CANADA

foreign trade

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cover These Iraqui workers are packing for shipment abroad their country's third most important export, dates. Oil, the leading export, has brought prosperity to Iraq, and the country's sound development program should provide an expanding market for a wide range of Canadian goods. For the story of the new Iraq and the opportunities it offers, please turn to page two.

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The New Iraq

a challenging market

Prosperous and financially sound as a result of steady oil income and a well-planned development program, Iraq has made great strides along the road of economic progress. Given a climate of peace, continued expansion there should greatly increase markets for Canadian capital and consumer goods.

G. F. G. HUGHES, *Commercial Secretary, Beirut.*

A VISITOR TO BAGHDAD TODAY who can compare conditions with those of three years ago is astounded at the many changes. In addition to the bridges, new arterial roads traversing the city, hospitals, schools, improved public transport, street lighting, and other publicly-financed improvements, commercial and private interests are financing a vast building program. At least six banks are building new head offices and—a completely new departure—several branch banks have been opened in the newer business sections. Hotels, cinemas, and vast areas of new housing are taking shape. In the industrial field, two new cement plants have started operation and a sugar refinery with a capacity of 70,000 tons a year is to be completed in Baghdad next year. A privately-owned detergent factory with a capacity of 4,000 tons will go into operation this year.

The impetus for development comes largely from the Development Board, which also finances most of the major projects. The Board, and the Government of Iraq, seem to share Lord Salter's view that "the nation's economy exists for man, not man for the economy". Lord Salter based his "Plan of Action", set out in his recently published economic report on Iraq, on this precept and many of his recommendations for the country's development during the next five years have already been adopted.

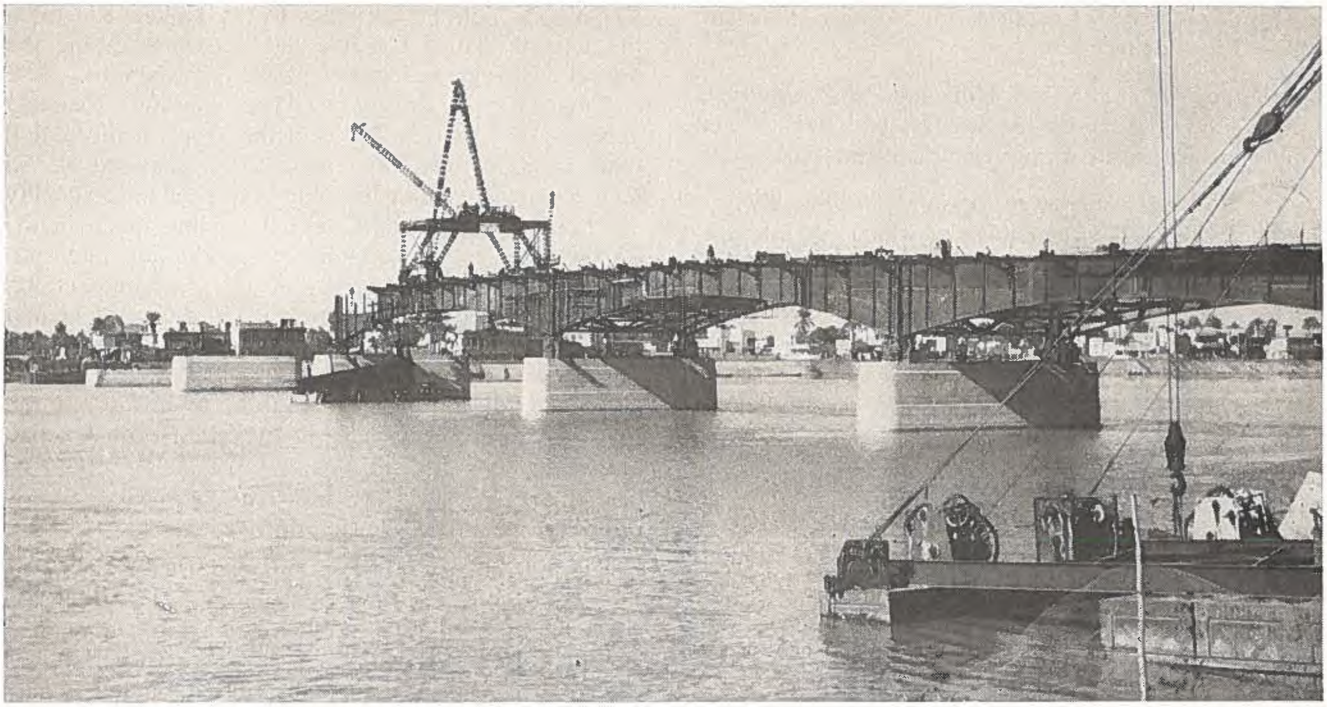
It is true that there was a slight lull in business activity following the poor harvest of 1955, but steadily rising oil revenues, coupled with an excellent grain crop this year, have meant the return of boom conditions. Following on the crop failure of 1955, decreased purchasing power (particularly in the north) resulted in large inventories of a wide variety of consumer goods and agricultural machinery being carried over until 1956. But on the basis of encouraging crop forecasts this year, goods began to move in March and by June the situation had been restored to normal.

Oil Production and Its Benefits

Oil production for the first five months of 1956 totalled 13·8 million tons. At the present rate, the revenue for the first six months will reach ID37·8 million, compared with ID35·8 million for the first six months of 1955.

Iraq's far-sighted policy of setting aside 70 per cent of its oil revenues for the country's development has begun to pay off. In the first week of April, named "Development Week", no less than five important projects were brought into operation. Most important were the $45 million Wadi Tharthar flood control project on the Tigris River at Samarra and the Habbaniyah flood control and irrigation system on the Euphrates. Although more projects remain to be completed before the Tigris and Euphrates will be entirely controlled, the Tigris will no longer threaten Baghdad with its floods. Other projects inaugurated during "Development Week" included bridges crossing the Euphrates at Kufa and Twairiji and a new section of road between Hilla and Najef in the south.

Work progresses slowly on the Dokan Dam on the Lesser Zab, a $20 million job awarded to French con-



New bridges, like this one spanning the Tigris at Baghdad, highways, dams, and other capital projects pace Iraq's development.

tractors. Unfortunately this project, in difficult terrain, is about a year behind schedule.

Among other projects completed or scheduled for completion in the near future are:

- A bitumen refinery at Mosul with a capacity of 60,000 tons per annum.
- A 25,000-spindle, 630-loom cotton textile mill at Mosul.
- Two Development Board cement plants, one at Sarchinar and another at Mosul.
- The Greater Massaiyat irrigation and land settlement project.
- Construction of the Royal Palace and the new Parliament buildings.
- Various major highway bridges, including two on the Tigris at Baghdad, one at Samawa and one at Amara, and a railway bridge at Baquba.
- As a side issue of Iraq's participation in the Baghdad Pact, an atomic training centre is being set up in Baghdad which will train specialists from Middle East member countries.
- The Iraq television station went into operation in April. The Iraq Government thereby claims to be the first in the Arab world to provide regular television broadcasts.

Following the submission in April 1955 of Lord Salter's report on Iraq's development program there has been a noticeable shift of emphasis in the apportionment of development funds. In the first place, the responsible body for development was reinstated as a Board after having been a separate Ministry since 1953. It is generally believed that this move will mean greater stability and continuity of policies and personnel. The program was increased in value from ID304,306,000 for the five years 1955-1959 to ID490 million for the six years 1955-1960, with greater emphasis on housing, public buildings and industries. The need is felt for projects which will have quicker results and obvious benefits for the working man. Particular attention is being paid to low-cost housing and a world-renowned Greek housing expert in the past few months has been conducting exhaustive investigations and research to determine the most suitable types of housing for the different parts of the country.

Among the more important Development Board projects which have recently been contracted for or are out for tender are:

1. Sugar factory at Mosul. Contract for ID2 million awarded to a German firm.

2. Nasiriyah Road bridge. Contact for ID639 thousand awarded to a British firm.

3. Samarra-Baiji road. Contract for ID2·8 million awarded to a German firm.

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4. Qurna bridge. Contract for ID420 thousand awarded to a British firm.

5. Grain elevators at Mosul, Hilla and Erbil. Contracts for ID1,782,000 shared by Swedish and Swiss firms; a German firm is to supply electrical material.

6. Thermal electric power stations, 40,000 kw. at Baghdad, 60,000 kw. at Dibis, for which English consultants have been engaged, and a 20,000 kw. station at Basra for which a Belgian consulting firm has been retained.

7. A 65,000-ton grain elevator at Basra, valued at about ID4·5 million. U.S. consultants—contract not yet awarded.

These are some of the projects expected to be advertised for shortly:

- Medical centre in Baghdad, valued at ID3·5 million.
- Fourteen bridges of a total value of about ID9·7 million.
- Baghdad sewage scheme—about ID2½ million.
- Various road contracts totalling ID6 million.
- Housing contracts. Immediate construction of over 1,000 houses as a start of the ID24 million program over a six-year period, involving about 11,000 houses.
- Construction of a standard-gauge railroad from Baghdad to Basra to replace the present metre-gauge track. The contracts will be let in stages over three years, under the five-year improvement program, calling for an expenditure of ID15·5 million.

The Daura petroleum refinery which began operating in late 1955 is now undergoing alteration to increase capacity from the present 24,500 barrels a day to 30,000 barrels later this year and to 40,000 barrels by 1960.

Agriculture Prospering

Though it is too early to have final figures on the grain harvest, reliable estimates of the barley crop, the most important export next to oil, give this year's harvest at 1,061,000 tons, compared with 756 thousand tons in 1955. At least 500 thousand tons will be available for export. The wheat crop, estimated at 838 thousand tons, will mean an export surplus and a substantial saving in foreign exchange as compared with last year, when the 474 thousand-ton crop had to be augmented by about 85,000 tons of imported wheat. The Grain Board is continuing its efforts to improve the standard and cleanliness of grain for export.

Dates, for which Iraq has long been famous, continue to be a problem, particularly the poorer qualities. Exports of high-quality dates to the United Kingdom, the United States, Canada and Australia during the season November-January were satisfactory. But, although the Central Area Date Trading Company exported 130 thousand tons of the lower quality Zahdi dates, 60,000 tons still remain to be disposed of. In fact, it is evident that too many dates of lower quality are being produced and steps are being taken in the Basra and Central areas to cut production and substitute more profitable crops. At the same time, efforts are being made to use low-quality dates as animal fodder and to produce a marketable date sugar. Parallel with these efforts the Date Association has embarked on a publicity program to encourage the sale of higher-quality dates in Europe, North America and several countries in Asia.

Dollar Allocations Down Slightly

The total dollar exchange allocation for 1956 at $53,074,000 represented a slight decrease from the 1955 figure of $55,930,000. But it is still more than adequate when one realizes that the actual use of dollar exchange against the 1955 allocation amounted to only $45,956,400. The principal reduction from 1955 was in the allocation for passenger cars, mainly because the 1955 allocation was not fully utilized.

Dollar exchange is available for a wide variety of goods under the following commodity group headings. (A detailed list is available on application to the Department of Trade and Commerce.) The items shown in parentheses are those with the largest allocations of dollars within the respective commodity groups:

	ID × 1,000
Cloth, clothing and dyes (secondhand clothing, cotton piece goods)	1,255
Building and construction materials (metal sheets, pipes, taps, boilers)	285
Automobiles, accessories, tools (trucks, cars, spares, tires)	7,540
Machinery and accessories (excavating, construction and agricultural machinery)	3,535
Medical and sanitary materials and instruments (pharmaceuticals)	646
Electrical and technical materials (refrigerators, air conditioners, household appliances, films for cinemas)	1,498
Household articles (oil cooking stoves, heating stoves)	212
Glassware and crockery	50
Stationery, books and periodicals (calculating machines, typewriters, books, fountain pens)	105
Factory and industry requirements	505
Government and semi-government orders	3,000
Miscellaneous (including arms and ammunition, seeds, boot polish)	324

Foreign Trade And Canada's Share

Statistics of Iraq's foreign trade are slow in appearing; the most recent detailed figures are for 1954. But to judge from preliminary figures for January-September 1955, the traditional pattern continues. Of total imports valued at ID67·3 million, the United Kingdom supplied ID19·1 million (28·5 per cent), the United States 11·1 million (16·5 per cent), Japan 6·1 million (9·1 per cent), Germany 5·3 million (7·9 per cent).

Relatively and in absolute terms, Canada's share in Iraq's import trade is minute. For the year 1955, Canada's exports, at $1,170,178, showed an encouraging upswing over 1954 ($424,773) but as the total dollar utilization of $46 million mentioned previously shows, Canada's share is a meagre proportion of the total dollar imports. In fairness it must be observed that, of imports from the U.S. amounting to $11·1 million in the period January-September 1955, over half is accounted for by automobiles, trucks and parts, and machinery, mainly for heavy construction and road-building. Most items in these categories are either not made in Canada or are not permitted to be exported.

Iraq is a challenging market and deserves more attention from Canadian exporters than it has received in the past. The country is backed by an assured and growing oil income and a sound fiscal and investment policy. In fact, it is experiencing only the beginning of economic progress which, given a climate of peace, will mean a vastly increased market for a wide range of capital and consumer goods.

Canadian Furs for Latin America

In warm and even tropical climates there is a market for quality fur pieces. Some Latin American countries with fur dressing and dyeing industries are potential customers for Canadian raw furs. The prospects in four countries are discussed in this article.

GEORGE HAZEN, *Agriculture and Fisheries Branch.*

MANY EXPORTERS have turned, in recent years, to Latin American countries in search of new markets for Canadian goods. Despite a chronic shortage of dollars and foreign exchange and import restrictions in some of these countries that make trade difficult, there are sales possibilities for many of our products. One of these products is raw furs.

Many people with money to spend who live in warm and even tropical climates look upon a fur jacket or stole as essential to gracious living and there is a definite demand for high-quality fur pieces. Most purchases of this nature today are made by those who can afford to travel abroad; they buy fur goods in Europe and North America—principally in the United States. In Latin American countries with dressing and dyeing industries, however, effective promotion could pave the way for sales of Canadian raw furs. Some of these countries, of course, are not potential markets because of high temperatures, prohibitive import and currency restrictions, or the lack of a domestic fur industry. Among these are the Central American states, Ecuador, Chile, Paraguay, Brazil, Bolivia and Venezuela.

There appears to be a potential market for furs in other countries of South America that merits closer attention from Canadian exporters. We have summarized available information about four of these markets from reports by Canadian Trade Commissioners in the area and have summarized data on trade and tariff regulations supplied by the International Trade Relations Branch.

COLOMBIA

This is not an important market but there is a local garment-making industry that might respond favourably to offers from Canadian exporters of raw furs. In 1954, the industry imported slightly more than 400 thousand pounds of fur skins with a c.i.f. value of about $70,000. Most of these came from the United States.

