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foreign trade

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COVER Grain harvesting goes forward on an Alberta farm, while nearby drilling for oil proceeds. Strides made by Canada's petroleum industry are reflected in export figures for the first half of 1956, when crude petroleum chalked up the largest proportionate sales increase among all commodities—some 285 per cent over the first half of 1955. For the full story on this and on other developments in Canada's trade in the first six months of the current year, turn to page two.

— Photo by Imperial Oil.

✓ Canada's Foreign Trade Sets New Record

Marked recovery of wheat sales main feature in Canada's export trade for first six months of 1956; imports also increased over wide range. Totals for both exports and imports set peacetime record for six-months period. This article analyzes the trade statistics and points up significant trends.

MARCEL LANDEY, *International Trade Division, Dominion Bureau of Statistics.*

CONTINUED EXPANSION characterized Canadian foreign trade in the first half of 1956 and both exports and imports reached record peacetime levels for any six-months period. The value of total exports (domestic exports plus re-exports) rose 12 per cent above the corresponding half-year in 1955 and exceeded by 9 per cent the previous record set in 1952. Imports increased 29 per cent over 1955 and surpassed the previous peak of 1953 by almost the same percentage.

Because imports rose over two-and-a-half times more than exports, the resulting import balance was the largest in Canada's history—almost four times as great as in the same period of 1955 and 60 per cent above the previous half-year record value in 1951.

Factors in Trade Recovery

The accompanying chart illustrates the recent trends in Canadian foreign trade on a quarterly basis, with allowance for the seasonal pattern affecting them. The decline of both exports and imports from their previous peak in mid-1953 was arrested in early 1954, and the upward movement which started in the latter part of 1954 carried trade to new peaks at mid-1956. The average prices of exports and imports rose moderately at virtually the same rate, and thus the terms of trade remained unchanged. Over two-thirds of the value increase in exports and over four-fifths of that in imports resulted from a higher volume of shipments. Both exports and imports set new records in volume.

