.

For Further Information

Canadian exporters to the United States should examine all modes of transportation open to them when they are quoting for the Midwest market, bearing in mind the type of product, the speed of service, and the cost of such transportation. Information on trucking services can usually be obtained from local Chambers of Commerce. ●

Forest Products for Australia

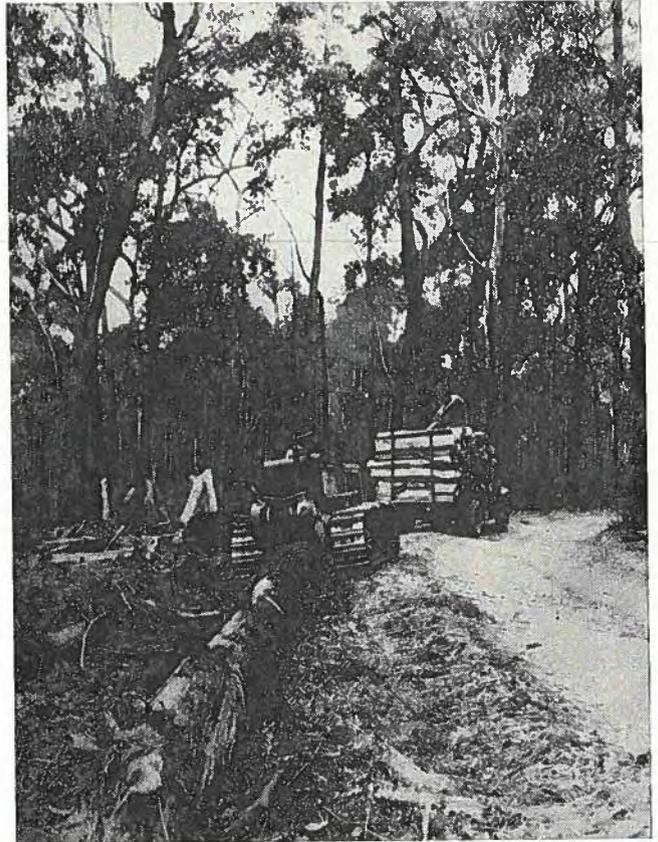
Further experiments in using hardwoods and greater efficiency in forest industries may help Australia to make maximum use of its limited timber supplies. But imports will continue to play important part, with North America holding its place as an overseas supplier of structural timbers, pulpwood, and newsprint.

R. W. BLAKE, *Commercial Secretary, Melbourne.*

AUSTRALIAN CONSUMPTION OF TIMBER is about 80 per cent hardwood and only 20 per cent softwood—exactly the reverse of most timber-using countries. This is the result of the geography of the country and its predominantly dry climate which has limited the forest area. Most of the growth is hardwoods. With a good supply of indigenous hardwoods and a long costly haul for imported softwoods, the Australian consumer has experimented with, and has achieved considerable success in, using the material at hand.

The obstacles of greater weight, greater resistance to sawing, nailing and screwing, and the tendency to split have been overcome, although there is limited opportunity to take advantage of the comparatively greater strength of these timbers.

Before World War II about 25 per cent of Australian production was softwood which, with relatively large softwood imports, provided about half of Australia's total timber consumption. The present dominance of hardwood consumption reflects the reduction in local supplies of softwood, postwar world shortages of tim-



Workers loading billets from eucalypt trees to be used for pulping. By mixing hardwood pulp with softwood pulp, Australia produces about one-third of its newsprint needs.

ber, and Australian import restrictions which have prevented the increase of softwood imports.

The total land area of Australia is a little less than three million square miles but the total forested area is only about 160 thousand square miles, or approximately 5 per cent. Only about 3½ per cent of this represents softwoods and 50 per cent hardwood. This area of 160 thousand square miles contains a large proportion of very low-grade forest, and it is generally estimated that the prime forest area in Australia is only about 20,000 square miles, or less than 1 per cent of the total land area. It is unlikely to increase because the climatic conditions are unfavourable.

Improved Methods Necessary

However, according to some research workers, there is a terrific waste in Australian forestry methods because of the large number of small sawmills in operation, which do not lend themselves to an integration of sawmilling with pulping and other industries so that maximum utilization of the forests can be secured. Present sawmill production comes from over 3,000 mills and it is estimated that at least two-thirds of these have a capacity of less than 5,000 super feet per

day. Nearly all the remainder are in the 5,000 to 15,000 super feet per day group.

Efforts are now being made to attract overseas firms to establish processing plants to use forest waste products and low-grade timber unsuitable for milling. If successful, this would help to reduce the fire hazard and assist with the regeneration of new timber.

The feeling also persists that it is time for Australian foresters to pay more attention to increasing the production of the forests by improved silviculture, by experimenting to find out which species of hardwood and softwood grow best in certain areas, and by breeding experiments.

Research workers point out that even in the one species there is some variation in fibre length from tree to tree, and work is being carried on to investigate the possibility of selecting and growing *pinus radiata* with longer than normal fibres to obtain pulps of high tear characteristics.

Use of Hardwoods

A great deal of research to find ways and means of using the indigenous hardwoods of Australia has been carried on for many years and some excellent results have been achieved. Probably the most significant scientifically and the one which most affects the Australian economy is the utilization of pulp made from the hard eucalypt trees to make good-quality newsprint. By blending the short-fibre hardwood pulp with the long-fibre pulp from softwood, Australia is now able to produce about one-third of its newsprint needs. The proportion used is about 80 per cent hardwood pulp to 20 per cent imported softwood pulp.

Variations of the percentages of hardwood and softwood pulp are used to overcome the low tearing strength of the eucalypt chemical pulps, to produce container boards, wrapping and multiwall bag papers.

A greater percentage of hardwood timber is also being used in other ways, despite the traditional advantages of softwoods. About 25 years ago 80 per cent of Australian flooring was in softwoods. Now the situation is reversed and about 80 per cent of flooring now consists of hardwood. In box manufacture, where softwoods have obvious advantages, native timber has been employed.

Australian Output

Climate and geography operate against any rapid increase in the contribution to Australia's timber needs from local sources. The natural hardwoods grow slowly, so that a given area under such hardwood forest yields a comparatively small quantity of timber. Planted softwood forests will give greater yields in a shorter time, but this is a long-term venture and will

depend on the limited area where conditions are suitable and where the timber is within reasonable distance of transport and processing facilities.

At the present time, Australia produces about 80 per cent of the timber it requires and imports about 20 per cent. According to S. A. Clarke, Chief of the Commonwealth Scientific and Industrial Research Organization Forest Products Division, if no changes were to take place in local production, then with a future possible population of 20 million and the same per capita consumption, Australia could produce less than 40 per cent of her sawn timber requirements and the remaining 60 per cent would have to be imported.

It seems clear, therefore, that Australia will have to import a substantial and probably a growing proportion of her future needs, mainly softwoods from North America, Scandinavia and New Zealand. Increasing quantities may be imported from countries near to Australia such as Indonesia, Borneo and Malaya, who have expanded their supplies in recent years, but these are mostly hardwood and could yield a proportion of plywood logs.

New Zealand Supplies

New Zealand is shipping pulp to Australia to be mixed with eucalypt pulp to make newsprint and other papers, and the expansion of plant in New Zealand promises to make available substantially increased quantities of pulp and possibly paper as well.

Australia only produces a third of her own newsprint requirements at present, and as these needs will surely expand rapidly in future, it is unlikely that the local industry will meet local demand for many years to come. It may be possible, however, to obtain a greater yield from existing eucalypt forests in Tasmania.