Import restrictions are severe but not entirely prohibitive: the duty on raw fur skins is 10 pesos per kilogram gross weight ($1.82 per lb.) plus 25 per cent ad

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valorem on the c.i.f. value. In addition, imports of raw furs must be paid for with exchange at the free rate of 4.75 pesos per $1.00, and are subject to a stamp tax of 100 per cent ad valorem in addition to duty. The importer is required to make a deposit in advance of 100 per cent ad valorem which is returned after the furs enter the country. Imports of fur skins made up in any way are prohibited.

Because local production of raw furs is negligilble, Colombia must rely on imports to satisfy her needs.

PERU

Like Colombia, Peru has little or no local production of furs and purchases her requirements abroad. A fairly well-organized manufacturing industry makes this country one of the most attractive potential markets in South America although only the well-to-do can afford to buy finished fur garments. Even for these people, high duties have made instalment buying the rule.

The customs tariff on furs such as beaver, red fox and lynx is at the specific rate of 450 soles per kilogram legal weight ($10.62 per lb.); for marten, otter, mink, and blue silver fox it is 800 soles per kilogram legal weight ($18.91 per lb). In addition, an internal tax of 13·667 per cent and 2 per cent Navy Fund Tax is levied on the c.i.f. value, plus a Maritime Freight Tax of 2 per cent on the ocean freight charges. Duty on dressed fur skins and made-up garments is proportionately higher. There are no exchange or import controls on fur skins or products.

About 1,000 pounds of raw furs were imported in 1954, mainly from the United States, with Canada, France and the United Kingdom supplying smaller quantities.

URUGUAY

Local production is quite important in Uruguay's domestic fur industry, but no furs are exported. About 10,000 nutria skins are produced annually, both wild and on ranches, but wide variations in colour make matching difficult and reduce their value. Several processors in Montevideo dress and dye skins purchased in cured condition. Imports come usually from the USSR, the United States, Belgium, France and Czechoslovakia and consist mainly of rabbit, astrakhan sheep and lamb; they totalled less than 23,000 pounds in 1955. The exchange situation in Uruguay is somewhat difficult at present and purchases of foreign furs are restricted to a rather small amount.

The rate of duty on raw fur skins is 78 per cent ad valorem, assessed on an official valuation varying from 13.65 pesos per kilogram net weight ($4.07 per lb.) for beaver, otter, and lynx, to 31.85 pesos per kilogram net weight ($9.41 per lb.) for silver fox and mink, and 40.15 pesos per kilogram net weight ($11.86 per lb.) for chinchilla and sable-marten. Prospective importers must first obtain the necessary import permits.

ARGENTINA

Reliable information—or information of any kind—is difficult to obtain about the fur industry in Argentina. There is a fur-manufacturing industry in the country and apparently all furs used are obtained locally; imports of fur skins have been banned since 1946. The customs tariff quotes the duty on raw furs at 35 per cent ad valorem, based on the c.i.f. value.

Tanned skins produced locally in 1954 totalled some 398 thousand nutria, 532 thousand rabbits and hares, 213 thousand foxes, 196 thousand skunks, and about 54,000 cheap skins from a rodent similar to the squirrel. Exports in 1955 totalled nearly 56,000 pounds, valued at about $51,000.

Until present currency difficulties are overcome and import restrictions relaxed, there appears to be little opportunity for Canadian exporters in Argentina, despite the presence of an organized fur-processing industry in that market.

Atomic Power for Northern Ireland

An atomic power station costing £66 million and scheduled to be in full operation by 1963-64 is already in the planning stage in Northern Ireland. A Government White Paper dealing with electric power supply points out that the original hope of having the station producing by 1960 had to be revised because of uncertainty about the final design of the station and the economics of building and operating it. However, the Electricity Board for Northern Ireland, which will operate the station, is already making preliminary arrangements for its construction and is following closely atomic research in Great Britain.

The White Paper makes clear that, if the atomic station can be brought into initial operation in 1962-63 and output increased to 200 MW in 1964, and if it is subsequently expanded by 100 MW in both 1966 and 1967, the cost would be £66 million. One-half of this would be spent over 1958-62 and the other half between 1962 and 1967. If this schedule proves impossible and operation does not begin until 1964-65, the new electric power station at Londonderry will have to be expanded by 60 MW at a cost of some £4 million.

What the U.S. Sells to Argentina

This analysis of exports from the United States to Argentina may suggest sales possibilities to Canadian manufacturers of similar products. It also serves to show that, despite dollar shortage, opportunities still exist in this area.

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

THE GOODS that can be sold today in Argentina for dollars are best exemplified by those that the principal dollar exporting country, the United States, is actually selling there. The table that follows shows these for 1954-55 by main commodity groups. The figures are those published by the Department of Commerce, Washington.

Group	*1955* (in U.S. dollars)	*1954*
1. Animals and animal products, edible	515,563	561,209
2. Animal products, inedible	270,258	106,704
3. Vegetable products, edible	8,666,724	3,784,064
4. Vegetable products, inedible	1,913,238	1,048,399
5. Textile fibres and manufactures	123,014	232,697
6. Wood and paper	8,577,007	7,175,877
7. Non-metallic minerals	13,981,779	5,802,630
8. Metals and metal manufactures	35,036,952	20,218,990
9. Machinery and vehicles	57,332,370	55,932,617
10. Chemicals and related products	19,551,771	24,955,009
11. Miscellaneous	1,688,125	2,254,167
Total	$147,656,801	$122,072,363

Edible Animals and Animal Products

Cattle for breeding was the main item in the first group. Hogs, live poultry, baby chicks and a miscellaneous collection of edible products made up the remainder.

Inedible Animal Products

Group 2 was mainly breeding animals of types not used as food and a number of inedible animal products of small individual value.

Edible Vegetable Products

Almost the whole of the edible vegetable products group consisted of vegetable oils, fats and waxes. These were valued at $8,469,889. Cottonseed oil, a product which Argentina used to export in quantity but which last year was in very short supply, was the major commodity.

Inedible Vegetable Products

About two-thirds of the fourth group was synthetic rubber of various types totalling $1,288,062. Naval stores, gums and resins, at $323,886, was next in importance. The other components of this group were seeds (excluding oil seeds) $235,044; oilseeds $22,763; crude drugs, leaves, herbs and roots, $15,069; tobacco and its manufactures $14,698; crude inedible vegetable oils, fats and waxes $12,861, and nursery and greenhouse stock $855.

Textile Fibres and Manufactures

The textile fibres and manufactures group does not provide much opportunity for dollar sales because of Argentina's well-established textile industry. Much the greater part of this group is made up of synthetic fibres and their manufactures, valued at $107,405, and consisting almost entirely of women's nylon hosiery and underwear. This is a declining trade because of growing local manufacture. The rest of the group was composed of special cotton manufactures and semi-manufactures $6,347; other vegetable fibre manufactures $2,635, and miscellaneous textile products $6,627.

Wood and Paper

Of the wood and paper groups, only the pulp and paper section offers opportunities under present conditions. The main imports were walnut logs for making furniture veneers and gun stocks and hardwood blanks for shuttlecocks for weaving machines. The pulp and paper section of this group offers distinct sales opportunities to any Canadian exporter with available supplies. Wood pulp of different types for making the various classes of paper totalled $3,992,557 and the paper and paper products section $4,425,186. Almost the whole of the latter figure was newsprint, which is in very short supply in Argentina. Rounding out this paper section were relatively unimportant quantities of special industrial paper, blotting paper, paper office supplies (excluding stationery), and certain special types of boxes and cartons not made locally.

Non-Metallic Minerals

Much the greater part of the non-metallic minerals group was composed of fuels, petroleum and its products (excluding certain special types) valued at

$11,227,019, and coal and related fuels like coke at $1,002,588. Glass and glass products reached a value of $384,545 and clays and their products $379,558. The remainder consisted of miscellaneous non-metallic minerals, including precious minerals, which were valued at $985,804. Judging from the 1954 import figures this latter group must have been composed largely of crude and refined sulphur; carbon or graphite electrodes, brushes and other carbon products; natural abrasives and manufactured ones in the form of grinding wheels, pulpstones, whetstones and abrasive paper and cloth, and finally natural mineral wax.

Metals and Metal Manufactures

The metals and metal manufactures group accounted for almost one-fourth of the total imports from the United States. Finished steel rolling mill products valued at $21,069,415 contributed 60 per cent of this total. Other steel mill products contributed a further value of $4,403,965. Iron and steel scrap imported was valued at $4,617,663 and miscellaneous metal manufactures at $694,341. Other iron and steel items of lesser importance were castings and forgings $53,638; iron bars, skelp and pipe $31,526; railway car wheels and axles $29,864; ferro-alloys $8,659, and pig iron $4,328.

In the non-ferrous section, copper ores, concentrates and semi-fabricated forms valued at $2,507,264 constituted the most important item. The only other copper item of note was copper alloys and semi-fabricated forms valued at $136,084. This was followed by zinc ores, concentrates and semi-fabricated forms totalling $1,311,331. In this same group the nickel items reached a value of $86,931, the miscellaneous non-ferrous $61,512, the aluminum $15,983 and the lead $2,295. Completing this group was precious metals and plated ware which totalled $2,153.

Machinery and Vehicles

The most important single import group was machinery and vehicles which reached a total value for the year of $57,332,370—about 39 per cent of the total 1955 imports. Automobiles, parts and accessories valued at $14,666,188 was the outstanding single item but it will not be so important in 1956 since import permits are being issued only for heavy trucks. Following this was construction excavating and mining machinery $7,959,877; industrial machinery $7,775,514; metal-working machinery and parts, excluding machine tools, $7,234,538; electrical machinery and apparatus $5,289,785; engines, turbines and parts $4,523,175; tractors and parts $2,044,792; machine tools $2,037,162; textile, sewing and shoe machinery $1,764,355; office machines and parts $1,014,621; agricultural machinery and parts $954,402; railway equipment $715,554; printing and bookbinding machinery $510,927; aircraft and parts $422,426; water craft and parts $408,713 and miscellaneous vehicles and parts $10,341.

Chemicals and Related Products

In the chemicals group, medicinal and pharmaceutical preparations reached a value of $8,474,033. However, it should be noted that only basic materials and the more intricate complex and uncommon preparations, not yet manufactured by Argentina's well established pharmaceutical products industry, can be imported. The exceptions are branded products essential to national health which have been solidly established for many years in Argentine medical practice. Examples of the products imported are gamma globulin and the rarer vaccines and sera, the lesser known antibiotics, the sulfa drugs, the opotherapics, hormones, enzymes, biologicals and vitamins—in bulk form chiefly, although some come in in dosage form. Following these, the more important items are non-proprietary tablets, pills, ointments and elixirs; parenteral solutions; organic medical chemicals; alkaloids; analgesics; the barbiturate compounds, and castor oil. Some proprietary medicines are imported but only those which have been on the market for many years and are established in Argentine medical practice. These are mainly tonics, blood purifiers, emulsions, appetizers, antiacids and digestive preparations. No similar new lines would have any worthwhile prospect of gaining a footing in this market under present exchange control regulations.

Coal tar products accounted for $1,322,289. These were mainly rubber compounding accelerators, anti-oxidants and other agents; carbolic acid; coal tar intermediates; diphenylamine and finished coal tar products, excluding medicinals.

The chemical specialties sub-group totalled $4,085,130. Apart from a grouping of miscellaneous chemical specialty compounds, the most important single item was gasoline anti-knock compounds, followed by lubricating and fuel oil additives. Next in value was weed killers accompanied by substantial values in prime materials for insecticides. Synthetic resins for the plastics industry were also prominent, the chief ones being the styrene polymer and copolymer resins, the vinyl and vinyl copolymer types, and the tar acid and alkyd resins. Following a miscellaneous grouping of other types of synthetic resins came resin film and sheeting, cellulose acetate moulding and extrusion compositions, unfinished plastics, and various laminated and moulded-laminated plastics. Among the cleaning compounds were detergent alkylates and detergents, specialty cleaning and washing compounds, and leather dressings and stains. Single items of note were organic surface active agents; water softeners; metalworking compounds; animal charcoal and carbon; liquid gum inhibitors for treating petroleum distillates; paradichlorbenzene; synthetic aromatic chemicals; small amounts of textile specialty compounds; flavours and flavouring extracts; vulcanized fibre sheets and disinfectants.

The industrial chemicals sub-group was valued at $3,060,665. The more prominent items in it were solid sodium hydroxide; soda ash; sodium bicarbonate; non coal-tar industrial chemicals; alcohols; industrial organic acids and anhydrides, and organic fluoride compounds. Of lesser importance were industrial acetic anhydride; the bromine compounds, boric acid, sodium phosphate compressed gases, and a group of miscellaneous industrial chemicals not mentioned individually.

The pigments, paints and varnishes sub-group totalled $2,583,134. With the exception of certain quantities of anti-corrosive and anti-fouling paints and insulating varnishes, almost all of the imports are prime materials for the local paint and rubber industries. Outstanding items were carbon black and lampblack, titanium dioxide, and pigments and dry colours.

To complete this main group, fertilizers and fertilizer materials contributed a value of $22,667 and soil improvement materials $3,853.

Miscellaneous Products

In the miscellaneous products group, photo and projection goods accounted for just about half of the total value at $723,825. The outstanding item was 35 mm. motion picture feature films for exhibition. This was accompanied by a small amount of 16 mm. film for the same purpose. Next in value came sensitized unexposed X-ray film and unexposed 35 mm. motion picture film of both positive and negative types, accompanied by a small amount of still camera film, both in packages and in bulk, for local cutting and packaging. Motion picture cameras, screens and studio equipment together with photo paper and photocopying equipment completed this sub-group.

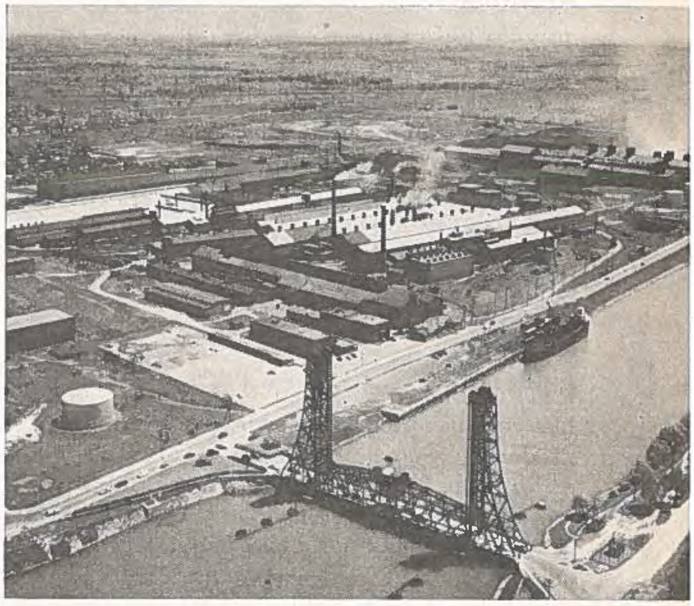
Scientific and professional equipment accounted for $452,321 of which the important items were hearing devices, research laboratory apparatus, surgical and medical apparatus and instruments, dental supplies and dental and laboratory equipment and parts. Of minor interest were optical measuring instruments, spectrophotometers and sterilizers.