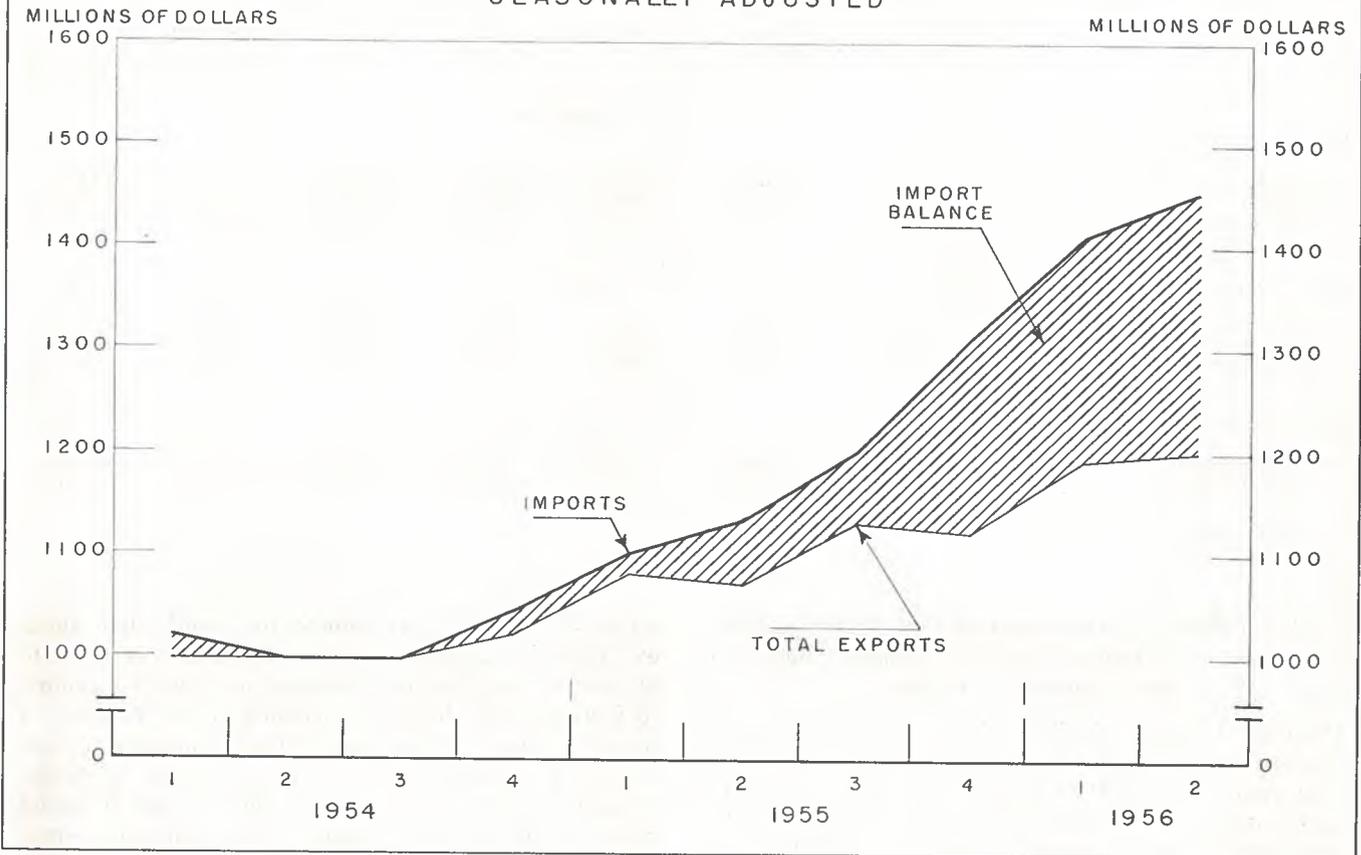
The external and internal stimuli which contributed to the marked recovery of Canada's foreign trade in 1955 from the more moderate level of 1954 were perhaps even stronger during the first six months of 1956. The continued prosperity of the international economy as a whole was reflected in a rate of world trade above the record level of 1955. The generally high pace of business activity in the United States and Western Europe was a particularly strong source of demand for many Canadian products. In Canada, the upward impetus and buoyancy of the national economy in 1955 carried over into 1956. The demands of industrial expansion—especially in resource development projects—and those generated by the generally high levels of employment and income produced a steadily increasing rate of purchases from abroad. A particularly striking upswing took place in imports of primary and semi-finished steel products, machinery and plant equipment.

U.S. Leading Trade Partner

The United States was, as usual, Canada's leading trading partner, continuing to take 60 per cent of Canadian exports and supplying almost 75 per cent of our imports. The value of exports to the United States increased at the same rate as did total exports and set a new first half-year record. The largest absolute and percentage gain for any individual commodity took place in petroleum sales, which almost quadrupled. Forest products remained the largest major group, accounting for almost one-half of total exports. Because of some falling-off in housing construction in the United States, planks and boards—which had the largest value increase of all individual commodities in the corresponding period of 1955—showed a moderate drop in the first half of 1956 and shipments of shingles

EXPORTS AND IMPORTS, BY QUARTERS, 1954-1956

SEASONALLY ADJUSTED



also went down. But these declines were sufficiently compensated for by very sizable advances in newsprint and wood pulp and in plywoods and veneers, to give forest products a 20 per cent share of the increase in exports to the United States. In non-ferrous metals, decreases in aluminum, lead and silver were matched by increases in platinum metals and miscellaneous ores, in addition to a very sharp gain in copper, second only to that made by petroleum. Shipments of iron ore rose substantially and there were marked advances in ferro-alloys, scrap iron, and steel and machinery. It is worth noting that agricultural products registered the second best percentage gain of all the major groups, with particularly large increases in barley and wheat.

Imports from the United States also rose at the same rate as total imports, by far exceeding any previous half-year value. The increase was widespread and took place in every one of the nine major commodity groups except fibres and textiles. By far the biggest gain, accounting for about three-quarters of the total increase in imports from the United States, was in iron and steel products. All the principal items in this group except railway cars and coaches made very considerable

advances, especially non-farm machinery, rolling mill products, cars and trucks, tractors, and pipes, tubes and fittings.