Australian consumption of sawn timber per head of population was about 195 super feet in 1954-55 (142 in 1938-39), and the demand is expected to expand. Imports of sawn timber totalled 352 m. super feet and local production about 1,400 m. super feet a year.

Assuming that Australia raises local sawn production by 20 per cent in the next 25 years, and per capita consumption stays at the existing level (a conservative estimate), imports of sawn timber would have to rise from the present 350 m. super feet to about 1,800 m. super feet yearly.

For ordinary uses of timber, such as building, furniture, plywood, etc., it is very unlikely that New Zealand could meet all of Australia's needs, although the fact that it is in the sterling bloc makes it an attractive source, and increased imports would help to balance Australia-New Zealand trade. Moreover, New Zealand will be offering mainly softwoods such as *pinus radiata*. This has not yet been fully accepted in Australia as a

building material but it has made some headway in New Zealand. As larger quantities become available in Australia, its use there will also increase.

The Outlook

To sum up, Australia's rapidly expanding population will call for an increasing supply of forest products which will have to be met by stepping up imports. New Zealand will be able to supply increasing quan-

tities of pulpwood and some building softwoods, with nearby Asian countries supplying more hardwoods.

Scandinavian countries will also make their contribution. However, it seems reasonable to assume that North America will continue to hold its place as a supplier of structural timbers, pulpwood and newsprint, and the opinion of the trade is that even more supplies will be required from Canada and the United States than at present.

Kenya Exports Rare Woods

Podocarpus, camphorwood, cedar and cypress from Kenya are widely sold abroad to consumers who value their durability and beauty of grain. Cedarwood oil made in the colony also goes to foreign customers.

WILEY J. MILLYARD, *Trade Commissioner, Salisbury.*

KENYA EXPORTS over a dozen types of timber, both hardwood and softwood, and some of these are durable enough to compete with teak from the Far East and greenheart from the Caribbean area. Flooring blocks made from Kenya timber are among the best in the world for lasting quality, beauty of grain and a pleasant aroma that lingers long after floors are laid.

There are two principal groups of timber exporters and between them they control over 50 mills; the largest has a capacity of 1,100 tons per month and the average is about 200 tons. The Government issues cutting licences for a 20-year period and the mills pay a sliding royalty on their cut which is linked to the selling price and revised once a year. The royalty

varies with the rarity of the wood and ranges from 22 per cent on podocarpus down to 13 per cent on cypress.

Softwoods Replacing Hardwoods

The demand for the indigenous timbers (mostly hardwoods) over the last 40 years, both for internal and external use, has been heavy and reforestation is a slow process. For this reason, the present policy is to plant exotic softwoods (principally cypress and pine) which grow easily. These will therefore play an increasingly important role in the timber trade and in time furnish the basis for a cellulose industry.

Podocarpus, camphorwood, cedar and cypress are four of the best known woods now exported. Podocarpus

Principal Markets for Kenya Timbers, 1954

	PODOCARPUS		CYPRESS		CAMPHORWOOD		CEDAR	
	cu. ft.	£	cu. ft.	£	cu. ft.	£	cu. ft.	£
United Kingdom	58,060	26,271	.....	.....	12,060	6,437	3,292	1,317
Australia	2,439	1,313	6,386	2,763	.....	.....	12	5
Greece	6,123	1,746	.....	.....	.....	.....	749	167
Union of South Africa	666	333	25	13	.....	.....	133	101
Italian Somaliland .....	.....	.....	5,567	2,254	.....	.....	.....	.....
Other countries	1,851	1,940	645	327	1,575	950	.....	.....
	69,139	30,603	12,623	5,357	13,635	7,387	4,186	1,590

attains a height of up to 120 feet, often with 50 to 70 feet clear bole, straight and cylindrical; the wood is white or pale brown (similar to white pine but not resinous) with a fine and even texture, and the growth rings are not visible. It is the standard building and general joinery wood of East Africa and is slightly harder than commercial softwoods. It takes paint or varnish extremely well and makes a good quality plywood.

Camphorwood is a remarkably strong wood, said to be superior in strength to Honduras mahogany. A yellow or golden brown when it is first sawn, in time it darkens to a deep brown colour, almost black. This process can be halted by applying a colourless varnish when the desired hue has been reached. It is used for panelling, furniture, boat-building, flooring and battery separators. It too is a tall tree and the logs average three feet in diameter.

East African cedar is in fact a juniper—the largest juniper in the world, growing to a height of 140 feet and 10 feet in diameter. There is a narrow band of white sapwood but the heartwood is red, varying in shade from pale yellow-brown to deep purple-red. For many years considerable quantities have been exported to Europe for the manufacture of lead pencils and penholders and for wardrobe lining.

Non-Kiln-Dried Shipments

Kiln drying is not used in East Africa. Instead the timber is allowed to stand until it is reduced to about 20 per cent moisture content and then it is shipped. Experience has shown that it arrives at its overseas destination in good condition. The main markets for Kenya timbers in 1954 are shown in the table on page 22.

Cedarwood Oil for Export

As a by-product of the timber operations, cedarwood oil is produced in sufficient quantity for export. The principal demand is from furniture manufacturers in widely separated parts of the world who today cannot obtain enough of this oil from domestic sources and must rely on overseas producers such as those in Kenya. In 1955 the price averaged from four shillings per pound f.o.b. mill, and there have been no violent fluctuations thus far in 1956. Hard-pressed users in Canada may well be interested in testing Kenya cedarwood oil and the Office of the Trade Commissioner in Salisbury can supply particulars upon request. In 1954 Kenya sold cedarwood oil as follows:

	<i>lb.</i>	<i>£</i>
United Kingdom	31,750	5,363
Australia	2,221	333
France	6,479	1,260
Netherlands	11,395	2,335
United States	1,693	400
Total	53,538	9,691

Japan Grows More Food

IN CONTRAST WITH some other areas of the world, Japan's most pressing agricultural problem is to increase production. Her cultivated land area of 600 thousand acres serves a population of 89 million, which is increasing at the rate of 1½ million a year. In order to maintain an average daily diet of 2,100 calories for each person, Japan must import large quantities of wheat, barley, sugar and vegetable oils. Main Canadian agricultural exports to Japan in 1955 were wheat (\$52.7 million), barley (\$5.7 million), flaxseed (\$4.7 million), milling products (\$2.4 million), rapeseed (\$2 million) and hides (\$1.2 million).