Almost the whole of the musical instruments sub-group valued at $145,416 was composed of phonograph parts for the local assembly of phonographs. The remaining sub-groups were books, maps, pictures and prints valued at $52,915; miscellaneous office supplies $10,890; toys, athletic and sports goods $1,901 and a miscellany of commodities valued at $300,857. •

Canada 1956 Useful Agent Abroad

BUSINESSMEN seeking markets and good relations abroad are finding the official handbook *CANADA 1956* a convenient aid.

Under new cover and comprising more than 300 pages of pictures, colour plates, text and tables, it is available in English and French. A Spanish edition will be printed later this season and one in Portuguese is being planned.



CANADA 1956 is illustrated with many attractive photographs like this one of a ferro-alloys plant along the Welland canal in southern Ontario.

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commodity notes

Argentina

TEXTILES—A big Japanese textile combine will turn out fabrics soon in this country; it is capitalized at about 200 million pesos. The combine has already acquired one big plant which was sold by public tender for 111 million pesos. This plant is to employ some 2,000 men and women. Modern methods introduced by 26 Japanese technicians already on their way to Argentina will assure economical operations—Buenos Aires, Aug. 9.

Australia

PETROLEUM PRODUCTS—Australian oil refineries last year established a new export trade in petroleum products. Some 325 thousand tons were exported during the year, including 24 million gallons of motor petrol and 180 thousand tons of fuel oil. Three new refineries have had a marked influence on the industry: local refineries provided 66 per cent of Australian needs, compared with 31 per cent in 1954. Australia imported about 8 million tons of petroleum products in 1955—Sydney, Aug. 3.

Federation of Rhodesia and Nyasaland

BEESWAX—Last year African beekeepers in Mwinilunga, Northern Rhodesia, shipped about 20 tons of beeswax to Great Britain and officials in the Department of Agriculture think the industry has great promise provided they can teach the African to pack the wax in a cleaner condition and improve hive management—Salisbury, Aug. 6.

CATERPILLARS—An unusual industry which the Africans of this district have developed is the shipment of caterpillars to the Copperbelt district of Northern Rhodesia for sale as delicacies to epicurean Africans—Salisbury, Aug. 6.

France

PERFUME—The French perfume industry may have to raise its prices because of the heavy flower losses suffered during the extremely cold weather this past winter. Lower alcohol prices have given some relief, but the loss of 80 to 90 per cent of the orange blossom crop (which amounted to 578 tons last year) and part of the jasmin and rose crops has forced the industry to import higher-priced base materials from North Africa, Spain, and Italy—Paris, Aug. 13.

ALUMINUM—French interests began the construction of an aluminum producing plant this spring in the Cameroons in Africa. Basic construction work is scheduled for completion next December and full aluminum production should be under way by the second quarter of 1958. Total investment, including $20 million for extension of existing power facilities, will amount to approximately $65 million and the plant will have a rated capacity of 45,000 tons of aluminum annually—Paris, Aug. 13.

Japan

JET AIRCRAFT—The Japanese Defence Agency has decided to order three light jet trainers from the Fuji Heavy Industry Company. These first jet aircraft to be built in Japan will be constructed during the period August 1956-October 1957 and are intended for structural strength and flight test purposes. Only the frames will be made in Japan; the aircraft will be powered by Orpheus engines, supplied by Bristol Aero-Engines Ltd., England. Subsequently, these light jet trainers are scheduled to be equipped with J-3 engines made by the Japan Jet Engines Company, which is now operating on a test-production level. Japanese pilots are expected to be using completely home-built jet trainers for flight training about mid-1959—Tokyo, Aug. 8.

Kenya

PINEAPPLES—Pineapple growing, started in Kenya only a few years ago, has expanded steadily and there are now 5,000 acres under crop. Most of the production is taken by Kenya Canners Limited of Thika who have a large modern factory employing more than 300 Africans. The pineapples have a good texture and flavour and an export trade to the United Kingdom is now being developed—Salisbury, Aug. 3.

Netherlands

BEER—The Netherlands has maintained her position as the largest beer exporting country despite stiffening German competition. Exports are expected to rise by 13·7 per cent from 309 thousand hectolitres during the first six months of 1955 to 352 thousand hectolitres during the first half of this year; the country hopes to establish a new record for beer exports in 1956. Exports to the United States amounted to 26,500 hectolitres during the first half of 1956 compared with 21,500 hectolitres in the corresponding period of 1955. Italy, which imported 3,600 hectolitres of Dutch beer during the whole of 1955, bought 2,700 hectolitres during the first half of this year. Exports to Belgium amounted to 6,200 hectolitres and the amount of beer consumed at home continued to rise during the first half of this year. Domestic sales rose by 12·6 per cent from 745 thousand hectolitres in the first half of 1955 to 839 thousand hectolitres during the first half of 1956—The Hague, Aug. 14.

Sweden

WOOD PRODUCTS—It is estimated that exports of Swedish sawn and planed wood goods will fall during 1956. Great Britain, which purchased more than half of Sweden's total exports of these products, increased her stocks considerably in 1955. This year 150 thousand standards have been released for sale from the British strategic reserve stocks. Because of these circumstances, and increased competition from the Soviet Union, Swedish exports of sawn and planed wood products (exclusive of beams, spars, sleepers and box boards) will probably fall from 1,019,000 standards in 1955 to 850 thousand in 1956. This, however, is only a small decline as compared with 1954. Prices are expected to remain at approximately the same level as in 1955. On the other hand, a continued increase is expected in the export of pulp and paper. Exports of mechanical pulp in 1956 are estimated at 410 thousand tons, compared with 385 thousand in 1955, and of chemical pulp at 2·07 million tons, compared with 1·92 million last year. Exports of newsprint will probably increase from 197 thousand to at least 220 thousand tons, and other paper and cardboard from 629 thousand tons to 650 thousand. Prices for pulp and paper are approximately 4 per cent higher than last year—Stockholm, Aug. 10.

Thailand

RADIOACTIVE MATERIALS—The presence of radioactive materials in tin and tungsten mines in Thailand has been reported by the Royal Department of Mines, Bangkok, after an investigation into the geological and other mining problems. The first report of the investigation reveals that uranium, cerium, thorium, monazite, ilmenite and columbium-tantalum are some of the minerals found in tin and tungsten. At present some of these valuable by-products are wasted in the tailings. The presence of uranium was discovered in 1953 in the tailings of Kamuntin Dredging Company in Phanguga. The recent investigation shows some radioactivity in the tailings of tin mines along the west coast—Singapore, Aug. 2.

United Kingdom

RADIO, TV, ELECTRONICS—New export records for British radio, television and electronic equipment were established in June and in the first half of this year. The Radio Industry Council has announced that June sales, totalling £3·57 million, were £170 thousand higher than those for May which were a previous record. For the first six months of the year, exports totalled £19·17 million compared with £15·6 million for the same period last year; for the whole of 1955 the record figure was nearly £33 million compared with sales of £10·2 million in 1947. Exports of sound reproducing equipment at £540 thousand in the month of June this year were worth more than in the whole of 1948 when £536 thousand worth were sold; sales at £3·67 million for the first six months of this year were almost as high as for the whole of 1954 when the total was £3·76 million—London, Aug. 8.

Uruguay

WOOL—The wool trading season is now practically at an end for the 1955 crop. Shipments from October 1, 1955, up to May 31, 1956, totalled 185,552 bales, approximately 74,000 metric tons at 400 kilos per bale. Shipments for the same period of the previous year reached 82,131 bales (33,000 metric tons). There will be practically no, or very little, carry-over into the coming season because business has been fairly active with a steady demand for all types.

Prospects for the season which begins October 1 are very encouraging, so much so that recent reports state that negotiations have been concluded for "wool on the back" basis for some 3,000 tons at prices which range up to 25 pesos per 10 kilos. Maximum prices paid for the 1955 crop ranged between 21·5 to 22 pesos for superior types.

The Netherlands was the largest buyer of 1955 wool crop with 57,000 bales, the United States followed with 35,000 bales, and the United Kingdom was third with 21,000 bales. Canada took only 222 bales—Montevideo, Aug. 7.

Selling Abroad: the Techniques

In what way can the gaps between Canadian exporter and foreign customer best be bridged? What are the advantages—and the disadvantages—of indirect and direct selling abroad? These and other questions which the new exporter asks are discussed in this article, thirteenth in our series on the techniques of export trade.

O. MARY HILL, *Editor, "Foreign Trade".*

THE CANADIAN FIRM which has investigated foreign markets for its products and has resolved to enter the export field at once faces a pressing problem. What is the best method of making export sales? At home the sales department can select, train and supervise the sales force; in a foreign setting, distance, language, different customs, and many other factors complicate the situation.

The novice who asks the veteran exporter: "How shall I go about selling my products abroad?" usually receives the answer: "That depends." It depends on what product he wants to market and whether it calls for a technical man to sell and service it. It depends on whether the manufacturer wants to sell abroad consistently or only occasionally. It depends upon which market or markets he has in mind. It depends upon how much time and effort he is prepared to put into export business.

Generally speaking, two methods of export lie open to him—the indirect and the direct (or possibly a combination of the two). Indirect exporting may be done in several ways, but the following are the most usual:

• *Export Merchant or Export House*—The firm sells its goods directly to the export merchant, who pays for them in cash and re-sells them to foreign customers. The merchant usually has his own agent abroad, or may even have branch companies in various countries. Many export merchants specialize in certain areas and some in certain products, such as dairy products, paper, chemicals, or flour. The export merchant always operates as a principal and not as an agent for either buyer or seller. This type of organization is perhaps more common in the United Kingdom and in Europe than it is in Canada.

• *Export Agent*—The export agent, generally speaking, serves the manufacturer as an export department. That is, he secures orders for his client's product abroad, attends to the shipping, documentation, and so on. For this, he charges the producer a commission on sales. He usually represents his client on an exclusive basis in certain territories.

• *Buying Agent*—The buying agent commonly acts on behalf of an overseas customer. Like the export agent, he looks after all the details of forwarding the goods and adds his commission to the price which he charges the foreign customer. In some cases he pays the producer on behalf of the overseas customer; otherwise, he receives a commission from the customer on payments made directly to the producer.

Advantages of Indirect Method

Many firms find that one of these three methods of exporting best meets their needs. The indirect technique takes most of the risk out of export and makes it unnecessary to set up an export department. The agency looks after the intricate detail of documentation and shipping; export and buying agents may even assume the credit risk. Marketing abroad, in fact, becomes almost as straightforward as marketing at home.

Indirect exporting has proved to be a good way for a company to "feel out" export markets before committing itself fully. A product can be introduced to foreign buyers, demand initiated, and sales volume built up. Meantime the exporter, untroubled by sales problems, can concentrate on production and on

When the exporter uses a local agent, it is usually a good practice to have an expert from head office visit customers with the agent to discuss technical difficulties or complaints.

prompt attention to export orders. Many exporters testify that it is a good way to sell specialties and also to reach certain markets. One firm, for example, sells to the British West Indies through an export merchant who has a quota under the British West Indies Trade Liberalization Plan.

There Are Disadvantages

The indirect method of exporting undoubtedly has its advantages; some experienced producers continue to make use of export representatives to cover certain areas. But there are disadvantages too. The exporter cannot control his foreign sales made through these channels in the same way that he controls domestic sales, nor can he drive as hard for sales volume. The buying agent, for example, primarily tries to please the foreign customer, not the Canadian manufacturer. And in any type of indirect export the exporter largely ceases to have control over markets or over export policy. One expert puts it this way: "The greatest weakness of indirect export, the one in fact which includes all the others, is the one inherent in being separated from customers and markets".

Direct Export

If the exporter decides that he prefers to set up his own export department and deal directly with foreign markets, he then selects one of several methods of making export sales:

1. *Direct sales by the producer in Canada to the seller abroad*—This is a common way of selling to large consumers such as department stores, clothing factories, and users of bulk foodstuffs.

2. *Selling through resident agents abroad*—This method is the one which the majority of Canadian companies adopt. The exporter chooses agents in the areas in which he wishes to trade. Most agents ask for an exclusive contract in their territories.

3. *Setting up branch sales offices abroad*—Many firms move on to this stage after building up sales through the agency system. It involves sending out salesmen from head office to staff these offices.

4. *Setting up branch sales offices plus warehouses*—This further step is often essential when the company deals in products that require after-sales service.

5. *Sales to government or government agencies*—Trade of this type is sometimes restricted to agencies which the purchasing government nominates. Sometimes also these sales are made by tender.

6. *Establishing subsidiary companies or manufacturing plants*—This development may be necessary because of foreign tariffs, patents and trademark legislation, taxation, or other foreign government policies.

Canadian firms often use different exporting methods in different areas, or progress from one stage of direct export to another. One large Canadian exporter for example, often starts out in a new market by using resident agents. It then progresses to resident salesmen supervising sales in three or four countries. The third stage is the opening of a sales office, and the fourth the setting up of a subsidiary company.

Selling through Resident Agents

Because so many Canadian exporters sell abroad through exclusive agents, it is worth discussing at some length the selection, training and supervision of these "resident representatives". To begin with, there are two types of agents.

1. The agent who buys goods outright from the manufacturer, maintains his own warehouse, and resells to customers. This type of trading is particularly useful for products which have to be serviced as well as sold, and for which the agent must keep stocks and supplies of spare parts.

2. The agent who solicits orders for the manufacturer, forwards them for direct shipment, and receives a commission on sales.

The old recipe for hare soup begins: "First of all, catch a hare." In dealing with agents, the first step is to find the right one. If the exporter makes a wise choice, his subsequent problems are few; if the agent is unsuitable, problems multiply. One good method of approach is through the Trade Commissioner, who

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When You Are Choosing an Agent . . .

In choosing an overseas agent for your company, you may want to check on the following points before making your decision:

1. *How well does the agent stand in with the trade—and with the government authorities? The latter is especially important in some countries.*

2. *Is he already familiar with the field in which your company operates and does he have good contacts in it?*

3. *What non-competing Canadian lines does he handle?*

4. *Does he hold the agency for a competing product from any country?*

5. *Has he adequate accommodation and staff—and enough staff with commercial experience?*

6. *Is his main office situated in a good centre of business—keeping in mind the nature of your product. Has he adequate coverage of other important sales centres in the country?*

7. *Does he maintain adequate service facilities if yours is a product that needs servicing?*

8. *Are he and most of his staff nationals of the country in which the agency operates? (This is important in some areas.)*

9. *Can he advise your firm on packing, marking and other regulations, import controls, best methods of advertising, and so on?*

10. *Does he understand the local market thoroughly and the credit standing of prospective customers?*

11. *Is he willing to work on a trial basis for at least six months?*

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can line up suitable candidates if the exporter is unable to do this himself. Whenever possible, the export manager or other top executive of the company should make the final choice on a personal visit, because the personality of the agent is most important. But it's not merely a matter of sizing the agent up in an interview: a number of points which should be investigated are listed in the box feature above.

One Canadian businessman who has been successful in the export field insists that a prospective agent should not be turned down just because his firm is small or new. In such cases, the exporter checks with the Trade Commissioner and other sources. If the firm is well known and well regarded, and has good contacts, it is probably a good risk. Sometimes a long-established agency has so many clients that it cannot devote much time to any one product.