Trade with Britain Changes

Trade with the United Kingdom presented a situation exactly opposite to that prevailing a year ago. In the first half of 1955 a strong demand for grains, forest products and non-ferrous metals produced a 35 per cent increase in Canadian exports to Britain. But imports into Canada, adversely affected by rail, dock and seamen's strikes in the United Kingdom as well as by an active domestic demand in that country, declined by 10 per cent. In the first six months of 1956, however, Canadian exports to the U.K. went down by 4 per cent and imports into Canada rose by over 30 per cent to reach the highest postwar value for any half-year. The curtailment of British purchases in Canada was the result of a high inventory accumulation of industrial materials during 1955. In addition, the change in the United Kingdom-Canada trade picture may have been affected to some extent by successive

Summary Statistics of Canadian Trade

(not seasonally adjusted)

	1954		1955		1956	Change	
	1st half	2nd half	1st half	2nd half	1st half	1st half '54 to 1st half '55	1st half '55 to 1st half '56
	\$'000,000					%	%
VALUE OF TRADE							
Total Exports.....	1,871.3	2,075.6	2,063.3	2,288.0	2,304.2	+10.3	+11.7
Imports.....	2,050.1	2,043.1	2,209.4	2,503.0	2,847.2†	+ 7.8	+28.9
Trade Balance.....	-178.8	+32.5	-146.1	-215.0	-543.0†		
PRICE INDEXES							
	1948 = 100						
Export Prices.....	115.8	114.8	116.6	118.6	120.5*	+0.7	+ 3.3
Import Prices.....	109.8	109.7	109.9	111.4	113.6†	+0.1	+ 3.4
Terms of Trade.....	105.5	104.6	106.1	106.5	106.1†	+0.6	0.0
VOLUME INDEXES							
	1948 = 100						
Export Volume.....	103.4	115.7	113.3	123.4	122.5*	+9.6	+ 8.1
Import Volume.....	141.2	140.3	151.0	169.0	188.8†	+6.9	+25.0

* Preliminary

† Estimated.

fiscal and monetary measures taken by British authorities intended to reduce domestic spending and purchases abroad and to encourage exports.

The United Kingdom's share of total Canadian exports declined from almost 19 per cent to 16 per cent; her proportion of Canada's import total was fractionally higher at over 8 per cent. The greatest decline for any individual export commodity occurred in barley and there was also a very considerable drop in tobacco. Wheat—again by far the largest export to the United Kingdom—went up markedly and so did flaxseed, but agricultural and animal products as a whole lost some ground. The sharpest major group decline took place in forest products, because of much lower shipments of planks and boards and to a lesser extent of wood pulp, even though sales of newsprint showed a substantial gain. Exports of non-ferrous metals were very slightly higher, with a sizable drop in zinc compensated by an advance in platinum metals and lower shipments of lead offset by increases in copper and aluminum. On the import side, the value increases were fairly widely spread. Gains were chiefly evident in iron and steel products (which showed by far the largest decline a year ago) especially in rolling mill products, automobiles, pipes, tubes and fittings and machinery. The other major group showing a substantial advance was non-ferrous metals and products, particularly electrical apparatus.

Trade with Europe Rises

Both exports to and imports from Europe were over 50 per cent larger than a year ago, but in absolute

terms the former were almost three-and-a-half times as great as the latter. Wheat accounted for close to 90 per cent of the total increase in Canada's exports to Europe, with shipments reaching almost one-half of the total value of wheat exports to all countries. About one-third of wheat sales to Europe went to Soviet countries, most of it to Russia and Poland in about equal amounts. As a result of these unusual wheat shipments as well as of some sales of barley, rye and butter, Canada's exports to Soviet countries increased to over \$43 million in the first half of 1956 from only \$2 million a year ago. But there were also substantial increases in wheat sales to most of the regular Western European outlets, partly because of last winter's crop damage. All of Canada's principal trading partners shared in the increase in trade with Europe, especially Germany, which accounted for one-fifth of the rise in exports to and about two-fifths of the advance in imports from that area. Italy, France, Norway, and Belgium and Luxembourg also participated in the advance.