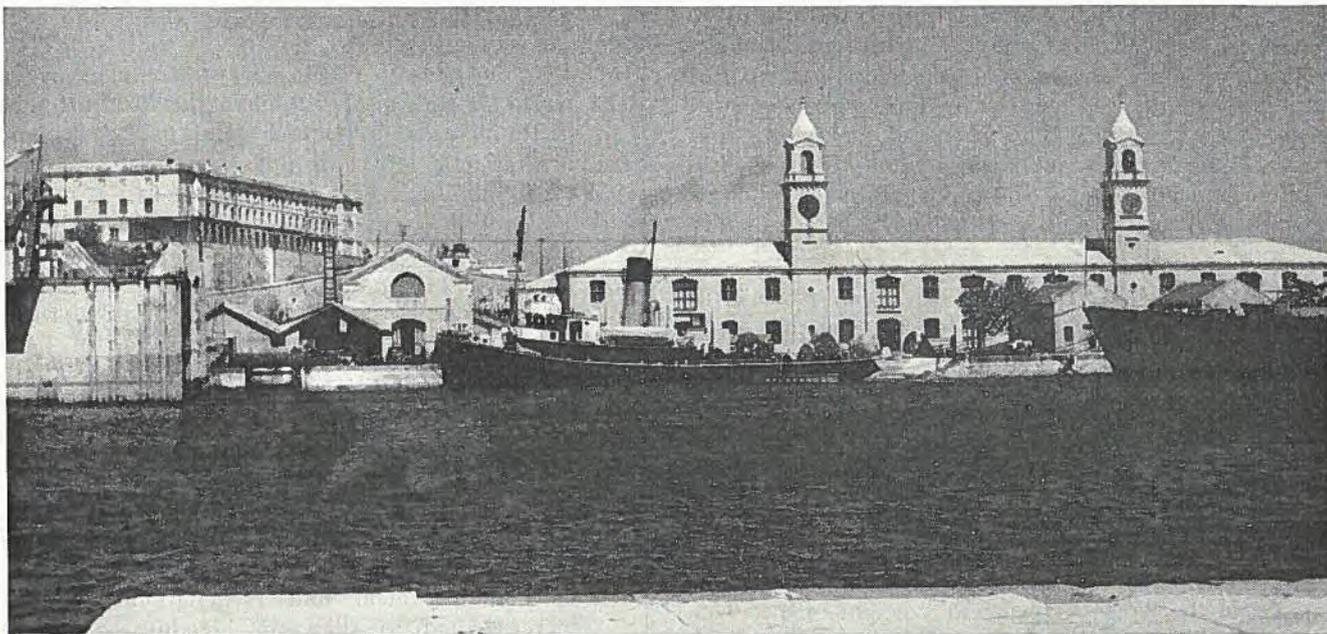
To carry out its aim of greater domestic output, the Government maintains an extensive farm-aid program including seed improvement, pest control, land improvement and reclamation, livestock increase, aid to silkworm breeding, extension services, loans to farmers, disaster rehabilitation and assistance to Agricultural Co-operatives.

Some progress is being made. Rice production of 400 million bushels last year established a new record, exceeding average yields by some 63 million bushels. Approximately 50 million bushels each of wheat, barley and rye represented better-than-average crops. Production of sweet potatoes reached 7.9 million tons, an all-time record. Rapeseed, tobacco and tea all showed substantial increases. Fruit production was somewhat lower than in previous years. Silk cocoon production, in keeping with Japan's increasing silk output, rose from 88 thousand to 116 thousand tons. Good growing conditions throughout Japan in 1955 were at least partly responsible for the bumper crops. Government agriculturalists also credit a marked improvement in methods and are confident that there will be further production increases each year.

Farm policies now in effect include a subsidized chemical pest control scheme and a six-year program to double livestock production, particularly of dairy cattle, swine, sheep and poultry. Reclamation and irrigation projects, underwritten by the World Bank, are planned for 147 thousand acres.

Most imported breeding stock for the livestock improvement program comes from New Zealand and Australia. Few animals are imported from Canada because landed costs are higher and Japan is short of dollars.

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



Bermuda has recently set up a free-port area in the old naval dockyard, part of which is shown here. Firms which establish themselves in this area are assured of certain privileges, such as tax exemption, and may carry on certain operations there.

There's Business in Bermuda

Banks curb credit but business is good and prospects reasonably bright. Trade and investment opportunities should attract Canadians; setting up of a free port area merits special study.

C. R. GALLOW,
Consul and Trade Commissioner, New York.

WITH FEW EXCEPTIONS, Bermuda businessmen are satisfied with last year's operations and are reasonably optimistic for this year. Bermuda's economy is healthy and has shown steady progress, although the rate of advance levelled off in 1955 largely because of tightened bank credit. This year business is expected to be as good as last year, but probably no better due to credit restrictions.

Banks Cut Loans

An analysis of Bermuda's balance-of-payments position early in 1955 indicated over-spending since 1951. The figures for 1954 revealed that total expenditures in all countries abroad in that year were some £750 thousand greater than total earnings, although the Colony realized a substantial dollar surplus in its trade with

Canada and the United States. There was also evidence of over-supply in many products, particularly consumer goods for use of local householders. After the war a number of companies branched into new lines and now there may be three times as many firms stocking the same type of goods as in prewar. Increases in household equipment are most noticeable.

In an attempt to re-establish market equilibrium, Bermuda curbed the free flow of credit. About mid-1955 the banks raised the interest rates on loans and deposits. More important, they began to press actively for collection of outstanding debts and refused to grant new loans that seemed likely to aggravate the market situation.

Instalment Buying Restricted

One effect of this new credit policy was to reduce instalment buying. In Bermuda there are no financial organizations that underwrite instalment purchases. Each merchant has to arrange for time sales on his own resources. Apparently most firms financed this part of their business through bank overdrafts and loans. When a merchant sold household equipment on instalments, he arranged bank credit to replace his stock. Now, however, with the bank source dried up

he is encouraged to collect outstanding payments as quickly as possible and look more to cash sales. Although this policy will probably restrict most firms, some with substantial financial resources of their own will find little need to cut down on imports or sales.

Most businesses have felt the effect of tightened credit, particularly the construction industry. Construction of new houses has fallen off, the building products market is stagnant, and the hardware trade is growing increasingly price conscious.

Canadians Pace Tourist Growth

The tourist industry is of paramount importance to Bermuda; it is practically the sole support of the Island's prosperity. The number of visitors last year was only 4 per cent greater than in 1954, compared with 12 to 16 per cent increases in recent years. Of the 108 thousand visitors to Bermuda in 1955, 91 per cent came from the United States, 6 per cent came from Canada, and 2 per cent from the United Kingdom.

Canadian visitors last year showed an encouraging increase over 1954 and 1956 is away to an excellent start. The number of Canadians who arrived during the first four months increased by more than 50 per cent. In general, the prospects are good for the tourist industry this year and the total number of visitors is expected to exceed last year's. Bermuda is increasing its tourist promotion efforts in the United States and individual hotels continue to promote business on their own.

The biggest problem of the tourist industry still is accommodation. The urgent need now is for a big new hotel to set the competitive pace for the existing hosteleries, to encourage them to refurbish their buildings and to sharpen up their services. Some of them are making efforts to improve but others are either resting on their laurels or starting to slide. Unfortunately, it seems that funds to build a new hotel are not available from local residents; they will have to come from foreign sources and this can take a long time to arrange.

Opportunities for Exporters

Handling of import licences is reasonable and the authorities may relax restrictions on imports of some goods from dollar countries this year, although Bermuda will continue skeleton controls to meet any future difficulties.

Relaxed licensing which favours imports and the credit squeeze which tends to curtail them will influence trade with the Colony. The credit situation is not likely to have any marked effect on Canada's trade; only a small part of our exports are goods of the type that the credit restrictions cover.

However, there are two developments that could affect our exports seriously. The first is that Canada could lose the bulk flour market to American competitors who are underbidding most Canadian mills. Second, imports of fresh eggs now face increased competition from local poultry farms. Opinion varies on the extent of the competition in the egg market and whether it is likely to be permanent, but competition does exist and is now felt. Flour and eggs ranked second and third among Canadian exports to Bermuda in 1955 with a combined value of \$400 thousand.

Despite long-standing associations between some Canadian exporters and Bermuda importers, there are still numerous opportunities for Canadians to enter that market. The following general list of commodities will indicate the range of goods Bermuda firms are seeking:

foodstuffs	Christmas trees
garden seeds	charcoal briquettes
shrubby	candles
garden tools	light bulbs
insecticides	greeting cards
plant foods	cheap souvenir & novelty items
beekeeping equipment	handbags and wallets
poultry equipment	shoelaces
corn brooms	wooden clothes pins & hangers
mops	inner-spring mattresses
mirrors	motor scooters
paper bags	well-drilling equipment
egg cartons	

Interested manufacturers should send details of their products and prices (f.o.b. Atlantic ports) to:

The Canadian Consulate General
620 Fifth Avenue,
New York 20, N.Y.