Contracts and Commissions

Once the agent is selected, the next step is making an arrangement with him and agreeing on terms. Some Canadian firms insist upon a formal, written contract; others prefer an exchange of letters between the agent and the chief executive of the company; still others rely upon an informal agreement. The form of any written contract varies, of course, with the country. Certain companies prefer a contract that runs for a year, is renewed automatically, and may be cancelled on six months' notice by either party. Others like to make two-year contracts; some find five-year contracts practical. But most companies agree on the need for a trial period, although it seems to vary from six months to one year after the date of the first shipment. Some firms insist upon the agent contracting to do a stipulated volume of business.

The rate of commission on sales averages about 5 per cent, apart from advertising concessions; it may rise to 7 or 7½ per cent or higher in very competitive markets or if the agent guarantees the accounts. As one export manager puts it: "If the ante goes up, so does the commission". It is usual to pay the agent his commission (or perhaps a smaller one) even on orders which the company receives directly. On government orders the commission sometimes drops to 2½ per cent and on bulk goods such as wheat, coal, paper, and metals, it may also be lower. Most agents do not receive their commission until the goods are paid for. The usual practice is to pay the agent once a month or at least once a quarter.

When the agent buys outright from the manufacturer, the position is different and the only problem is payment terms. One pharmaceutical company which sells in this way ships to a new agent on letter of credit only. After a trial period, the terms may be cash against documents, or even several months' credit.

Training the Agent

Like salesmen in the home market, the agent needs to be educated in what a product can and cannot do, and in how to sell it. This is even more vital for him because he has to operate so far away from the manufacturer's plant. The export manager should begin the process when he is visiting the agent's territory.

Together they can sit down and discuss the selling points or the export manager can take the agent on a demonstration selling round. One of Canada's leading exporters brings its agents to head office for a period of training so that they can learn how the product is fabricated and how it can be used. This isn't feasible for most companies, but many encourage the agent to visit Canada at some point, see the manufacturing process for himself, and meet the credit and advertising people. Few firms pay the agent's travelling expenses but most look after his entertainment while he is in Canada.

Give Him Sales Aids

If he is to do a good sales job, the agent needs effective sales aids, such as samples, catalogues, technical literature, and inexpensive give-aways. Some companies assume that the mere sending of a catalogue and a few samples is enough. This is short-sighted. A Canadian with intensive experience in widely scattered foreign markets remarks: "When a firm sends out a salesman in Canada, he is not expected just to hand a catalogue to a would-be customer with the words: 'Read this—it will tell you everything you need to know.' The salesman has been trained to supplement the catalogue with a detailed account of all the virtues and uses of the product. This is just what is lacking in many agents. If the Canadian exporter would prepare a special sales screed outlining all the virtues of his product and its advantages over substitute lines in appearance, wear, etc., it would be of immeasurable assistance to agents thousands of miles away."

Many Canadian firms do see that their agents receive helpful sales aids. These vary, depending upon whether the agent is selling a consumer product or a complicated piece of machinery. Some firms supply the agent with a stereoscopic viewer, plus slides that show the product in use. Others give the agent stickers to use on his correspondence, counter cards for retail stores, or small advertising pieces to hand out, such as key chains or calendars. Technical brochures are a "must" for some products and normally are supplied in the language of the country. A small number of companies get their agents to send in lists of prospects, and then prepare and dispatch direct mail pieces in the proper language. (Export advertising and other forms of sales promotion abroad will be discussed more fully in a later article in this series.)

If the firm operates in a specialized field, the agent may need skilled help from time to time. One pharmaceutical company, for example, sends its medical director on periodic visits to its foreign markets. The chief purpose is to give the agents and their detail men a refresher course. An explosives manufacturer has a technical expert covering its markets regularly—not to sell its goods but to explain to customers how to use them properly. These experts also can investigate complaints and help to settle them.

One excellent way of maintaining good relations with the agent is to correspond with him regularly, and to see that he receives copies of any letters that touch on matters which concern him. Keep him always in the picture. If his orders cannot be filled at once, write and tell him why. If the company hears of a projected development (government or otherwise) that may mean orders, let him know about it. Some firms correspond with the agent in his own language; others do not, but nearly all have facilities to translate his replies.

Handling Agency Problems

Selling through agents does present certain problems. Among the more common, according to the experience of a dozen Canadian companies, are:

- *Complaints from the agent about competition.* This is sometimes an attempt to force the company to cut its prices or to raise his commission. Perhaps the agent has, to begin with, sacrificed part of his commission to lower prices and thus make more sales, and has found this doesn't work. The best approach is to have someone like the Trade Commissioner investigate the validity of his complaint.

- *Not enough time devoted to selling your product.* This often happens when the agency has too many lines to handle and cannot give enough time to each. Occasionally the agent only wants to add the name of your company to his list, without exerting too much effort to sell. An agent with fewer lines may do a better job.

- *Sales remain static.* A personal visit by the export manager is usually the best way to attack this problem. Careful study of statistics of imports into a country will show whether the firm's sales are increasing in proportion to the rise in imports. (One wide-awake agent in Ecuador examines ships' manifests and checks on competing goods coming into the country.) Perhaps the agent does not employ enough staff or spends more time in selling goods that pay a higher rate of commission.

- *The too-zealous agent.* In his anxiety to increase his sales, this agent may not be paying enough attention to the customer's credit standing and credit problems may be increasing. The usual solution is to make certain that the agent receives no commission until the customer pays for the goods. Or ask him to guarantee the accounts.

- *Problems beyond his scope.* Many of these problems, particularly in specialized products, may not be his fault. He needs prompt and skilled help, such as a man sent down from head office or the plant can give.

Experienced exporters say that problems with the agent are usually few if he gets what he wants most—a chance to do good business. It's wise, however, to make a habit of checking on his performance once a year. Is he doing a more or a less efficient job than he was last year? If the exporter cannot drop in on the agent regularly and judge for himself, he can seek the help of the Trade Commissioner. Many of the Trade Commissioners also report to Canadian firms any changes in the status of the agency, such as financial difficulties or the death of a partner.

Direct Representation Overseas

The company with a large stake in export often reaches the point where sales seem to justify setting up branch sales offices in certain territories. The establishment of overseas offices, staffed chiefly by salesmen sent out from Canada, naturally proves more costly than selling through agencies. It also involves, in most cases, looking after a man and his family—to say nothing of finding salesmen who will adapt to the new situation and who will get along well with foreign businessmen. Sales branches should therefore only be set up when returns will be large enough to cover expenses and leave a profit—even when sales are slow. Several of the Canadian automobile manufacturers and pulp and paper companies, among others, have chosen this method of distribution. (Sometimes direct representation is combined with an agency agreement, with the company's own salesmen working in the agent's office.)

Many exporters, both here and in Britain and the United States, insist that too few companies take this plunge. One of them puts it succinctly: "The local agent, almost of necessity, has to handle a large number of lines and of course will only push those items which sell easily. This . . . secures only a fraction of the sales which can be obtained through branch offices where the employees are well trained and enthusiastic over the company's product . . . There is always the question of overhead costs . . . but these are more than compensated for in the volume of sales achieved. Of course different products require different treatment but, by and large . . . direct or branch sales offices could be applied successfully to most items."

Establishing a Subsidiary

The establishment of a subsidiary company or the setting up of a manufacturing unit in a foreign country is a complex operation that cannot be discussed here. Dollar shortages, import restrictions in the foreign country, foreign legislation, and many other things must be considered in making the decision. In some cases, the Canadian firm decides to establish first an assembly plant overseas, and out of this a complete foreign manufacturing plant may in time evolve. One method that has been used is to buy a share in a local firm engaged in a similar business.

Flexibility Important

In conclusion, most veteran exporters agree that the newcomer should tackle the problem of distribution abroad with an open mind. He should examine the various techniques for himself, not blindly adopting one which some other company has found useful. Different territories may call for different approaches; the important thing is to be flexible and to change when change is needed. Above all, the new exporter should begin a regular program of overseas visits. Only in this way can he "take the pulse of the market" and learn for himself how it is functioning.

Tours of Territory

W. J. MILLYARD, Canadian Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland, will visit British East Africa September 3-20.

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, will be in Durban from October 8-13.

D. B. LAUGHTON, Canadian Trade Commissioner in Port of Spain, Trinidad, will visit Barbados for four days in the second week of September.

W. R. VAN, Commercial Secretary in Rome, Italy, will be in Trieste, September 10-11, in Zagreb, September 12, and in Belgrade, September 13-18.

K. F. OSMOND, Commercial Secretary (Fisheries) in Rome, Italy, plans visits to Palermo, September 3-4, Messina, September 5-6, and Bari, September 10-12.

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

Index to "Foreign Trade"

The index to Volume 105 (January-June 1956) of Foreign Trade *is now ready. If you would like a copy, write to the Editor,* Foreign Trade, *Department of Trade and Commerce, Ottawa.*

JAPAN

World's Number Two Shipbuilder

In two years of prosperity and expansion, Japanese shipyards have risen to a position of eminence among the world's builders. Canadians are finding opportunities in the boom to sell engineering and technical services and the Japanese yards are short of raw materials and component parts which we produce.

JOHN E. LANCASTER, *Trade Commissioner, Kobe.*

FROM RELATIVE UNIMPORTANCE among the shipbuilders of the world Japan has jumped, in the last two years, to a position second only to the long-time leader in the field, the United Kingdom. At the moment 840 thousand gross tons are on the ways in Japanese yards; the backlog of orders runs to more than 3½ million gross tons worth nearly $1 billion.

Three factors have been chiefly responsible for this great achievement: the continuing world prosperity, full bookings among the traditional builders, and buyers' confidence in the quality of Japanese-built tonnage.

Although Japan has supported both large and small shipyards for a number of years, the country's industry before mid-1954 did not make up a large part of the world's total. Before World War II Japanese shipyards existed on orders from domestic shipping companies and the Japanese Navy Ministry. Except for the tanker boom created by the Korean war, the industry was lethargic—a reflection of the country's difficult economic straits.

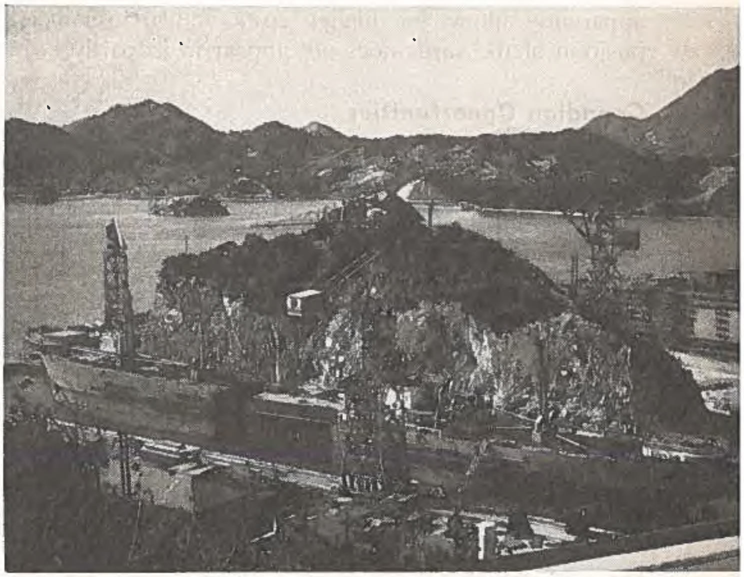
Continuing world prosperity, however, brought new life. Shipowners the world over began expanding their tonnage. Soon the traditional shipbuilding countries—the United Kingdom, Western Europe and Italy —found their shipyards booked to capacity. The United States and Canada were, by and large, priced out of the picture. So the shipowners turned avidly to Japan.

According to Japanese estimates, from October 1954 to June 1955 Japan received orders for more tonnage than any other nation—1·22 million gross tons compared with 1·12 million for West Germany, 610 thousand for Italy, and 350 thousand for the United Kingdom.

During the first quarter of this year Japanese yards launched, in export tonnage alone, 356 thousand gross tons—37 per cent of the world's total. With their present orders Japanese yards can look forward to two-and-a-half years of surging activity. Superimposed upon this business will be further tonnage to be built under the Japanese Government's ship replacement scheme which could amount to 220 thousand gross tons this year. To this would be added orders from the Japanese Self-Defence Board for anti-submarine, coastal patrol and guard vessels, together with small steel coasters for domestic trade.

Service to Customers

Foreign shipowners have acknowledged that Japanese builders have the managerial, technical and engineering ability to meet the world standard. The country has a vast reservoir of labour and continuing moderniza-



Here, in the Hitachi Shipbuilding Company's Innoshima yards, a "Liberty" type ship is being remodelled. Prospects for Japanese shipbuilders appear bright with large orders placed.

tion and expansion in the shipyards yield economies in time and effort. The Japanese are capitalizing on their ability to offer faster delivery than most competing countries. It is reported that contracts for new ships in Japan call for completion within 30 months, compared with three or more years in British yards.

As the pressure of work and orders grow, completion dates are being advanced. Nevertheless, the situation appears to favour Japan. On the other hand, price is an unfavourable factor. It is estimated that the cost of constructing ships in Japanese yards is 5 to 10 per cent above that in West European (Continental) yards. If demand levels off and competition increases, therefore, the Japanese yards will be at a disadvantage.

The cost of steel, a surprisingly large percentage of the overall cost of Japanese ships, is high. Thick ship plate, which cost about $107 a ton two years ago, costs about $140 today and may go higher. Because the Japanese yards have a fixed-price contract policy, they may have to absorb some of the increase to maintain their competitive position.

Ship Demands Increasing

In spite of their problems, the prospects for Japanese shipbuilders appear bright in view of large replacement orders expected for the world's cargo fleets. Some 50 per cent of the total world tonnage is reported obsolescent and should be replaced during the next decade. As the world's population grows and trade increases, demand for seagoing tonnage grows. The world's petroleum needs, now totalling 700 million tons a year, are expected to rise to 1,500 million tons in one or two decades. Japan has secured a respectable percentage of the business in new supertankers. New contracts apparently allow for higher costs and the financial position of the yards does not appear in jeopardy.

Canadian Opportunities

Although Canada has been practically forced out of the picture as a competitor in the international shipbuilding business, some Canadian firms can and do find worthwhile opportunities selling component parts and materials. Such things as aluminum anodes and copper alloy tubing are not produced in Japan.

In other ways too, Canadians are participating in the Japanese boom. Canadian naval architects and consulting engineers are actively engaged in this field. It is not unusual to hear that a U.S. owned ship, sailing under the Panamanian or other foreign flag, was constructed in a Japanese yard to the specifications, and under the surveillance of, Canadian naval architects.

Other Canadian firms capable of entering the field or in a position to supply parts and materials would be well advised to look into the opportunities. ●

Canadian Dowels for Chicago

AMONG THE MANY SPECIALIZED ITEMS which Canadians sell in the United States are dowels and dowel pins. According to U.S. Bureau of the Census figures, Americans bought $228 thousand worth of these wooden pieces from Canada in 1955. If the market remains as favourable as it is now, the total this year should be much larger.