Commonwealth and Latin America

Exports to the Commonwealth were at the highest level since the first half of 1952. One-half of the 12 per cent value increase was accounted for by India, as a result of larger shipments of locomotives, and 40 per cent by the Union of South Africa. There was also a sizable upturn in exports to Pakistan and Jamaica, offset by decreases to Australia and New Zealand. Imports from the Commonwealth were moderately larger, with no particularly heavy individual increases or declines.

Direction of Canadian Trade

	Total Exports			Imports		
	January—June			January—May		
	1955	1956	Change	1955	1956	Change
	\$'000,000	%		\$'000,000	%	
United States.....	1,228.8	1,373.6	+11.8	1,349.0	1,759.4	+30.4
United Kingdom.....	386.5	371.4	- 3.9	156.3	197.4	+26.3
Other Commonwealth and Ireland.....	119.0	133.5	+12.2	74.6	79.6	+ 6.7
Other Europe.....	165.9	252.2	+52.0	65.8	101.4	+54.1
Latin America.....	78.4	81.0	+ 3.2	120.5	154.3	+28.0
Other Countries.....	84.6	92.5	+ 9.3	41.1	62.5	+52.2

The increase in imports from Latin America was much greater than in Canada's exports to that area, the result largely of an extremely sharp rise in purchases of cotton from Mexico and also larger imports from Venezuela, Brazil, Colombia, Cuba and Panama. On the export side the largest gains—which took place in sales to Peru, Mexico, Panama and Venezuela—were partly offset by lower shipments to Colombia, Brazil, Cuba and Argentina.

Canada's trade with all other countries also went up, but purchases increased more than sales. Both exports to and imports from Japan increased very substantially and so did Canada's imports from the Netherlands Antilles.

Wheat Sales Recover

The outstanding feature of Canada's exports in the first half of 1956 was undoubtedly the marked recovery of wheat sales. Following a sharp decline in 1954 and 1955 from the unusually high levels of the preceding two years, wheat exports reached an amount almost

at the level of the first six months of 1952 and close to the value of the record first half-year of 1953. The increase in wheat sales over the first half of 1955 accounted for almost 40 per cent of the rise in total exports. Seeds and especially flaxseeds were the other agricultural commodity showing very sharp gains, in this case for the second successive year. Sales of whisky were also higher. But exports of tobacco were halved and there were losses in barley and wheat flour.

Another noteworthy development during the first six months of 1956 was the increase in exports of manufactured goods, chiefly because of sizable gains in aircraft, automotive equipment, locomotives and machinery, which together accounted for about 15 per cent of the total export increase. Planks and boards, which registered the largest absolute advance of all the individual commodities in the first six months of 1955, had the sharpest decline but still exceeded the levels of any other first half-year period since the war. Sales of newsprint—which, as in every first half-year since 1950, was again the leading export—were higher by