Opportunities for Investors

Investment prospects merit special consideration because Bermuda has no income tax, no capital gains tax, no excess profits tax and no estate duties.

At the end of April legislation was passed setting up a free-port area in the old naval dockyard. It is a specifically defined area described officially as one—

"into which or from which goods, articles or things may be imported or exported or in which they may be manufactured, processed, assembled, packaged or stored without payment of any taxes or duties whatsoever."

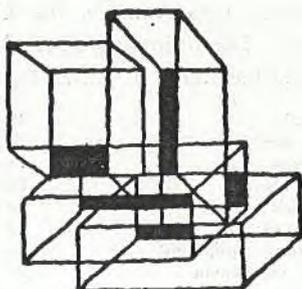
To take advantage of these facilities, a foreign firm can incorporate in Bermuda as an "exempted" company. Such a company pays a nominal annual fee of about \$600.00 regardless of size or type of operation, but its activities are restricted. As part of the sterling area, Bermuda has exchange controls. Anyone who ships goods out of the area into Bermuda will have to pay the regular customs duties.

Companies which plan to incorporate for export purposes should discuss their future exchange requirements with the Currency Control Board before incorporating. This procedure assures that companies can operate to everyone's satisfaction from the start.

The reason for setting up a free port area is to diversify the economy of the Islands by attracting light manufacturing industries and firms interested in duty-free

warehouse storage. Further details can be obtained by writing to the Bermuda Crown Lands Corporation, Hamilton, Bermuda.

Firms or individuals interested in opportunities for investment in the hotel business should contact the Bermuda Trade Development Board, Hamilton, Bermuda.



commodity notes

Argentina

FREIGHT CARS—The Argentine Ministry of Finance has just announced its approval of a proposal by a German firm to establish a metallurgical plant to produce all-steel railway cars, especially freight cars (both box and flat cars) as well as tank cars, mining cars and storage tanks for propane and petroleum products. It is estimated that the investment will amount to approximately US\$2 million—Buenos Aires, July 5.

Australia

PAPER PULP—A new continuous pulping unit has recently been brought into operation at the Burnie, Tasmania, plant of Associated Pulp and Paper Mills Ltd. It is the first continuous digester to operate in the southern hemisphere; cost, including installation, exceeded £100 thousand. Pulp produced will go into the wide range of fine printing and writing papers which now supply a large proportion of Australia's needs—Melbourne, July 9.

Brazil

COTTON—Following reports of shortages on the domestic market for some types of cotton, the Brazilian Foreign Trade Department last week temporarily suspended all cotton exports while it studies the supply position for the next crop. Heavy rains in the cotton areas of São Paulo State have led to a sharp deterioration in quality and it is feared that

exports of the better types may lead to an acute shortage for the Brazilian textile industry in later months. Because of the export restrictions, cotton prices on the São Paulo market declined sharply and trading was almost at a standstill—São Paulo, July 9.

COFFEE—Coffee exports during the first ten months of the 1955-56 crop year totalled just over 14 million bags, almost 60 per cent more than in the same period of the previous crop year—São Paulo, July 9.

Cuba

FROZEN FROGS' LEGS—Commercial exports of frozen frogs' legs to the United States, which began in 1938, have been steadily increasing and reached 425,868 kilos (\$510,993) in 1955, compared with 325,001 kilos (\$430,223) in the preceding year. More careful breeding, selection and packing practices will, it is believed, help to increase exports still further—Havana, July 12.

Federation of Rhodesia and Nyasaland

TIMBER—The Southern Rhodesia Forestry Commission is working on a long-term plan to supply all of the country's timber needs and to lay the foundation for a pulp and hardboard industry. Government plantations in the Eastern Districts now contain 15,000 acres of pine which is three times as much as

ten years ago. A few sawmills are already using locally produced pine.

Timber has long been Canada's leading export to Rhodesia and Nyasaland and in the first 11 months of 1955 shipments of planks of Douglas fir, hemlock, spruce and other woods totalled 25 million board feet, worth over \$2 million. Although there is one local kraft paper mill, its production does not meet local demand and in the period January-November 1955, imports from Canada reached 580 tons, valued at \$113 thousand—Salisbury, July 6.

France

AUTOMOBILES—French manufacturers expect to produce approximately 700 thousand passenger cars during 1956. During the first four months, 222,025 passenger cars came off the assembly line—an increase of 22 per cent over the same period last year when 181,961 cars were produced. There is still a heavy demand for cars in France and one large manufacturer has a backlog of orders on hand for a full year's production. With only one family in four in France owning a car, the industry is confident it can maintain full production for a number of years before the market becomes saturated—Paris, July 13.

ALUMINUM—Aluminum production in France during the first quarter of 1956 has increased over the same period of 1955; output of primary metal totalled about 32,800 metric tons, compared with 28,100 tons in the first quarter of 1955. Production of secondary smelting metal is running at about 3,000 tons a month, compared with 2,500 tons in the early months of 1955. Bauxite extraction has declined somewhat in comparison with 1955 and this decline is matched by the fall in exports. Exports of metal also have been below last year's figures—Paris, July 13.

Hong Kong

WOOLLEN GLOVES—The Hong Kong woollen glove industry is experiencing a boom and exports this year are expected to increase by about 40 per cent over last year. The increase is largely the result of bigger orders from the United States, which has been buying from Hong Kong rather than Japan. Prices of gloves in Hong Kong are approximately 10 per cent lower than Japan's and the trend toward increasing shipments from Hong Kong is expected to continue—Hong Kong, July 13.

India

INKS—India is producing certain types of printing inks, such as letterpress, offset and litho inks, in sufficient quantities to meet her requirements. The

production of printing inks in India in 1955 reached 2,090 tons (1,675 tons in 1954). During 1955, the production of fountain pen ink in the country totalled 331,686 dozen 2-ounce bottles (597,606 dozen in 1954)—New Delhi, July 16.

PINE OIL—A new process for producing synthetic pine oil has been developed at the Indian Agricultural Research Institute, New Delhi. Some of the properties of this synthetic product are said to be superior to those of natural pine oil. Pine oil, which is a product of wood rosin and turpentine, is used in India as a wetting agent for textiles, as an ingredient in detergents, as a solvent and thinner for protective coatings, as a degreasing agent in leather manufacture and a softener for rubber, and as a constituent of disinfectants and pharmaceuticals. India's present requirements of pine oil, approximately 600 tons a year, are met almost entirely by imports from hard currency areas—New Delhi, July 16.

Jamaica

SHOES—In the first quarter of this year Jamaican shoe factories turned out 176,820 pairs of shoes, more than twice the number made in the Island's factories from January to March last year. Production of children's shoes has advanced most rapidly in recent months. The industry has grown steadily since 1952 when shoe imports were restricted by the Government. To achieve their present level of production, local shoe manufacturers import £201,744 worth of upper leathers annually. Canadian tanners who wish to obtain a share of this business can obtain the addresses of the factories from the Canadian Trade Commissioner here—Kingston, July 12.