Dowels are used in the manufacture of coat-hanger cross bars, baby crib bars, chair backs, and towel racks. Broom handles alone require large quantities. Long large-diameter dowel rods are used in many homes, hotels, and restaurants for room dividers.

When rods are cut into small pieces and longitudinally or spirally grooved, they become dowel pins. These small pegs are used to assemble furniture and for some types of flooring. One furniture firm in the Chicago area uses over 70 million dowel pins a year; a number of others buy them in carload quantities.

Dowels used in Chicago show extremely wide differences in quality. They vary from crooked, knotty, punky, or rough sticks to very smooth, straight, clear hardwood dowels, manufactured to a tolerance of ·003 inch. Almost any type or quality of dowel made in Canada can find a market in the United States if the price is right. Some Chicago firms have shown particular interest in ⅜″ dowel and in a quality dowel over 1″.

Canadian firms which can compete with U.S. prices and quality should find ready sales. Companies willing to supply on short notice and able to ship larger sizes are in a favoured position.

Dowels and dowel pins are either marketed direct or handled by wholesalers, jobbers and commission agents; wholesalers ask commissions of 10 to 15 per cent and commission agents 5 to 10 per cent. The importer expects quick service and a freight and duty-paid price. Duty is $1.50 for the equivalent of 1,000 board feet. Minimum carloads are 36,000 pounds for rods and 30,000 pounds for pins; a minimum truck-load is 23,000 pounds.

The rate of duty, proximity to the market, efficiency of production, and ready supplies should give Canadian firms a strong competitive position and the market demand appears to be strong.

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

Ethiopia and the Exporter

Steady increase in imports—some to speed development projects—make Ethiopian market worth considering. Supply of and world prices for coffee, the leading export, influence scale of purchases abroad. Exporters might well investigate opportunities in country where Canadian prestige is high.

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

IN SPITE OF A TRADE DEFICIT this year, the Ethiopian economy remains basically sound. Continued improvement in communications and the beginning of a development program which includes the establishment of a number of light industries are first steps towards the rounding-out of the economy. Already the country ranks as an important potential market for a wide range of capital and consumer goods. Imports have increased from about \$1 million in 1907 to \$5 million in 1929 and now stand at \$62 million. They should continue to expand.

Import Pattern Changes

Although imports reached a record in 1954-55, a fall in the world price of coffee, Ethiopia's leading export, cut the value of exports by over \$8 million compared with 1953-54, although more coffee was exported. The pattern of imports has changed noticeably. Textile purchases have fallen and those of building materials, machinery and vehicles have risen. A decline in textiles bought abroad and a corresponding increase in imports of raw cotton results logically from the expansion of the textile industry. The use of sugar has increased over the last few years, but imports have decreased as the output of the local sugar refinery has gone up. Other imports of major importance are motor vehicles from Europe and the United States, pharmaceuticals from Italy, the United States and the United Kingdom, khaki drill from India and Japan, corrugated iron sheets from Belgium and Japan, household equipment and radios from Britain, the United States, and Eastern European countries. Imports of boots and shoes have also risen—from 20,000 pairs in 1945 to almost one million last year.

SOURCE OF IMPORTS INTO ETHIOPIA

(per cent)

	1954-55	*1953-54*	*1952-53*
Italy	15·9	15·1	16·2
United States	13·9	13·9	14·7
India	13·6	14·9	17·8
United Kingdom	9·8	12·3	14·9
Japan	8·3	7·9	5·5
Germany	8·2	8·2	3·9
France	7·6	3·4	3·7

The sources of imports, as indicated in the table below, have also changed.

Italy, a traditional supplier, has regained first place in Ethiopia's import trade. India's and Japan's importance depends on the drill and artificial silk market for which they compete vigorously, and the United States supplies raw cotton, aircraft and spares, and war-surplus woollens. France showed a remarkable rise in sales to Ethiopia of about 150 per cent this year because of larger imports of iron sheets, sugar and petrol. Canada's sales were lower than for the previous year, totalling only \$73,000 and consisting mainly of automobile tires. Unlike exporters from the Communist bloc and the Asiatic countries, who have increased their activities and appear prepared to offer at low prices and to consider any request for credit, Canadian exporters do not seem to appreciate the potential of the Ethiopian market.

The Export Picture

Coffee exports increased in 1954-55 by 1,500 tons over the previous year (37,219 tons in 1953-54). This is a good indication that the industry is maturing. The 1955-56 crop is reported to be 20 to 30 per cent lower than normal and prices are still unsettled. Exports of hides and skins fell slightly but with the completion of a chain of abattoirs throughout the country, they should increase substantially.

Sales of pulses and lentils were lower than for the previous year and the volume of oilseeds exported was down also because of the trend towards local extraction. Meat on the hoof, as well as frozen or tinned, is an important export and goes largely to Israel. Live cattle exported increased from 1,626 head in 1953-54 to 19,992 head last year.

Exact statistics about the destination of exports are not available, because about 40 per cent is transhipped via Aden or Djibouti. However, it is safe to assume that 75 per cent of the total reaches the United States (largely coffee), increasing Ethiopia's supply of dollars.

Development Plans Proceeding

An accelerated highway construction and maintenance program is planned for this year which will require imports of road construction machinery worth several millions. (At the moment Ethiopia has only 4,998 km. of primary roads, including 500 km. of asphalted road. The American Bureau of Roads is working under government contract to maintain and improve the primary network.)

Tenders will be called for telephone poles and radio equipment and for copper wire and poles. Programs for developing the Port of Assab and improving facilities at Massawa, and an expansion of airport facilities, are under consideration.

Foreign countries and individuals have been taking greater interest in agricultural investment projects. Coffee processing plants have been installed, sugar operations extended, and pilot rice and cotton plantations established. The Ethiopian Development Bank has made a large number of small agricultural loans and has supported several small independent industries, including an aluminum utensil plant. These all indicate the pattern which Ethiopian development will take over the next five to ten years.

Undoubtedly there are opportunities for Canadian exporters and investors, possibly in agriculture or the assessment of mineral possibilities. There is an immediate demand for farm machinery, irrigation equipment, road-building machinery and various raw materials, as well as household equipment and other consumer products. It should be remembered, however, that the average income is low, Ethiopia is a virgin market, and local agents require more than the usual assistance if they are to introduce new lines. Not only must prices and credit concessions be considered but generous assistance must be given in advertising and promoting the sale of products.

transportation notes

Kobe's Postwar Comeback

KOBE claims an important place among Japanese ports, both because of the number of ships entered and the cargo handled during 1955. The number of ocean-going ships entering the port reached 3,865, compared with 3,698 in the previous year and 3,522 in 1953. Some 11,632,678 tons of domestic and foreign cargo were shipped through the port, topping the postwar record set in 1954 of 10,104,895 tons. However, Kobe has still to overtake the 1937 figure of 18 million tons of cargo handled. Through this port pass 42 per cent of Japan's foreign exports, valued at almost US$843 million. When heavy bulk import tonnage is included, Kobe shares with Yokohama the honour of being one of the major ports of the Far East.

To keep up with increasing demands on port facilities and to make good wartime losses, strenuous efforts have been made to reclaim land on the harbour front and to build new piers. Large-scale work of this kind is going on in the eastern part of the harbour and the establishment of an industrial estate is being considered. Its purpose would be to promote manufacturing, and especially the production of primary iron and steel.

At the moment, Kobe has eight miles of wharves, 83 berths, and 38 buoys for securing ships in the roadstead, which is protected by a breakwater. A deep-water pier and a grain elevator, where ships carrying grain cargoes from Canada and other countries can tie up, have recently been completed. Additional piers are under construction.

Types of commodities handled through the port have remained virtually unchanged during the past few years. Imports consist largely of raw and semi-processed materials, and exports largely of finished goods. Rice, barley, wheat, beans and raw sugar figure most prominently among foodstuffs imported and hides and skins, crude rubber, soybeans, oilseeds, iron ore, coal and other minerals, pulp for paper and rayon-making, raw wool, cotton and hemp are among the chief raw materials brought in. Leading exports passing through the port include raw silk and silk textiles, cotton yarn and textiles, staple fibre, woollen goods, and iron and steel products. The total value of trade handled through Kobe reached about US$1·46 billion in 1955, compared with US$1·25 billion in 1954.

Among countries using the port the United States ranked first in 1955, followed by India and the Philippines. Canada was in fourth place with 352,786 metric tons compared with 302,616 tons in the previous year; both exports to and imports from Canada shared in this rise. Major Canadian goods arriving in Kobe were wheat, barley, hides and skins, pulp for paper and rayon manufacture, iron ore and scrap, and other raw and semi-processed goods. Chief goods going to Canada from the port were silks and other textiles, iron and steel products, and miscellaneous processed goods.

—J. E. LANCASTER,
Trade Commissioner, Kobe.

Australia

TRANSPORT CHARGES INCREASED—Sharp increases in the cost of train, tram, bus and ferry fares, railway freight, and road transport fees have been announced by the New South Wales Government in an attempt to halt the mounting deficit in the operation of its transport services. The increases became effective July 1.

Suburban rail fares, rose by one-third, country fares by 15 per cent, tram and bus fares by one-half and ferry fares by one-third. Wool, wheat and coal will be hauled at the same rates but charges on most freight will be increased by 10 per cent. Licence fees on motor vehicles are being increased by varying amounts up to 300 per cent.

The increases are expected to raise the revenue of the transport services by £12,229,000 a year, but the Government still anticipates a deficit of £6 million in the next financial year—Sydney, Aug. 6.

British Eastern Caribbean

NEW AIRLINE—British West Indian Airways has announced that it is a 51 per cent shareholder in the newly-formed Leeward Island Air Transport Company (LIAT) which will operate a scheduled service among British Eastern Caribbean islands. The company is purchasing a four-passenger Piper Apache aircraft and this month will begin a twice-weekly service among the islands of Antigua, Montserrat, St. Kitts, St. Martin, and Anguilla—Port-of-Spain, July 23.

British West Indies

AUSTRALIAN SHIP SERVICE—The American Pioneer Line has added two ships to its sailings between the United States and Australia which on the return trip will go directly from Brisbane to Trinidad in about 26 days. First indications are that the service will be available once every six weeks and that some of the vessels will be equipped to handle refrigerated cargo. With through bills of lading possible to any British West Indian territory by transhipment at Port-of-Spain, this service will substantially improve the competitive position of Australian exporters to the British Caribbean—Port-of-Spain, Aug. 2.

Peru

CPA SERVICE—Canada now has a direct air link with the Argentine with the extension of Canadian Pacific Airlines service from Lima, Peru, to Buenos Aires. The flight originates in Hong Kong and flies non-stop to Tokyo, Vancouver, Mexico City (where a flight from Toronto connects with the service from the Orient), Lima, and ends at Buenos Aires. Currently, there is a weekly service with DC-6B's. It is expected that the frequency will be doubled in the near future—Lima, Aug. 7.

Portuguese East Africa

TRANSHIPMENT PORT—Development of a further East African port at Nacala (some 200 miles north of Beira) under the Colonial Development Plan of the Portuguese Government is under way. Contracts have been let for the first portion of the harbour works which will provide deep-sea berthing and coastal facilities. Ultimately the project will provide 5,000 feet of deep-sea wharfage with provisions for extension.

A railway runs inland from Nacala across Portuguese territory to within 50 miles of the Nyasaland border. Eventually this line will connect with the Nyasaland Railway and give Nyasaland and Northern Rhodesia a second Indian Ocean entrepôt, supplementing the present port facilities at Beira—Johannesburg, July 30.

United Kingdom

AIRLINE TRAFFIC—British scheduled airlines carried almost three million passengers in 1955, 22 per cent more than in 1954. Total passenger miles flown reached 1,807 million, a 19 per cent increase over the previous year; freight traffic rose 36 per cent to 48 million ton-miles—London, Aug. 13.

What Indonesia Buys and Sells

With export prices rising over the last three years and import and exchange controls restricting overseas buying, Indonesia's trade surplus has increased. Pattern of trade has changed little, either by country or by commodity. Canada's sales confined to narrow range of products.

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

WITH THE EXCEPTION OF 1952, Indonesia has enjoyed a favourable balance of trade ever since 1950. The volume of exports has remained about the same during the last three years but the value has increased, because of higher world prices for Indonesian products. On the other hand, the strict import and foreign exchange control regulations have resulted in a sizable drop in the volume and value of imports. The favourable balance of trade has thus increased steadily over the past three years. The following table indicates the trend for the years 1951 to 1955.

INDONESIAN FOREIGN TRADE

	Exports		*Imports*		*Balance of trade*
Year	*1,000 tons*	*million rupiah**	*1,000 tons*	*million rupiah*	*million rupiah*
1951	8,955	14,724	2,538	9,954	+4,700
1952	9,836	10,652	4,401	10,806	— 154
1953	12,193	9,344	4,168	8,584	+ 760
1954	12,744	9,759	3,908	7,172	+2,587
1955	12,189	10,618	3,258	6,888	+3,720

* 11·40 rupiah=$1.00 Canadian.

During the last three years the pattern of foreign trade has changed very little. Textiles, chemicals, petroleum products, paper, rice, iron and steel products continue to be the leading imports; rubber, petroleum, tin, copra, tea, and palm oil are the chief exports.

EXPORTS OF PRINCIPAL COMMODITIES

	1955		*1954*		*1953*	
Commodity	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*
Rubber	733	3,888	746	3,013	667	3,080
Crude oil and products	9,473	2,421	9,887	2,579	9,599	2,292
Tin	46	683	49	700	48	926
Copra	237	403	297	581	305	649
Tea	33	355	45	454	33	267
Tobacco	13	316	20	372	14	279
Palm oil	117	254	140	291	132	314
Sugar	176	210	213	255	93	111
Coffee	24	181	38	455	33	343
Copra cakes	157	80	141	76	109	80

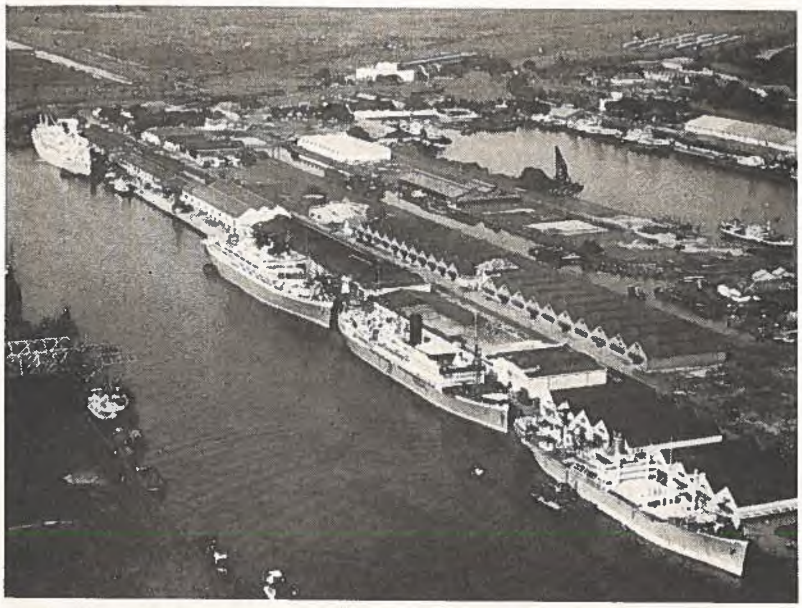
Export Trade

Rubber, petroleum products and tin account for 32 per cent, 26 per cent and 7 per cent of the total value of Indonesian exports. The volume of these and other exports has fluctuated only slightly over the past three years, as the table below shows.