Selected Export and Import Commodities

DOMESTIC EXPORTS	January—June				January—May		
	1955	1956	Change		1955	1956	Change
	\$'000,000		%		\$'000,000		%
Wheat.....	165.6	258.3	+ 60.0	Rubber and products.....	29.5	34.5	+ 17.1
Seeds.....	21.1	30.0	+ 42.3	Coffee.....	25.2	31.4	+ 24.5
Fish and fishery products.....	57.1	57.8	+ 1.2	Fibres and textiles.....	162.0	187.4	+ 15.7
Newsprint paper.....	321.9	345.0	+ 7.2	Machinery, non-farm.....	167.8	252.8	+ 50.6
Planks and boards.....	189.4	162.0	- 14.5	Automobile parts.....	119.3	134.2	+ 12.5
Wood pulp.....	145.2	152.4	+ 5.0	Automobiles and trucks.....	45.3	108.2	+138.6
Farm implements (ex tractors).....	47.9	47.2	- 1.6	Rolling mill products.....	41.2	98.4	+138.7
Iron ore.....	22.1	32.3	+ 46.0	Tractors and parts.....	42.1	75.9	+ 80.2
Automobiles, trucks and parts.....	14.9	24.5	+ 64.7	Engines, internal combustion.....	48.9	53.7	+ 9.8
Nickel.....	109.3	114.0	+ 4.3	Pipes, tubes and fittings.....	16.7	46.3	+177.5
Copper and products.....	74.6	100.9	+ 35.2	Farm implements, (ex tractors).....	28.6	36.2	+ 26.4
Aluminum and products.....	106.2	99.4	- 6.4	Electrical apparatus, n.o.p.....	88.3	104.4	+ 18.2
Petroleum and products.....	13.5	51.8	+282.1	Petroleum and products.....	129.4	151.0	+ 16.7
Asbestos and products.....	44.6	48.2	+ 8.0	Coal and products.....	43.1	51.4	+ 19.1
Aircraft and parts.....	10.9	26.0	+139.2	Chemicals and products.....	99.2	124.2	+ 25.2
All other commodities.....	685.2	718.0	+ 4.8	All other commodities.....	720.5	864.7	+ 20.9

an amount close to the loss in planks and boards. There were also gains in wood pulp, plywoods and pulpwood, and a drop in shingles. As a result of these contrasting movements forest products, which formed the backbone of the export recovery a year ago, only slightly more than held their own.

There was also a mixed situation in non-ferrous metals whose rate of advance compared with the first half of 1955 was considerably slowed down. Copper accounted for about three-quarters of the increase in this group. Platinum metals registered a sharp gain and there were higher sales of nickel and electrical apparatus. But there were losses in aluminum, lead, zinc and silver. Chemicals were another major group whose rate of increase fell off. In non-metallic minerals, on the other hand, there was an acceleration of the rapid pace set a year ago. This was of course primarily due to the continued upsurge of petroleum exports to expanding markets in the midwestern and northwestern United States. Sales of crude petroleum had the largest proportionate increase of all commodities—some 285 per cent over the first half of 1955 and almost 1,500 per cent over the corresponding period in 1954. There were also gains in asbestos and abrasives. Iron ore was the other key raw material whose sales continued to expand sharply. The increase accounted for one-third of that in total exports of iron and steel which were substantially higher than in the first half of 1955.

How Imports Increased

Data on commodity imports, which are at present available only for the first five months of 1956, indicate a widely spread increase among all the major groups and principal commodities, with particular emphasis on gains in iron and steel products, which accounted for over 60 per cent of the rise in total imports. The largest absolute increase occurred in non-farm machinery, which was again the largest import category, followed by rolling mill products. Passenger cars, which went down somewhat a year ago, almost trebled in value and trucks more than doubled. The value of pipes, tubes and fittings also almost trebled, with the largest percentage increase of all import items, as a result of the resumption of activity in pipeline construction. There were considerably higher purchases of farm implements and tractors, internal combustion engines, and tools. But substantial increases also appeared in a wide range of commodities, such as coffee, rubber, fibres and textiles, wood and paper, aluminum, brass and copper products, electrical apparatus, clay, glass, coal, petroleum and chemicals.

At the middle of 1956 the outlook was for a continuation of the favourable international and domestic economic climate during the remainder of the year. This seems to indicate a probable further expansion of Canada's foreign trade. ●

Communications in Africa

BETTER COMMUNICATIONS is one of the great needs facing the countries of Africa in their efforts to establish their expanding economies on solid ground.

Evidence of the necessity for improving and enlarging basic equipment, particularly communications, is pointed up in a United Nations *Review of Economic Activity in Africa, 1954-1955*, published during the summer.

According to the review, capital expenditure programs adopted by African countries since World War II are not development plans so much as capital work programs.

Basic in their general aims are first, getting to know more about the resources of each territory, and second, protecting known resources and ensuring the most efficient use of them.