Netherlands

ORNAMENTAL PLANT PRODUCTS—Netherlands exports of ornamental plant products in 1955 increased by 12 per cent, from 214.3 million guilders in 1954 to 240.9 million guilders. Exports to Canada amounted to 8.4 million guilders (1954, 8.2 million guilders). They included flower bulbs, 5.16 million guilders (5.11 million); trees and shrubs, 3.2 million guilders (3.0 million); cut flowers, 11,000 guilders (2,700), and potted plants 4,600 guilders (5,000). Total exports of flower bulbs made up 73.6 per cent of the overall total (1954, 74.3 per cent), cut flowers 14 per cent (13.4), trees and shrubs 10.2 per cent (10.2), and potted plants 2.2 per cent (2.1). Principal outlets for Dutch ornamental plant products in 1955 were West Germany at 48.7

million guilders, or 20 per cent of the total, the United Kingdom at 46.6 million guilders or 19 per cent, the United States at 43 million guilders or 18 per cent, Sweden at 31.3 million guilders or 13 per cent, France at 17.1 million guilders or 7 per cent, and Belgium-Luxembourg at 11 million guilders or 5 per cent—The Hague, July 19.

Norway

FERRO-SILICON—Norway's exports of ferro-silicon, primarily to Great Britain, Western Germany and Belgium, are expected to increase this year from 89,000 to 122 thousand tons. Although the United States and the Soviet Union are larger producers of ferro-silicon, with this increase Norway will be the world's largest exporter—Oslo, July 17.

NEW TIRES—A Norwegian factory in Vestfold plans to produce non-puncturable tires for bicycles, following successful experiments with foam rubber by a Norwegian chemist. The new invention is a combined inner tube and tire of cellular rubber. In tests, repeated high pressure applications have failed to crush the small bubbles of foam rubber which form the material. The company also intends to produce motorcycle tires of the same material—Oslo, July 17.

COAL—In spite of a severe Arctic winter season, coal production at Spitzbergen was very satisfactory; the first shipments were earlier than usual this spring. According to a report published by the Ministry of Industry, Norway's mines hope to ship 375 thousand tons of coal from Spitzbergen this summer, compared with 300 thousand tons last year. There is considerable demand for Spitzbergen coal in a number of countries, mainly Western Germany, Sweden and Denmark—Oslo, July 12.

South Africa

WOOL—The Union's income from wool for the 1955-56 clip showed a drop of £5.4 million from the previous season, although the clip was more than 8 per cent larger by weight. Prices, which early in the season had been running about 15 per cent below 1954-55, firmed to only 5 per cent lower at the close of the sales—Cape Town, July 5.

GOLD AND URANIUM—Production of gold continued its steady rise to set a new record in May of 1,349,598 oz. valued at £16,780,002. The previous record was set in March of this year when 1,298,432 oz. were produced. The opening of a new gold and

uranium producer in June by the Governor of South Africa served to emphasize the continuing expansion of gold mining and uranium extraction in the Union. This is the latest of five mines so far established in the Klerksdorp area—Cape Town, July 12.

South West Africa

MINERALS—The value of last year's mineral production totalled £28.3 million compared with £20.3 million the previous year. Of this amount, diamonds accounted for £15 million compared with £12.1 million in 1954; lead, copper and zinc concentrate increased by £5.1 million to £11.8 million. The remainder is made up of a wide variety of minerals which are produced in limited quantities—Cape Town, July 20.

Sweden

WOOD PRODUCTS—Sweden's exports of sawn and planed wood products for delivery during 1956 have now reached a total of 500 thousand standards, almost 60 per cent of the estimated total offerings for the whole year. Swedish prices during recent weeks have shown very little change. It is reported that British buyers are still showing only limited interest in Swedish and Finnish offers, mainly because of a decrease in Russian prices—Stockholm, July 5.

PLASTICS—Packaging material for plastics will soon be produced in a new factory erected in Halmstad, South Sweden, at a cost of over one million kronor. An agreement has been made with the U.S. firm, Milprint Inc., for the manufacture of certain items under licence—Stockholm, July 5.

NEW TYPE SCALES—A well-known company has developed a new electric weighing system for industry known as "Scale-telematic". A modern food processing factory, for instance, with 4,000 weighing operations a day now employs four to five full-time workers for the job. With the new machine one operator will do the same work in two hours—Stockholm, July 5.

United States

RADIO AND TV—Two radio and television manufacturers here have already unveiled their 1957 lines. Colour television and small-screen portable black-and-white sets are emphasized and a transistorized remote TV control unit has been introduced. The United States television market is estimated at nine million sets a year, which allows considerable expansion over the present six million a year—Chicago, July 20.

trade and tariff regulations

British West Indies

LIBERALIZATION OF IMPORT CONTROLS—It has been announced officially in Barbados, Trinidad and Jamaica that the following products have been placed under World Open General Licence in those colonies, effective July 2, 1956: leaf tobacco, fresh apples, chemical fertilizers and calcium carbide. It was announced that peas, beans, lentils and other legumes (pulses) dry, including split peas, have been placed under World Open General Licence in Trinidad only, also effective that date. Products which are under World Open General Licence may be imported without restriction from all sources.

Canada

EXPORT AND IMPORT PERMITS ACT—Order in Council 1956-1000, effective July 16, 1956, amends the Export Control List under this Act by deleting certain items and substituting others therefor, by revising certain definitions, and by adding several new items. These changes are given in detail in the schedule attached to the Order in Council and published in Part II of the *Canada Gazette* of July 11, 1956.

Effective the same date, General Export Permit No. Ex. 2 has been revised. The revision:

- (a) Removes the necessity for an individual export permit for goods listed, when destined to Hong Kong.
- (b) Dispenses with the formality of individual export permits for the same goods of foreign origin, when destined to any country not named in the Area Control List, including Hong Kong.

In addition to (a) and (b) above, the revised General Export Permit will also authorize shipment of the same listed goods to European Soviet bloc countries without obtaining an individual permit, provided the goods are of Canadian origin.

The list itself is virtually unchanged.

Federation of Rhodesia and Nyasaland

IMPORT RESTRICTIONS—The Department has been advised that there will be some further relaxations in Federation dollar import restrictions for the second half of 1956. The following products will be

permitted import without restriction from dollar countries during this period: sanitaryware; wall and floor tiles; felt, malthoid, rubberoid, and similar products; inter-communication control units for 20 or more connections; plastic sheeting and castors for trolleys and furniture when imported for industrial and manufacturing use. In addition, a quota for imports from dollar countries of padlocks to the value of £10,000 has been established. The licensing arrangements for all other products which prevailed in the first half of 1956 will be continued in the second half of the year.

Further information regarding import controls in the Federation is available from International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

India

IMPORT CONTROL POLICY ANNOUNCED—The Government of India announced on June 30th, in the official *Gazette*, the import control policy for the July-December 1956 licensing period. In formulating the policy, the Government advised, a closer integration between imports and the development of the country's industrial potential has been attempted. As a result, controls on imports of machinery and raw materials have been relaxed and restrictions have been imposed on a variety of goods which are, or may be, produced in adequate quantities in the country.

The quota for July-December 1956 has been increased on the following goods:

Milling and gear cutters, end mills, saws, taps, dies and other thread-forming tools; machine-worked saws; twist drills; garage tools; air-cooled marine-type diesel engines; centrifugal pumps and pumping sets; certain dyes; potassium chlorate; machinery, parts and accessories; medicinal soap; domestic hardware; electric cooking ranges; safety razor blades; ball bearings; table fans, complete; all sorts of fruit; nalcite ion exchange resins.

On the following goods the quota limit has been reduced for the current licensing period:

Hacksaw blades; portable or stationary air or gas compressors; certain pumps and pumping sets; aureomycine, acetic acid, ammonium chloride; liquid glucose; dextrose powder; sparkplugs; naphthol dyes, fast colour bases; oil cloth and floor cloth; butter, cheese and ghee; powdered milk; milk, condensed and preserved; sheet and plate glass; glass tableware; buttons; polystyrene.