Chief markets for Indonesian products are Singapore, taking 19 per cent of her exports; the United States, with 18 per cent; the Netherlands, 15 per cent; the United Kingdom, 10 per cent; Japan, 7 per cent, and West Germany 4 per cent. Rubber and petroleum are the leading exports to Singapore and the United States, tin and rubber to the Netherlands, and rubber and tea to Great Britain. Canada's purchases from Indonesia ($1,000,943 in 1955, according to DBS figures) consisted mainly of palm oil, rubber, tapioca, kapok, tea, sisal and spices. The table following gives exports to main countries during the years 1953-1955.

PRINCIPAL EXPORT MARKETS

	1955		*1954*		*1953*	
Country	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*
Singapore	319	2,081	200	2,120	210	2,011
United States	263	1,865	170	1,636	115	1,920
Netherlands	181	1,675	188	1,882	210	2,104
United Kingdom	152	1,054	95	448	12	193
Japan	157	788	50	571	29	424
Germany	198	463	61	451	33	446
Central America	96	305	51	15	70	10
Brazil	42	248	8	38	......	....
Australia	559	224	47	345	17	215
Malaya	432	136	278	235	11	155
Italy	35	89	31	173	22	163
Hong Kong	64	29	8	455	58	129



Ships like these at the docks in Tandjong Priok harbour, Djakarta, carry Indonesia's rubber, oil, tin and copra to the markets of the world and bring in the cotton fabrics, chemicals, rice, flour, paper products and other manufactured goods she requires.

The strict import control in Indonesia in the last three years has not affected imports of capital goods very much. Today they account for about 20 per cent of total imports by value—about the same as in 1953. Imports of consumer goods, however, fell to 33 per cent of total imports by value in 1955, compared with 56 per cent in 1956. Purchases of raw materials abroad today account for 47 per cent of total imports compared with 33 per cent in 1953.

The following table shows the volume and value of the ten principal imports into Indonesia for the years 1953 through 1955.

IMPORTS OF PRINCIPAL COMMODITIES

	1955		*1954*		*1953*	
Commodity	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*
Cotton fabrics	65	1,057	59	1,235	75	1,575
Chemicals and products	277	642	175	444	155	367
Paper mfrs.	91	287	71	187	73	211
Cotton weaving yarns	18	273	14	234	13	206
Rice	127	247	259	557	358	885
Iron and steel sheets, etc.	95	221	97	238	89	238
Petroleum and products	1,454	391	2,218	521	2,351	583
Other textiles, fibres and fabrics	11	215	5	128	11	208
Weaving yarns (staple fibre)	13	170	8	115	8	127
Flour	119	135	108	140	136	212

Indonesia's chief markets are also her main suppliers, with the single exception of Singapore. The United States, Japan, the Netherlands, West Germany, and the United Kingdom account for 23 per cent by volume and 58 per cent by value of Indonesia's total imports.

The following table shows the volume and value of imports by country of origin for the years 1953, 1954, and 1955.

CHIEF SOURCES OF SUPPLY

	1955		*1954*		*1953*	
Country	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*
United States	215	1,089	73	1,034	265	1,539
Japan	207	986	335	1,559	208	1,447
Netherlands	217	808	199	750	239	1,006
West Germany	246	702	155	491	175	569
United Kingdom	78	397	60	389	88	604
Hong Kong	39	363	41	430	53	624
India	50	326	32	181	58	216
Belgium	102	216	88	155	134	260
Iraq	1,171	209	1,709	343	566	120
Czechoslovakia	112	198	64	89	10	32
Burma	87	172	157	347	200	477
Thailand	59	103	82	181	71	187

During the last three years the United States and Japan have been the two main sources of supply, followed by the Netherlands. The United States furnished 16 per cent of Indonesian imports, principally cotton fabrics, automobiles, machinery, petroleum products, iron and steel, chemicals, paper, weaving yarns and flour. Japan accounted for 14 per cent of the imports, sending mainly cotton fabrics and yarns, bicycles, sewing machines, iron and steel products and machinery. The Netherlands supplied 12 per cent, including chemicals, cotton fabrics, yarns, milk, machinery, bicycles, paint, ships and iron and steel. West Germany was in fourth place with 10 per cent of the imports, and the United Kingdom fifth with 5·7 per cent. Other sources of supply individually accounted for less than 5 per cent of the total value of imports. Imports from Canada totalled about one-tenth of one per cent of the value of total imports and consisted of newsprint paper, automobiles, iron and steel sheets, engines, polystyrene and sparkplugs. ●

United States Imports from Canada

B. S. SHAPIRO, *International Trade Relations Branch.*

THE FOLLOWING TABLE has been prepared by the Department of Trade and Commerce from the 1955 import statistics of the United States. The table lists all categories in which imports from Canada reached approximately $100 thousand in 1955 and gives the rates of duty imposed by the United States on each of the categories shown. Part A consists of dutiable imports and Part B of free imports. The total value of the listed imports from Canada is $2,414,940,000.

The figures do not represent a complete coverage of the trade, because the United States follows the practice of excluding from statistics of individual commodities all import shipments valued at less than $250 each.

The table is published here, however, with the thought that our readers may find it useful as a check list of the types of goods and approximate rates of duty involved in Canadian trade with the United States.

The rates of duty are those in force as of July 1, 1956. Some of these rates will be entitled to further small reductions both next year and the following year in accordance with the terms of the recent tariff agreements. For more complete details on the full tariff descriptions and tariff classification of any particular product, readers should get in touch with the International Trade Relations Branch.

Selected Items in the U.S. Import Statistics for 1955 Showing Imports of Approximately $100,000 or More from Canada

*TABLE A—DUTIABLE IMPORTS AND RATES OF DUTY

Description	U.S. Tariff		1955 Value of Imports	
	Para. No.	Rate of duty July 1, 1956	from all countries	from Canada
			(thousands of dollars)	
MACHINERY AND METALS				
Electric generators, and converting apparatus	353	15%	1,076	461
Articles for controlling and rectifying electricity	353	15%	3,910	2,768
Switches, sockets, etc.	353	17½%	817	95
Electric motors	353	11½%	3,254	838
Therapeutic apparatus	353	16½%	423	251
Radio and television apparatus	353	11½%; 12½%	3,491	398
Telegraph and telephone apparatus	353	17½%	3,030	1,780
Photocells and tubes	353	15%	529	86
Storage batteries	320	19%	688	134
Electric furnaces, heaters, ovens	353	12½%	460	153
Electrical machines	353	13¾%	26,768	2,147
Electrical goods, nspf	353	11½%	562	236
Internal combustion engines, carburetor-type	372	8¾%	963	924
Metal-working machines	372	15%; 20%	12,489	791
Sewing machines	372	10%	30,794	604
Ball and roller bearings	372	16½% and 3·8¢ lb.	3,273	1,125
Printing presses	372	12½%	8,708	107
Mining machinery	372	13%	445	249
Papermaking machines	372	9½%	601	298
Saw machines	372	13%	2,260	608
Machinery and parts, (except agricultural) nspf	372	13%	24,493	4,610
Automobiles and trucks	369	9½%; 11½%	72,007	852

**The first part of Table A, Dutiable Imports, appeared in our August 18 issue—Editor.*

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries	1955 Value of Imports from Canada
			(thousands of dollars)	
Automobile parts	369(*c*)	11½%	12,631	7,767
Airplanes	370	14%	14,415	8,626
Aircraft parts and engines	370	14%	17,681	14,006
Motor boats	370	7%	3,429	1,505
Railway cars and parts	397	22½%	980	968
Vehicles, etc., metal	397	21%	1,190	876
CHEMICALS AND RELATED PRODUCTS				
Vanillin	28(*a*)	21% and 3¼¢ lb.	294	266
Glycols or dihydric alcohols	2	15% and 3¢ lb.	365	160
Trichloroethylene	18	7½%	1,757	523
Vinyl acetate	2	7% and 1·4¢ lb.	6,084	5,700
Vinyl alcohol	2	14% and 2·8¢ lb.	6,286	91
Acetic acid	1	0·59¢ lb.	200	200
Acetic anhydride	1	1·65¢ lb.	299	299
Methyl or wood alcohol	4	17·1¢ gal.	364	364
Hexyl, propyl alcohol	4	3¢ lb.	192	192
Calcium carbide	16	0·4¢ lb.	130	130
Pyroxylin, other than in sheet form	31(*b*)	20¢ lb.	291	239
Cellulose compounds	31(*b*)	20¢ lb.	974	472
Acetone	3	9½%	178	178
Acetylene black	71	5%	1,331	1,331
Aluminum hydroxide	6	¼¢ lb.	321	283
Sulphate over 15% alumina	6	0·1¢ lb.	211	109
Aluminum salts and cpds.	6	11½%	333	192
Carbon tetrachloride	18	0·95¢ lb.	222	222
Chlorine	5	11½%	675	671
Flavouring extracts, etc.	39	7½%	377	177
Formaldehyde solution	40	⅞¢ lb.	219	219
Phosphorus	63	4¢ lb.	131	117
Chemical compounds, not specially provided for	5	11½%	17,929	12,048
Iron oxide and hydroxide, synthetic	73	10%	850	323
Barytes ore, crude	67	$2.85 ton	2,181	1,364
Zinc oxide, dry powder	77	⅜¢ lb.	685	211
Varnishes	75	10%	336	308
Mining and blasting fuses	1517	95¢ 1,000 ft.	109	103
MISCELLANEOUS PRODUCTS				
Film, photographic	1551	6¼%	1,610	213
Film, motion picture	1551	1/10¢ ft.	869	490
Dental burrs	359	22½%	374	76
Pipe organs	1541	10%	489	439
Ice skates	1502	12½%	773	446
Maps, charts, blank books	1410	11½%	338	148
Books	1410	5%	5,487	103
Printed matter	1410	5%	908	131
Litho prints	1406	15¢ lb.	564	96
Paint brushes	1506	25%	632	94
Electrotype plates	341	11½%	271	96
Textile waste, fur felt waste	1555	4%	4,049	1,454

TABLE B—DUTY-FREE IMPORTS

Sausage casings	1755	13,114	1,620
Smelts, fresh or frozen	1756	1,230	1,180
Sea herring, fresh or frozen	1756	151	111
Lobsters, not canned	1761	30,103	13,430
Lobsters, canned	1761	5,073	3,595
Crabs	1761	318	292
Clams, not in airtight containers	1761	548	466
Scallops, fresh or frozen	1761	907	423
Hides, horse and mule	1765	1,616	533
Skins, sheep and lamb	1681	14,175	135
Skins, deer	1765	1,227	162
Sealskins	1765	350	145
Hides and skins, nspf	1765	682	116

Description	U.S. Tariff		1955 Value of Imports	
	Para. No.	Rate of duty July 1, 1956	from all countries	from Canada
			(thousands of dollars)	
Beaver fur, undressed	1681		3,173	3,143
Mink fur, undressed	1681		31,363	16,157
Muskrat fur, undressed	1681		2,152	2,028
Fur, other, undressed	1681		5,349	1,957
Cod oil	1730(*b*)		647	418
Cod liver oil	1730(*b*)		3,482	101
Cattle for breeding	1606(*a*)		4,842	4,767
Other animals for breeding	1606(*a*)		3,372	108
Horses for slaughter	1695		556	517
Bones, ground, ash, dust, etc.	1627		929	96
Hide cuttings, raw	1689		487	182
Glue stock	1689		240	121
Tankage, (except fertilizer)	1780		1,198	178
Fish scrap and meal (except fertilizer)	1780		11,797	5,338
Fish inedible, other	1677		979	467
Wheat for grinding and export	....		526	526
Bread	1623		335	151
Tea	1783(*b*)		64,762	378
Rubber scrap	1697		1,147	310
Crude drugs	1669		3,781	1,404
Moss, seaweed, etc., crude	1722		1,280	713
Cotton wastes	1662		6,601	261
Jute waste, bagging, etc.	1617		5,749	973
Binder twine	1622		5,454	1,777
Baler twine	1622		14,823	3,078
Horsehair, cattle hair	1688		4,057	502
Logs	1803		6,874	5,669
Poles, posts, round timber	1804		4,302	4,021
Staves	1805		246	246
Christmas trees	1803		5,569	5,569
Railroad ties, sawed	1804		318	318
Laths	1803		978	978
Red cedar shakes	1760		7,891	7,888
Shingles	1760		20,676	20,671
Pickets and palings	1805		1,227	1,199
Pulpwood	1803		33,927	33,922
Wood pulp	1716		277,181	238,960
Rags, waste bagging, old rope grasses, fibres, etc., for papermaking	1750		6,214	3,152
Standard newsprint paper	1772		612,642	596,992
Coal, bituminous	1650		1,586	1,586
Coke	1650		1,405	1,394
Charcoal, wood	1802		231	125
Slack and culm	1650		1,054	1,054
Quartzite	1775		389	385
Plaster rock and gypsum, crude	1743		6,287	5,759
Nepheline syenite, ground	1775		1,856	1,856
Sand, crude	1775		385	381
Carbides of silicon	1672		7,915	7,846
Abrasives, aluminous and artificial	1672		14,310	14,308
Asbestos	1616		55,712	52,774
Iron pyrites	1777		520	520
Natural gas	1719		1,297	1,297
Diamonds, rough or uncut	1668		76,735	569
Crushing bort and other industrial diamonds	1668		65,528	3,816
Iron or steel scrap	301		6,199	5,726
Ilmenite ore	1719		7,031	5,143
Aluminum scrap	374		16,364	11,488
Copper (incl. scrap)	1658		413,586	73,054
Old brass and clippings	1634		5,145	2,895
Nickel ore and matte	1734		3,264	3,264
Nickel oxide	1734		30,124	13,681
Tin ore	1785		36,736	341
Cobalt metal	1652		38,585	3,106
Selenium and salts	1758		1,468	1,468
Tin plate scrap	1786		839	803
Metallic mineral substances, crude	1664		1,788	753
Magnesium scrap	375		1,034	543
Platinum sponge and scrap	1744		12,977	7,874
Shoe machines	1643		1,315	281
Typewriters	1791		7,726	811

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries	1955 Value of Imports from Canada
			(thousands of dollars)	
Agricultural machinery and implements	1604		80,443	71,642
Creosote oil	1651		5,874	92
Naphthalene and coal tar distillates	1651		7,136	394
Antitoxine, vaccines	1610		316	195
Sulphuric acid	1601		553	550
Hydrochloric acid	1601		367	366
Sodium sulphate, crude	1766		2,412	1,274
Sodium cyanide	1667		7,132	5,495
Radium salts	1749		975	383
Radio active substances	1749		189	134
Ammonium sulphate	1685		7,935	7,868
Ammonium nitrate mixtures	1685		22,315	14,678
Calcium cyanamide	1641		4,329	4,329
Ammonium phosphate and materials for fertilizers	....		32,512	25,737
Paintings etc., original	1807		17,113	1,938
Sculpture casts, educational	1773		760	118

Assistant Trade Commissioners Posted

Before leaving for their posts, these four new Assistant Trade Commissioners are touring industry throughout Canada, from August 20 to November 2.

JOHN HOWARD NELSON was born in Vancouver, British Columbia, and graduated from the University of British Columbia with a B.Com. degree in 1955. Mr. Nelson has been posted to New Delhi, India, as Assistant Commercial Secretary.

PERCY TURRIFF EASTHAM was born in Kindersley, Saskatchewan, and graduated from the University of British Columbia with a B.A. and an LL.B. degree in 1951. Mr. Eastham has been posted to Port-of-Spain, Trinidad, as Assistant Trade Commissioner.

WILLIAM MANNING MINER was born in Speers, Saskatchewan. He graduated from the University of Saskatchewan with a B.S.A. degree in 1952 and received his M.Sc. in 1956. Mr. Miner has been posted to Hong Kong as Assistant Trade Commissioner.

JOHN DOUGLAS BLACKWOOD was born in Winnipeg, Manitoba. He graduated from the University of Manitoba (Brandon College) with a B.A. degree in 1954 and attended the University of Chicago in 1955. Mr. Blackwood has been posted to Karachi, Pakistan, as Assistant Commercial Secretary.

General notes

Argentina

JUTE TRADING FREED—The jute trade has been returned to private enterprise under the terms of a resolution issued recently by the Ministry of Commerce and Industry. For many years this trade was the monopoly of "IAPI" (Argentine Trade Promotion Institute) but in future jute bags will be traded through the producers' societies and co-operatives and private enterprise in general. All must register in the "Agents' Register for the Distribution of Textile Packings" (Registro de Agentes de Distribucion de Envases Textiles) which will function under the Ministry of Commerce and Industry—Buenos Aires, Aug. 7.

Australia

BASIC WAGE—The Full Arbitration Court has increased the federal basic wage by 10 shillings a week. The Court said the wage could not be increased by more than 10/- a week without creating a danger of inflation and unemployment and that the increase granted was its estimate of the highest amount the economy could pay. The decision will affect about one million workers throughout Australia. Industrial circles were disappointed that the increase was not greater—Sydney, July 31.

COPRA EXPORT CONTROLS—Controlled marketing of copra exported from Papua and New Guinea will be continued after the expiry of the Australian-United Kingdom copra agreement at the end of 1957, the Minister for Territories announced recently. These arrangements are in accordance with a request from producers for the continuation of controlled marketing under a board constituted in the same way as the present one. The Board would make all initial arrangements for the marketing of copra after 1957—Sydney, July 31.

Austria

TRADE DEFICIT LOWER—A marked improvement in Austria's balance of trade during the first half of 1956 was noted in provisional figures just released. Imports from January to June 1956 increased by 11·6 per cent to A.Sch. 12,026 million from A.Sch. 10,778 million in the same period of 1955. Exports expanded considerably from A.Sch. 8,406 million during the first half of last year to A.Sch. 10,381 million in the first six months of 1956; this 23·5 per cent increase in exports reduced the trade deficit by 30·7 per cent from A.Sch. 2,372 million to A.Sch. 1,645 million. In view of this favourable development, Austrian authorities may allow further dollar imports, which currently amount to only 8 per cent of the total—Berne, Aug. 3.

Bahamas

NEW PLEASURE RESORT—The building of a large pleasure resort, to be called the Coral Harbour Club, has recently been begun near Nassau, on a site comprising almost four square miles in area. Six miles of sea-beach, shops, a swimming pool, tennis courts, golf courses and fishing and yachting facilities are included in the scheme; the total cost will reach about £10·4 million. The club building will have luxury accommodation for 120 guests—Kingston, Aug. 8.

Jamaica

NEW ALUMINA PLANT—Alumina Jamaica Ltd. has decided to build another alumina plant here costing about £12 million. Construction will begin this year and completion is expected in 1958. It will be situated in the east-central district of Jamaica, near an abandoned railway track, part of which will be relaid in order that the alumina may be shipped by rail to Port Esquivel on the south coast. Aerial ropeways to bring the bauxite to the plant will be provided. Housing development and drilling wells for a water supply are planned. The capacity of the company's present Jamaican plant—the Kirkvine—is now being doubled, and the new one will bring their total capital investment in Jamaica up to about £34 million—Kingston, Aug. 2.

Israel

OIL STRIKE—Two new strikes have been made in the Heletz oilfield north of the Gaza strip in the Negev desert. Heletz Well No. III, which gushed on

March 9, is said to be better than Heletz No. I since it has an oil-bearing layer of 17 feet, beginning at 4,914 feet. The oil is reported to be of superior quality.

The third strike was made on March 18 at Heletz No. II well, previously believed to be a dry hole. According to Israeli sources, Heletz can now be considered an extensive oilfield and drilling is continuing to discover additional oil layers and to determine the extent of the field. Currently, an experimental daily rate of 40 tons of crude is drawn from this field. Israel now imports $40 million of crude oil a year—Athens, July 27.

New Zealand

NEWSPRINT TARIFF CHANGE—The customs duties on newsprint in rolls entering New Zealand was suspended recently until December 31, 1956; Canadian newsprint now enters free of duty under the British preferential tariff. The order reduces the tariff rate for most-favoured-nations from 10 per cent to free. The growing demand for newsprint exceeds home production and present imports from the Commonwealth; additional supplies from foreign countries are sought. This tariff suspension is expected to have little or no effect on Canada's exports. The trade in New Zealand considers the offerings of foreign newsprint at present to be inferior in quality, and often higher in price than the Canadian product. Any changes in the future for Canadian exports of newsprint to this market is related to the long term development of the newsprint industry in New Zealand—Wellington, Aug. 14.

Northern Ireland

SYNTHETIC FIBRE PLANT—In June negotiations were completed between an American company and the Government of Northern Ireland to establish a $3·5-million plant at Coleraine, Co. Londonderry to manufacture acrilan, one of the newest synthetic fibres. Construction will begin soon on a 70-acre site, and production is expected to start in January 1959. About four hundred workers, mostly men, will be employed on a three-shift basis; additional male workers are also required to build the plant—Belfast, Aug. 8.

Peru

COPPER MINING DEVELOPMENT—Initial operation at a $200-million copper mining project in Southern Peru are well under way. The original deposit to be exploited first is estimated at 400 million tons and is flanked by two adjoining deposits of 200 million and 700 million tons. The development program is expected to take four to five years and includes construction of a $2 million mole and pier at the port of Ilo; the building of a 120-mile railway or highway from the port to the ore body; erection of the mine-site camp, a concentrator and smelter. The largest job of all is the removal of an estimated 120 million tons of overburden to allow open-pit mining which is planned for the early stages—Lima, Aug. 3.

Philippines

AERIAL SURVEY—A Canadian company is conducting an aerial magnetometer survey to aid oil explorations in the Philippines on behalf of a Manila oil corporation. The survey plane, especially equipped for this work, arrived in Manila in June with its all-Canadian crew, after completing a surveying job in India; the company hopes to complete the Philippine air survey by mid-August. Discovery of oil would be important economically to the Philippines, which now must import all petroleum products it uses—Manila, Aug. 6.

Trinidad

TAX-FREE PERIOD FOR NEW INDUSTRY—Trinidad has extended the tax-free period which is offered to pioneer industries from five to ten years. This extension will also be available to established industries where the need can be shown. This change was said to be necessary to meet competition from other Caribbean areas and will for the first time meet the needs of those industries which require a heavy initial capital investment—Port-of-Spain, Aug. 6.

Venezuela

FLOUR MILLING ENTERPRISE—Registration of a new flour milling enterprise was announced in Caracas recently. The company, Molinos Nacionales Compania Anonima (MONACA) will have a capital of Bolivars 9·25 million (about $3 million). Included among the principal shareholders and directors are representatives of an internationally known Swedish financial organization and a well known Caracas lawyer who, on behalf of undisclosed North American interests, has subscribed 6,750 shares out of a total 9,250 offered. No indication has been given as to the size of the mill or when construction will begin. Capitalization of the new company, however, indicates that it will be somewhat larger than the two flour milling projects now being built in Venezuela—Caracas, Aug. 4.

trade and tariff regulations

British West Indies

SOME IMPORT CONTROLS LIBERALIZED—It has been announced officially in British Guiana that the following products have been placed under world open general licence, effective July 4, 1956: unmanufactured tobacco, apples, milk-based infant and invalid foods, chemical fertilizers and calcium carbide. Products which are under world open general licence may be imported without restriction from all sources.

Ceylon

BUDGET FOR 1956-1957 ANNOUNCED—The Finance Minister introduced in Parliament on July 12 the budget for the fiscal year, July 1, 1956, to June 30, 1957. Under the budget some concessions were made on import duties in respect of essential food items, machinery, farm implements, small cars, radio components and a few other commodities. Import duties have been increased on luxury cars, spectacle frames and certain machinery parts. A new import duty of 15 cents per gallon on crude oil has been introduced. Items affected under the new budget are given below. In quoting the rates of duty, the preferential rate (applies to imports from the British Commonwealth including Canada), wherever applicable, will be given first; the former rates are given in brackets.

Import duties are lowered on the following items:

Agricultural machinery and watering machines, 2½ per cent ad valorem preferential (5 per cent) and 12½ per cent ad valorem general (15 per cent); butter, 2½ per cent (15 per cent) and 12½ per cent (25 per cent); fish, dried or salted, free (1 rupee per cwt.*) and 1 rupee per cwt. (2 rupees per cwt.); jams, jellies and marmalades, 5 per cent (15 per cent) and 15 per cent (25 per cent); motor cars and station wagons, up to 8,000 rupees landed cost, engines and chassis for same, 35 per cent (42½ per cent) and 42½ per cent (50 per cent); perfumery, cosmetics, 30 per cent (40 per cent) and 40 per cent (50 per cent); artificial silk yarn and synthetic fibre, 2½ per cent (10 per cent) and 12½ per cent (15 per cent); wireless goods and apparatus and parts, 10 per cent (25 per cent) and 12½ per cent (27½ per cent); agricultural implements and tools, 2½ per cent (5 per cent) and 12½ per cent (10 per cent); perfumed spirits, including lavender water and eau-de-cologne, packed in 4 oz. containers, 40 per cent or, if higher, 40.00 rupees per gallon (50 per cent or 50.00 rupees per gallon) plus surtax of 75 per cent of the duty, packed in larger containers, 50 per cent, or, if higher, 50.00 rupees per gallon (60 per cent or 60.00 rupees per gallon), plus surtax of 75 per cent; toys and games, 20 per cent (30 per cent) and 25 per cent (35 per cent), plus surtax of 10 per cent.

On the following items the rates of import duty have been increased:

Refrigerators, 45 per cent (35 per cent) and 50 per cent (40 per cent); parts of refrigerators, 40 per cent (35 per cent) and 45 per cent (40 per cent); motor cars and station wagons, engines and chassis for same, valued from 8,000 rupees to 12,000 rupees landed cost, 62½ per cent (60 per cent) and 70 per cent (67½ per cent); motor cars and station wagons, engines and chassis for same, valued over 12,000 rupees, 82½ per cent (80 per cent) and 90 per cent (87½ per cent); spectacle frames and parts, 30 per cent (16½ per cent).

The following items were not specifically named in the Customs tariff and therefore the former rate is not easily identifiable:

Metal cans for the canning industry, of iron or steel, 5 per cent and 15 per cent, other, 15 per cent; corrugated roofing, 17½ per cent; plumber blocks, flanged couplings and set collars, 33⅓ per cent; rubber rollers, saw benches, solid pulleys, 33⅓ per cent; iron and steel grating and drain covers, 33⅓ per cent; pictures and prints, unframed, 40 per cent; in gold and silver frames, 100 per cent; and in frames other than gold and silver, 75 per cent.

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* The Ceylon Rupee (100 cents) equals 20.55 cents Canadian at the current rate of exchange; a cwt. equals 112 pounds.

Indonesia

IMPORT REGULATIONS—It was reported in the August 18 issue of *Foreign Trade* that the Indonesian import licensing system was suspended on August 6 and that new import regulations were anticipated. Although the new regulations have not yet been issued, the Indonesian Foreign Exchange Bureau announced that licence applications received on or before August 4 will be processed in the usual way. Moreover, applications for licences covering orders for the Government, transactions involving certain credits, and some specified transactions (which are of little interest to Canada) have not been suspended.

It is expected that the new import regulations will be announced in the very near future. They will be reported in *Foreign Trade* as soon as details are available—Djakarta, Aug. 6.

NEW EXPORT PREMIUM SYSTEM—Effective August 6, existing Indonesian regulations concerning the granting of export premiums in local currency were withdrawn. In their place, export premiums in foreign currencies will be granted to exporters. The premium will be an established percentage of the f.o.b. export proceeds, ranging from 3 to 20 per cent according to commodity. No premium will be granted to exporters of sugar, quinine, chinchona, tin ore and coal.

The new export premium certificates may be sold freely within three months. It is anticipated that the certificates will sell at a premium.

The list of goods which can be imported through the use of the new certificates has not yet been announced. Certificates may also be used for foreign travel, for social transfers, and possibly also for other purposes still to be determined—Djakarta, Aug. 6.

Ireland

EXTENSIONS TO SPECIAL IMPORT LEVY—The Special Import Levy which was imposed by the Government on March 14, 1956, has now been raised and extended to include a further list of commodities. This levy is in addition to any other duties already chargeable on the goods.

The rates of 37½ per cent ad valorem (full rate) and 25 per cent ad valorem (preferential rate—United Kingdom and Canada) imposed in March on certain articles have been increased to 60 per cent and 40 per cent. Goods liable to these rates include the following:

Washing machines and refrigerators for domestic use; musical instruments and accessories thereof; clocks, watches, watch straps and watch bracelets; new articles of personal clothing or wearing apparel, excluding knitted woollen garments, etc.; toys and sports goods; fountain pens, pencils and jewellery; meat and meat preparations (including soups); fruit and vegetable juices; fur skins.

An additional list of goods has been drawn up which will be dutiable at the rate of 37½ per cent (full rate) and 25 per cent (preferential rate—United Kingdom and Canada). This list includes:

Artificial plastic materials (other than knitted or woven fabrics) imported in sheets and rolls; certain articles made of artificial plastic material; certain office machines; vegetables (other than tomatoes and dried peas), fresh, frozen dried or otherwise preserved; vegetable soups and purees; cereal products, including macaroni, spaghetti, etc.; canned fish; raw furskins; paperboard in sheets or rolls.

The rate of duty on canned fruits in syrup has been increased. Commercial vehicles are now included in the 15 per cent levy on assembled and unassembled road motor vehicles.