Goods which have been removed from the liberal licensing scheme but are still licensable from the dollar area include:

Cation active finishing agents; synthetic resin finishing agents; malt extract and santonin, excluding preparations thereof; unspecified types of refrigerating machinery; pyrotechnic aluminum; cellulose adhesive tape.

Goods no longer licensable from the dollar area are:

Fish, salted or unsalted, wet or dry; canned fish; prints, engravings and pictures on paper or cardboard; lace and embroidery; precious stones, unset and uncut; synthetic stones; needles; all sorts of musical instruments and parts.

Norway

MANY DOLLAR IMPORTS LIBERALIZED—Norway liberalized many imports from Canada and other countries effective July 1st. Import licences are being issued automatically on application for the liberalized imports. The freed products are those falling within the following statistical chapters, in so far as their import from countries belonging to the Organization for European Economic Co-operation is also liberalized:

- Meat and meat products
- Fruit and vegetables
- Coffee, tea, cocoa, spices
- Raw tobacco
- Hides and skins, untanned
- Oil seeds, nuts and kernels
- Raw rubber, also synthetic and regenerated
- Spinning materials
- Raw fertilizing materials and various raw minerals
- Ores and metal waste
- Various animal and vegetable raw materials
- Fuel, lubricating oils, etc.
- Animal and vegetable fat, oil and wax
- Chemical raw materials and compounds
- Mineral tar and raw chemicals of coal, oil and gas
- Dyeing and tanning materials
- Explosives and various chemical products
- Rubber articles
- Yarn, textiles and ready-made textiles (except clothing)
- Non-precious metals
- Articles of non-precious metals
- Non-electric machinery
- Electric machinery, apparatus and parts
- Vehicles (railway rolling stock, aircraft, motor vehicles, ships)

Imports from OEEC countries were further liberalized at the same time and the complete list of freed products within these chapters is not yet available. It is expected, however, that complete information will be received in time to publish details in the next issue of this magazine.

It appears that this measure, which is Norway's first step towards liberalizing dollar imports, covers many Canadian industrial raw materials and capital

goods, as well as certain foodstuffs and consumer goods. However, cereals and a wide range of consumer goods remain under import control.

Trinidad

BAN ON U.S. PORK LIFTED—By an official notice dated June 7, the Ministry of Agriculture informed the trade in Trinidad that the import restrictions on fresh, frozen, cured and pickled pork from the United States had been removed. Since canned pork products were not previously regulated, this means that all pork products can now be admitted. In 1955, Trinidad purchased cured and pickled pork from Canada valued at almost Can.\$500 thousand—Port-of-Spain, June 20.

United Kingdom

WOOD PULP, PAPER AND BOARD, AND OTHER PAPERMAKING MATERIALS PLACED ON WORLD OPEN GENERAL LICENCE—The United Kingdom announced on July 17, 1956, that the following materials are admissible from any country under Open General Licence with effect from July 22:

- Wood pulp
- Papermaking materials listed hereunder:
 - Bagasse and bagasse pulp.
 - Esparto grass and esparto pulp.
 - Straw and straw pulp.

Paper and paperboard, except the following list of items:

- Newsprint.
- Oiled, waxed and other waterproof wrappings.
- Printed, embossed, or coated paper and paperboard.
- Stationery, labels, serviettes, towels, toilet paper, paper hangings, and other manufactures of paper and paperboard.

United States

INVESTIGATION INTO IMPORTS OF HARD FIBRE CORDAGE AND TWINE—According to a press release issued by the Executive Office of the President, Office of Defence Mobilization, Washington, a public hearing will be held September 11 on a petition filed by the domestic cordage industry under the Trade Agreements Extension Act of 1955.

ODM officials called the hearing to give the industry and other interested parties an opportunity to furnish information which could be used by the Director of Defence Mobilization in determining whether imports of hard fibre cordage and twines threaten to impair the national security. They pointed out that written presentations are also acceptable.



Coming to Canada on Business

The information about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

► from Australia

G. G. CARR, Managing Director, Henry Lane Pty. Ltd., dealing in builders' hardware, will arrive in Montreal at the end of July or early in August. Itinerary includes extensive visits in Montreal and Vancouver.*

FRANK SEALES of W. J. Carr Pty Ltd., 95-99 Bay Street, Port Melbourne, Victoria, and President, Australian Federation of Manufacturing Stationers, will investigate ideas for the Australian stationery industry. He plans to arrive in Montreal the third week in September and to stay in Canada approximately a month. Main cities on itinerary are Montreal, Toronto, Vancouver.*

S. T. ATKINSON, Director of A. G. Healing Ltd., dealing in automobile parts, expects to arrive in Montreal October 3 to visit the Montreal area for a few days.*

* For further information or to make arrangements to see these three men, please contact C. L. Steele, Australian Government Trade Commissioner, 1255 Phillips Square, Montreal.

► from Egypt

ELIE G. ABDELMESSIH, Managing Director, Societe Commerciale Belgo-Egyptienne S.A.E., P.O. Box 127, Cairo, arrives at the end of July in Montreal. He represents a well-established importing firm dealing in a variety of products including fuels, chemical products, sanitary ware, metal goods, lumber, etc. He plans to discuss ways to facilitate

sales of Canadian products in Egypt with officials of the Board of Trade in Montreal and of the Canadian Manufacturers Association when he visits Toronto. His forwarding address in Canada is c/o Mr. Peter H. Redpath, Canadair Ltd., P.O. Box 6987, Montreal, Que.

► from Mexico

ALFRED TAMS SCHULTZ, General Manager of Aluminio Industrial Mexicano S.A., arrived in Toronto July 23; will be in the country 22 days. His main purpose is to visit Aluminum Company of Canada Ltd. (head office, Sun Life Building, Montreal, Que.).

M. MUNOZ LOPEZ, executive vice-president and mining engineer, Cia. Minera Nor-Ex, S.A. will discuss mining problems with Noranda Mines Ltd., Toronto, Ontario. He arrived in Canada July 22 and expects to stay for 30 days.

► from the United Kingdom

H. P. R. SCOTT, managing director, Messrs. Sommerson Holdings Limited, Darlington, Durham Co., England, arrived in Canada August 1 and leaves August 14. The holding company he represents includes firms which produce railway engineering products such as permanent way switchgear, lever boxes, etc.; steel founders and machinists up to five-ton capacity; carbon steels, alloy steels and manganese steels. He desires to develop exports to Canada for the various firms under his company's control and conduct research into new lines of engineering products which may be in demand in Canada. His itinerary is as follows: arrives Quebec City August 1; from August 2 to August 8 inclusive, Mount Royal Hotel, Montreal; from August 9 to 11, King Edward Hotel, Toronto; August 10 day visit to Rochester, N.Y.; August 12 takes overnight train Toronto to Montreal; August 13 Mount Royal Hotel, Montreal; August 14 leaves Montreal by ship. Mr. Scott will be accompanied by his assistants, A. R. Robson and J. T. Todd.

Countries Served by Foreign Trade Service

This list shows the countries included in the territories of Canadian Trade Commissioner offices abroad and the post responsible for the promotion of Canadian trade in each.