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

New Zealand

IMPORT CONTROL FOR 1957—The New Zealand Minister of Customs announced on August 1 the import licensing schedule for 1957. This schedule provides for the continuation of the items exempted from import licensing during 1956. There are no additions to the list, except that provision has been made to receive applications for imports of gumboots exceeding children's size 6 from Canada and the United States.

Regarding imports from the dollar area, the Minister stated that there would be no change during 1957 in the current policy. Dollar licences will continue to be granted mainly for plant and equipment, raw materials, and other requirements of the primary manufacturing and building industries.

The policy regarding imports of motor vehicles for 1957 has not yet been announced.

DOLLAR IMPORT LICENCES—The New Zealand Department of Customs announced on July 24, 1956, that in cases where an importer's 1956 basic licence for textile piece goods from the dollar area is less than the 1955 licence, consideration will be given to the granting of an additional licence to bring the 1956 licence up to the level of the 1955 licence. This additional licence will be granted in cases where it can be shown that the reduction was due to the fact that orders placed under the 1955 licence were not landed until 1956.

Norway

IMPORT QUOTAS FOR CANADIAN GOODS—A Norwegian measure freeing a wide range of dollar goods from import restrictions was reported in *Foreign Trade* of August 4 and 18. Information has now been received that the Norwegian authorities extended, at the same time, the application of most quotas on the Norwegian "Global Quota" list to dollar countries, including Canada. This list, which had previously applied mainly to European countries and their overseas territories, establishes import quotas, on an annual basis, for various goods which have not been liberalized.

The global quota list consists largely of manufactured goods. Among them, the following appear to be of interest to Canadian exporters:

Eggs for technical use; synthetic resins; plastic materials in sheets, rods, etc.; hardened animal and vegetable oils and fats; vegetable and animal wax, paraffin wax; varnishes; cosmetics, perfumes and soaps; aluminum paste; wire fencing and netting; outboard motors; accounting and card-punching machines; washing machines; refrigerators; electric stoves and heaters; machines for the paper and pulp industries, for sawmills and planing mills; telegraph and telephone apparatus;

echo sounders; taxis; aircraft parts; oil heating installations and church organs.

—Oslo, August 2.

Detailed information for particular items may be obtained from the International Trade Relations Branch.

Switzerland

CUSTOMS DUTIES ON CONIFEROUS LUMBER—Temporary reductions in Swiss customs duties on coniferous lumber will remain in force for another year, until August 31, 1957. The reductions apply to lumber and timber of coniferous trees in the rough (from 0·50 francs to 0·05 francs per 100 kilograms gross weight), and to sawn or split coniferous lumber and timber, even if completely squared (from 2·50 francs to 0·50 francs per 100 kilograms gross weight) —Berne, Aug. 9.

United States

DUTY SUSPENSION ON METAL SCRAP CONTINUED—By Public Law 723, approved July 16, 1956, metal scrap continues to be exempt from import duties until June 30, 1957, with the proviso that this exemption shall not apply to lead scrap, zinc scrap, or tungsten scrap.

FREE ENTRY EXTENDED TO NICKEL-CONTAINING MATERIAL—By Public Law 723, approved July 16, 1956, duty-free entry is extended, under tariff paragraph 1734, to nickel-containing material in powder, slurry, or any other form, derived from ore by chemical, physical, or any other means, and requiring further processing for the recovery therefrom of nickel or other metals.

Trade Commissioners on Tour

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, begins a tour of Canada in Vancouver and Victoria, September 4-14. His itinerary is:

Edmonton—Sept. 17-18
Winnipeg—Sept. 20-21
Toronto—Sept. 24-Oct. 2
Hamilton: St. Catharines: Welland—Oct. 3-4
Brantford—Oct. 5
Sarnia—Oct. 9
Windsor—Oct. 10
Brockville—Oct. 12
Montreal—Oct. 15-24
Halifax—Oct. 26
Saint John—Oct. 29
Ottawa—Oct. 31-Nov. 7

L. S. GLASS, Commercial Counsellor for Canada in Wellington, New Zealand, began his Canadian tour in Montreal, August 6. His itinerary is:

Hamilton—Sept. 4-7
Niagara Falls—Sept. 10
St. Catharines: Welland—Sept. 11
Brantford—Sept. 12
London—Sept. 13
Windsor: Walkerville—Sept. 14
Sarnia—Sept. 17
Winnipeg—Sept. 20-21
Regina—Sept. 24
Calgary—Sept. 25-26
Edmonton—Sept. 27-28
Vancouver—Oct. 1-12
Victoria—Oct. 15-16

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10, and completes it in Vancouver, September 10-14, and Ottawa, October 24.

F. B. CLARK, former Commercial Secretary in Caracas, Venezuela, began a tour of Canada in Victoria, August 30-31. His itinerary is:

Vancouver—Sept. 4-10
Calgary—Sept. 13
Edmonton—Sept. 14-15
Winnipeg—Sept. 17-18
Toronto—Sept. 20-28
Hamilton—Oct. 1-2
St. Catharines: Niagara area—Oct. 3-4
Brantford—Oct. 5
Kitchener—Oct. 8
Welland—Oct. 9
Windsor: Sarnia area—Oct. 10-11
Montreal—Oct. 15-23
Granby—Oct. 24
St. Johns—Oct. 25
Quebec—Oct. 26
Halifax—Oct. 29-30
Kentville—Oct. 31-Nov. 1
Saint John—Nov. 2-3
Ottawa—Nov. 5

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Brantford, Granby, Halifax, Kentville, Montreal and Saint John; Chambers of Commerce in Brockville, Calgary, Hamilton, Kitchener, London, Niagara Falls, Regina, Quebec, St. Catharines, Sarnia, St. John's, Waterloo, Welland and Windsor; the Canadian Manufacturers Association in Edmonton, Toronto and Winnipeg; the Department of Trade and Commerce in Vancouver and Ottawa, and the Department of Trade and Industry in Victoria.

Coming to Canada on Business

The information about foreign business vistors 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

*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.**

*G. R. CAMERON, Managing Director, Komiak Seeds Ltd., Millicent South Australia, with a special interest in pasture seeds, will visit Canada for one day in Toronto on September 12.**

** 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 the Belgian Congo

RENE DELVAUX, senior partner, Messrs. Redelco, general importers of Leopoldville, Belgian Congo, will visit Canada during the latter half of September. The main purpose of his visit is to keep in touch with present Canadian principals and friends but he would welcome leads which might increase his firm's representation. He is especially interested in consumer durable goods and foodstuffs, mainly canned, dried, and salted fish. While in Canada Mr. Delvaux will visit the Department of Trade and Commerce in Ottawa.

▶ from Indonesia

ROBERT Y. N. KING, representing the X-ray and medical products division of Messrs. N. V. H., Mij., and J. A. Wattie and Company, Tanah Abang Barat 40, Djakarta, Indonesia, importers of pharmaceuticals, X-ray and medical equipment, and food products, will visit Canada early in September. The company he represents also imports general equipment and supplies for the Wattie Estates and other estates through control of the Estates Supplies and Trading Company in Surabaya. Mr. King will arrive in Ottawa during the first two weeks of September to consult with Atomic Energy of Canada Limited. He plans also to include visits to an aviation electronics company and a chemical firm in Montreal. His mailing address is c/o Mr. W. J. Green, Atomic Energy of Canada Limited, Ottawa, Ontario.

▶ from Japan

YOSHIO KOBAYASHI, chief of the Kanagawa Breeding Farm of 3910 Hongo Ebina Machi, Koza Gun, Kanagawa Prefecture, Japan, will arrive in Toronto between September 10 and 15. Mr. Kobayashi is not purchasing cattle on this trip to Canada; his aim is to gain appreciation of Canadian Holstein herds with a view to future purchases. International Livestock Exporters Ltd. Box 125, Oakville, Ontario, has been informed of his proposed visit.

ISAO YAMADA, Managing Director, Kokoku Rayon and Pulp Co. Ltd. of 1, Shiba Tamuracho 1-Chome, Minatu-Ku, Tokyo, Japan, representing one of the leading producers of sulphite pulp in that country will visit Montreal on October 10 as part of his world tour; he is particularly anxious to see through a typical Canadian sulphite pulp plant and to study our pulp industry. The Canadian Pulp and Paper Association, 2280 Sun Life Building, Montreal, Quebec, has been informed.

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 1·02073

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent August 16	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·5443	1·837	(1)
		Free	·03281	30·47	
Australia	Pound		2·1810	·4585	
Austria	Schilling		·03768	26·54	
Belgium-Luxembourg	Franc		·01964	50·92	
Belgian Congo	Franc		·01964	50·92	
Bolivia	Boliviano	Official	·005156	193·95	
British West Indies	Dollar		·5680	1·76	(2)
	Pound		2·7263	·3668	(3)
	Dollar	British Honduras	·6816	1·4671	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·0114142	87·61	tax 10% (4)
		Category II	·009079	*110·14	31 July
		Category III	·005748	*173·98	(5)
		Official buying	·53362	18·74	
Burma	Kyat		·2057	4·86	
Ceylon	Rupee		·2045	4·890	
Chile	Peso	Free	·001983	504·286	(15)
Colombia	Peso	Basic	·3919	2·552	(7)
		Free*	·2057	4·861	15 August
Costa Rica	Colon	Official	·1745	5·731	
		Controlled free	·1475	6·778	
Cuba	Peso		·9797	1·021	tax 2% (4)
Czechoslovakia	Koruna		·1361	7·348	
Denmark	Krone		·1418	7·052	
Dominican Republic	Peso		·9797	1·021	
Ecuador	Sucre	Official	·06532	15·309	
		Free	·05267	18·986	
Egypt	Pound	Official	2·8132	·3555	(6)
Fiji	Pound		2·4561	·4071	
Finland	Markka		·04260	234·7	
France	Franc		·002800	357·1	(8)
French Africa	Franc		·005600	178·6	(9)
French Pacific	Franc		·01540	64·94	(10)
Germany	D Mark		·2338	4·277	
Greece	Drachma		·03265	30·63	
Guatemala	Quetzal		·9797	1·021	
Haiti	Gourde		·1959	5·105	
Honduras	Lempira		·4898	2·042	
Hong Kong	Dollar	Free*	·1592	6·282	*3 August
		Official	·1704	5·869	
Iceland	Krona	Official	·06016	16·62	
		Special buying	·04462	22·41	
		Special selling	·35149	28·45	(11)
India	Rupee		·2045	4·890	
Indonesia	Rupiah	Basic	·08627	11·592	(12)
Iran	Rial	Certificate	·01293	77·32	
Iraq	Dinar		2·7431	·3645	
Ireland	Pound		2·7263	·3668	
Israel	Pound		·5443	1·837	
Italy	Lira		·001573	635·7	
Japan	Yen		·002722	367·4	
Lebanon	Pound	Free	·3062	3·266	
Mexico	Peso		·07838	12·76	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent August 16	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2558	3·909	
Netherlands Antilles	Guilder		·5154	1·940	
New Zealand	Pound		2·7263	·3668	
Nicaragua	Cordoba	Effective buying	·1484	6·739	
		Official selling	·1390	71·96	
Norway	Krone		·1372	7·289	
Pakistan	Rupee		·2045	4·890	
Panama	Balboa		·9797	1·042	
Paraguay	Guarani	Official	·01633	61·24	(6) (13)
Peru	Sol	Certificate	·05156	19·39	
Philippines	Peso		·4898	2·042	
Portugal	Escudo		·03419	29·25	(14)
El Salvador	Colon		·3919	2·552	
Singapore & Malaya	Straits dollar		·3181	3·144	
South Africa (Union of)	Pound		2·7263	·3668	
Spain & Dependencies	Peseta	Basic buying	·04473	22·35	
		Basic commercial selling	·05966	16·76	(6)
		Free	·02515	39·76	
Sweden	Krona		·1894	5·279	
Switzerland	Franc		·2286	4·374	
Syria	Pound	Free*	·24691	4·05	16 July
Thailand	Baht	Free	·04735	21·12	(6)
Turkey	Lira		·3499	2·858	
United Kingdom	Pound		2·72625	·3668	
United States	Dollar		·9796875	1·021	
Uruguay	Peso	Free*	·2409	4·15	*20 Aug.
		Basic buying	·64516	1·55	(16)
		Principal selling	·46729	2·14	
		Special selling	·32680	3·06	(6)
Venezuela	Bolivar		·2924	3·420	
Yugoslavia	Dinar		·003265	306·3	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 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.
16. A new exchange system came into effect in Uruguay on August 4. An explanatory note on the new system will appear in the Trade and Tariff Section of our next issue.

Haiti Expands Sisal Industry

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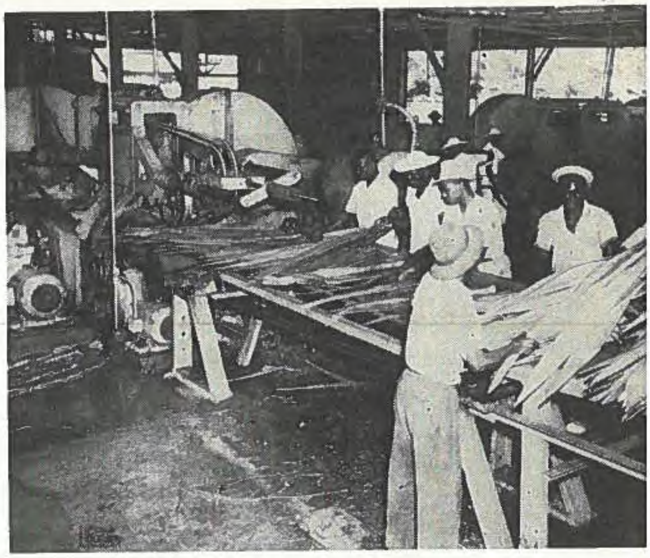

SISAL is now Haiti's second most important export after coffee. The sisal industry has only recently achieved this prominence; large-scale production was started in 1926, but the industry's real expansion began during World War II to meet the demand for a substitute for manila hemp. Today, there are eleven important producers with total plantings of over 55,000 acres and ten mills. Last year, Haiti produced about 40 million lb. of sisal fibre of all grades. The eleven plantations were responsible for some 95 per cent of production (the remainder was produced by peasant farmers) and for export sales of over 31 million lb. worth $5·4 million.

Crushing the sisal plant (above, right) produces fibres (above, left) and pulp which are used to manufacture cord, rope and twine, bags and handicrafts, and bulk filler for upholstery. Part of Haiti's sisal production, about 200 thousand lb. a year, is consumed by the local bag factory which produces about one million sisal bags a year, and by the growing handicrafts industry, some of whose products are pictured below, right. Principal buyers of the 31 million lb. exported last year were the United States, Belgium, the Netherlands and the Dominican Republic. Although Canada bought 23,836,000 lb. of Haitian sisal worth $1,264,675 in 1955, and is the principal importer after the United States, these purchases are recorded as U.S. imports because Canadian manufacturers obtain their sisal chiefly through U.S. suppliers. The principal obstacle to direct imports of sisal into Canada has been the lack of a regular northbound shipping service to Canada. Saguenay Terminals Ltd. of Montreal, recently established such a service on a trial basis and it is hoped that it will prove successful.