Country	Post Responsible	Country	Post Responsible
ADEN	Cairo	GAMBIA	London
AFGHANISTAN	Karachi	GERMANY	Bonn
ALASKA	Seattle	GIBRALTAR	Madrid
ALGERIA	Paris	GOA	Karachi
ANGOLA	Leopoldville	GOLD COAST	London
ARGENTINA	Buenos Aires	GREECE	Athens
AUSTRALIA	Sydney and Melbourne	GREENLAND	Copenhagen
AUSTRIA	Berne	GUATEMALA	Guatemala
AZORES	Lisbon	GUIANA (BRITISH, DUTCH, FRENCH)	Port-of-Spain
BAHAMAS	Kingston	HAITI	Port au Prince
BAHREIN	Beirut	HAWAII	San Francisco
BALEARIC ISLANDS	Madrid	HONDURAS	Guatemala
BARBADOS	Port-of-Spain	HONG KONG	Hong Kong
BELGIAN CONGO	Leopoldville	HUNGARY	Berne
BELGIUM	Brussels	ICELAND	Oslo
BERMUDA	New York	INDIA	New Delhi and Bombay
BOLIVIA	Lima	INDONESIA	Djakarta
BRAZIL	Rio de Janeiro and São Paulo	IRAN	Karachi
BRITISH CAMEROONS	London	IRAQ	Beirut
BRITISH GUIANA	Port-of-Spain	IRELAND, REPUBLIC OF	Dublin
BRITISH HONDURAS	Kingston	IRELAND, NORTHERN	Belfast
BRITISH TOGOLAND	London	ISRAEL	Athens
BRUNEI	Singapore	ITALY	Rome
BURMA	Singapore	JAMAICA	Kingston
CAMBODIA	Hong Kong	JAPAN	Tokyo and Kobe
CANAL ZONE, PANAMA	Guatemala	JORDAN	Beirut
CANARY ISLANDS	Madrid	KENYA	Salisbury
CAPE VERDE ISLANDS	Lisbon	KOREA	Tokyo
CAYMAN ISLANDS	Kingston	KUWAIT	Beirut
CEYLON	Colombo	LAOS	Hong Kong
CHILE	Santiago	LEBANON	Beirut
CHINA	Hong Kong	LEeward ISLANDS	Port-of-Spain
COLOMBIA	Bogotá	LIBERIA	New York
COSTA RICA	Guatemala	LIBYA	Rome
CUBA	Havana	LIECHTENSTEIN	Berne
CURAÇAO	Caracas	LUXEMBOURG	Brussels
CYPRUS	Cairo	MACAO	Hong Kong
CZECHOSLOVAKIA	Berne	MADAGASCAR	Johannesburg
DENMARK	Copenhagen	MADEIRA	Lisbon
DOMINICAN REPUBLIC	Ciudad Trujillo	MALAYA	Singapore
DUTCH GUIANA	Port-of-Spain	MALTA	Rome
ECUADOR	Bogotá	MAURITIUS	Johannesburg
EGYPT	Cairo	MEXICO	Mexico
ENGLAND	London and Liverpool	MOZAMBIQUE	Johannesburg
ETHIOPIA	Cairo	NETHERLANDS	The Hague
FALKLAND ISLANDS	Montevideo	NETHERLANDS ANTILLES	Caracas
FEDERATION OF RHODESIA and NYASALAND	Salisbury	NETHERLANDS GUIANA	Port-of-Spain
FIJI	Wellington	NEW GUINEA	Sydney
FINLAND	Stockholm	NEW ZEALAND	Wellington
FORMOSA	(See Taiwan)	NICARAGUA	Guatemala
FRANCE	Paris	NIGERIA	London
FRENCH WEST AFRICA	Paris	NORTH BORNEO	Singapore
FRENCH EQUATORIAL AFRICA	Leopoldville	NORTHERN IRELAND	Belfast
FRENCH GUIANA	Port-of-Spain	NORWAY	Oslo
FRENCH WEST INDIES	Port-of-Spain		

Country	Post Responsible
ORANGE FREE STATE	Johannesburg
PAKISTAN	Karachi
PANAMA	Guatemala
PARAGUAY	Montevideo
PERSIA	(See Iran)
PERU	Lima
PHILIPPINES	Manila
PORTUGAL	Lisbon
PORTUGUESE EAST AFRICA	Johannesburg
PORTUGUESE GUINEA	Lisbon
PUERTO RICO	Ciudad Trujillo
RIO MUNI	Madrid
RIO DE ORO	Madrid
RUANDA URUNDI	Leopoldville
EL SALVADOR	Guatemala
ST. PIERRE and MIQUELON	St. John's
SARAWAK	Singapore
SAUDI ARABIA	Cairo
SCOTLAND	London
SEYCHELLES ISLANDS	Salisbury
SIAM	(See Thailand)
SIERRA LEONE	London
SINGAPORE	Singapore
SOMALILAND	Cairo
SOUTH AFRICA, UNION OF	Johannesburg and Cape Town
SOUTH WEST AFRICA	Cape Town
SPAIN	Madrid
SUDAN	Cairo
SURINAM	(See Netherlands Guiana)
SWEDEN	Stockholm
SWITZERLAND	Berne
SYRIA	Beirut
TAIWAN	Hong Kong
TANGANYIKA	Salisbury
TANGIER	Madrid
THAILAND	Singapore
TOBAGO	Port-of-Spain
TRIESTE	Rome
TRINIDAD	Port-of-Spain
TUNISIA	Paris
TURKS and CAICOS ISLANDS	Kingston
TURKEY	Athens
UGANDA	Salisbury
UNITED STATES	Boston, Chicago, Detroit, Los Angeles, New Orleans, New York, San Francisco, Seattle, Washington
UNITED KINGDOM	London and Liverpool
URUGUAY	Montevideo
VENEZUELA	Caracas
VIET NAM	Hong Kong
WALES	Liverpool
WESTERN SAMOA	Wellington
WINDWARD ISLANDS	Port-of-Spain
YEMEN	Cairo
YUGOSLAVIA	Rome
ZANZIBAR	Salisbury

AUGUST 4, 1956

Railway Reaches the Negev

ISRAEL'S RAPIDLY GROWING RAIL SYSTEM expanded further in April, when a new 46-mile line came into use, linking Tel-Aviv to Beersheba, the capital of the sparsely settled Negev wastelands in the south. The building of this \$6 million line took three years and required 11 thousand tons of rails and auxiliary equipment (received as reparations from West Germany), 110 thousand wooden ties obtained under a bilateral trade agreement from Finland, and 15,000 concrete ties made locally. This new link was built through very rocky and hilly terrain and with its completion Israel's rail network now consists of 392 miles of line, compared with only 145 miles in 1949.

The main purpose of the new line is to carry Negev-mined phosphates and Dead Sea potash north to the large chemical fertilizer plant in Haifa, and to speed up the development and settlement of the hitherto largely inaccessible and unexplored Negev desert. It is estimated that in 1956 phosphate production will total 150 thousand tons; two-thirds will be used by the domestic fertilizer industry and the remainder exported. All this phosphate will go to Haifa over the new line from Beersheba. The 1956 potash production, 60 thousand tons, will also go by rail to Haifa after being transported by truck from Sodom on the Dead Sea. Beersheba, with its 21 thousand inhabitants, is fast developing into the Negev's industrial centre and is already the home of several industries including ceramics, pesticides, caustic soda and other chemicals.

The completion last year of a 65-mile irrigation pipeline to the northern settlements of the Negev from the Yarkon River near Tel-Aviv is making it possible to grow a number of crops, including cotton, peanuts, sugar beets, tomatoes and cereals. The new railroad will help in marketing these products in the heavily populated cities of Tel-Aviv, Haifa and Jerusalem. Copper ore and salt from the Dead Sea will probably be included in northbound freight from the Negev.

The long-term plans of Israel's Ministry of Communications to expand the rail network further include the linking of both Sodom on the Dead Sea and the small port of Eilat on the Gulf of Aquaba with Beersheba and the north. When they are completed, these proposed new lines will contribute further to the development of the Negev area.

—C. SWIFT,

Office of the Commercial Secretary, Athens.

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 1.018784.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 19	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05453	18.34	(1)
		Free	.03091	32.35	
Australia	Pound		2.1953	.4555	
Austria	Schilling		.03775	26.49	
Belgium- Luxembourg	Franc		.01969	50.79	
Belgian Congo	Franc		.01969	50.79	
Bolivia	Boliviano	Official	.005166	193.6	
British West Indies	Dollar		.5717	1.749	(2)
	Pound		2.7441	.3644	(3)
	Dollar	British Honduras	.6860	1.458	
Brazil	Cruzeiro	Effective selling*			
		*Category I	.009843	101.6	
		*Category II	.007508	133.2	tax 10% (4)
		*Category III	.004993	200.3	*June 26
		Official buying	.05348	18.70	(5)
Burma	Kyat		.2061	4.852	
Ceylon	Rupee		.2058	4.859	
Chile	Peso	Free	.001987	503.3	(15)
Colombia	Peso	Basic	.3926	2.547	(7)
		Free*	.2062	4.850	*July 18
Costa Rica	Colon	Official	.1748	5.721	
		Controlled free	.1478	6.765	
Cuba	Peso		.9816	1.019	tax 2% (4)
Czechoslovakia	Koruna		.1363	7.337	
Denmark	Krone		.1421	7.037	
Dominican Republic	Peso		.9816	1.019	
Ecuador	Sucre	Official	.06544	15.28	
		Free	.05300	18.87	
Egypt	Pound	Official	2.8186	.3548	(6)
Fiji	Pound		2.4721	.4045	
Finland	Markka		.004268	234.3	
France	Franc		.002805	356.5	(8)
French Africa	Franc		.005610	178.3	(9)
French Pacific	Franc		.01543	64.81	(10)
Germany	D Mark		.2342	4.270	
Greece	Drachma		.03272	30.56	
Guatemala	Quetzal		.9816	1.019	
Haiti	Gourde		.1963	5.094	
Honduras	Lempira		.4908	2.037	
Hong Kong	Dollar	Free*	.1631	6.132	*July 6
		Official	.1715	5.831	
Iceland	Krona	Official	.06027	16.59	
		Special buying	.04470	22.37	
		Special selling	.03521	28.40	(11)
India	Rupee		.2058	4.859	
Indonesia	Rupiah	Basic	.08644	11.57	(12)
Iran	Rial	Certificate	.01296	77.17	
Iraq	Dinar		2.7484	.3638	
Ireland	Pound		2.7441	.3644	
Israel	Pound		.5453	1.834	
Italy	Lira		.001576	634.5	
Japan	Yen		.002727	366.7	
Lebanon	Pound	Free	.3047	3.282	
Mexico	Peso		.07853	12.73	

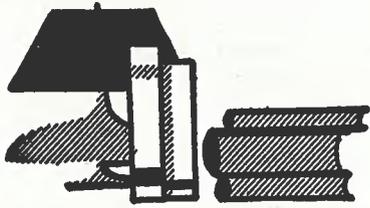
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 19	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2563	3·902	
Netherlands Antilles	Guilder		·5164	1·936	
New Zealand	Pound		2·7441	·3644	
Nicaragua	Cordoba	Effective buying	·1487	6·725	
		Official selling	·1392	7·182	
Norway	Krone		·1374	7·278	
Pakistan	Rupee		·2058	4·859	
Panama	Balboa		·9816	1·019	
Paraguay	Guarani	Official	·01636	61·12	(6) (13)
Peru	Sol	Certificate	·05166	19·36	
Philippines	Peso		·4908	2·037	
Portugal	Escudo		·03426	29·19	(14)
El Salvador	Colon		·3926	2·547	
Singapore & Malaya	Straits dollar		·3201	3·124	
South Africa (Union of)	Pound		2·7441	·3644	
Spain & Dependencies	Peseta	Basic buying	·04482	22·31	
		Basic commercial selling	·05977	16·73	(6)
		Free	·02520	39·68	
Sweden	Krona		·1897	5·271	
Switzerland	Franc		·2291	4·365	
Syria	Pound	Free*	·2770	3·61	*June 19
Thailand	Baht	Free	·04735	21·12	(6)
Turkey	Lira		·3506	2·852	
United Kingdom	Pound		2·7441	·3644	
United States	Dollar		·98156	1·019	
Uruguay	Peso	Official	·6462	1·548	tax 6% (4)
		Principal buying	·5741	1·742	(6)
		Principal selling rates	1·4675	2·139	
			1·4401	2·272	
Venezuela	Bolivar		·2930	3·413	
Yugoslavia	Dinar		·003272	305·6	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.



businessman's bookshelf

The Gas Appliance Industry in Canada

Economics Branch, Department of Trade and Commerce. 15 pages. Free.

WHAT KIND OF MARKET will there be for Canadian gas appliances when natural gas comes to larger population centres in western and central Canada? According to this report, the demand for gas heating for homes and apartments and for water-heating equipment is likely to expand rapidly; the expansion of the market for gas cooking stoves will not be as great. Production of newer types of appliances like dryers and disposal units, refrigerators and air-conditioners could become important secondary activities if the industry develops and promotes them.

The report does not evade discussion of the problem of gas competing with other fuels for heating and with electricity for cooking. This is a central theme in its review of the development of the gas production and gas appliance industries, probing the problems they have faced. The booklet concludes with a discussion of the outlook for the gas appliance industry in various regions of the country, and warns manufacturers of the kind of competition they may expect from American firms in the field.

Order from: Information Branch, Department of Trade and Commerce, No. 1 Temporary Building, Ottawa, Ontario.

Germany 1945-1955

Boas International Publishing Co. 738 pages. \$7.15, plus 85 cents postage.

THE FIRST POSTWAR DECADE witnessed the transformation of the Federal Republic of Germany from a war-ravaged country into a prosperous European power. This transformation—sometimes called the “German miracle”—provides a unifying theme for this comprehensive survey. Many readers will find themselves turning first to the 23-page section covering “basic problems of the rehabilitation of the Federal Republic”. There they will discover discussions of the free market policy, the currency reform, public finance, the absorption of refugees,

etc. This is followed by a discussion of Germany's position in the world economy.

Equally interesting to many businessmen will be the survey of the leading industries, banks, insurance companies, and commercial enterprises. The concluding section is devoted to pictures and brief biographies of Germans prominent in business, finance and industry.

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Order from: Richard Koch, Box 61, Station C, Montreal, Quebec.

British Empire Trades Index. 1955-56 Edition

Business Dictionaries Ltd. 1,084 pages. \$5.00 (postpaid)

THE REVISED *British Empire Trades Index* is published annually and is intended to simplify and expedite trade within the Commonwealth and between exporters and importers who wish to deal with members of the Commonwealth and of the United Nations.

Section I lists British Empire manufacturers, producers and distributors, according to their trade classification.

Section II is an alphabetical index to all firms appearing in Section I. Cross-references indicate the trade classification under which each company is listed.

Section III deals with trademarks and brands arranged alphabetically and Section IV contains overseas cable addresses.

Section V, organized in the same fashion as Sections I-IV, gives particulars of firms situated in countries which are members of the United Nations.

The *Index* also contains an alphabetical listing of the various trade classifications used, plus sections on shipping and port facilities at various world ports.

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