Close behind these fundamental requirements follows the need for better communications. Past, present and future spending programs show that this need is taken very seriously.

Communications ranked high in the \$150 million development plan carried out in the British dependent territories. During 1954 port improvements were completed in Nigeria and at Freetown in Sierra Leone; a new airport was opened at Dar-es-Salaam; in Tanganyika the Southern Province railway and the port of Mtwara went into service; so did radio circuits between Nigeria and the U.K. and radio photo-telegraphic circuits between the Gold Coast and the U.K.

In French West Africa, priority was given to improvement and expansion of the road and rail networks. It is expected that diesel locomotives will completely replace steam engines by the end of 1956. Communications was one of the principal fields of investment in French Equatorial Africa, as it was in Algeria. A five-year plan for capital development in Libya, drawn up in 1953, calls for spending some \$18 million.

A ten-year development plan for the Belgian Congo, started in 1954, emphasizes communications (particularly rail and water development) in its outline of expenditures of \$970 million.

Although \$876 million was spent in the last ten years on the railways of the Union of South Africa, they cannot meet the country's transport needs. Requirements have expanded by about 55 per cent since 1945. The Union Government, under a loan from the World Bank, has embarked on a three-year program aimed at extending freight-carrying capacity by some 16 per cent. ●

U.S. Congress Passes Customs Simplification Bill

What will the new Customs Simplification Bill mean to Canadians exporting to the United States? In what way does it change the bases for assessing duty? Will it affect all imports into the U.S.? These and other questions are answered here.

R. G. C. SMITH, *Commercial Counsellor, Washington.*

THE DYING DAYS OF THE LAST SESSION OF CONGRESS saw the passing of the Customs Simplification Bill—a measure that could be of the greatest possible importance to Canadian exporters doing business with the United States. Before the Congress for some time, it was passed with one important amendment and the President signed it into Public Law No. 927 on August 2, 1956.

The principal clauses in the bill deal with the troublesome question of appraisal values on imports. It should simplify considerably the problem of establishing the values for duty purposes of most imports subject to ad valorem rates, and thus accelerate the process of finally clearing goods through the Customs.

In an article in *Foreign Trade* of December 10, 1955, the complicated method used by the U.S. Customs for arriving at the value for duty purposes of imported goods was discussed. In that article I explained that there were a number of bases for assessing duty which had to be considered before the Customs reached a decision. These were: one, foreign value; two, export value; three, U.S. value; four, cost-of-production value. The Customs had to determine, under this procedure, whether the first two could be established and then take whichever was higher. If neither could be established, they considered the third and failing that, the cost-of-production value as a last resort.

The new law does away with foreign value altogether and redefines a number of the factors that narrowed the use of export value. The result is that, for most goods, the export value should approximate the real selling price to the United States importer. However,

as I shall explain later, these changes will not come into effect for some time and will not apply to all goods subject to ad valorem rates.

What the New Law Does

By doing away with foreign value, the Customs officers will only be required to determine, in the first instance, if there is an export value. The general definition of export value remains basically the same as before, but because some of the controlling words and phrases (in italics below) have been given new definitions, it has taken on a considerably different meaning. Here is the wording of the relevant section of the Act:

EXPORT VALUE: "For the purposes of this section, the export value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisal, at which such or similar merchandise is *freely sold or, in the absence of sales, offered for sale* in the principal markets of the country of exportation, in *the usual wholesale quantities* and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States."

DEFINITION—"Freely . . . offered for sale . . . for exportation to the United States" is now defined as meaning that the goods are offered to (a) "*all purchasers at wholesale*", or (b) "*to one or more selected purchasers at wholesale* at a price which fairly represents the market value of the merchandise . . . to the purchaser . . ." Previously, to qualify as "freely offered" it was necessary to show that *any* person who was prepared to buy in wholesale quantities could buy at the price quoted. The new law should make it possible for exporters to set up exclusive distributors in the U.S. and this may be considered to conform with the "freely offered" concept.

Other Definitions

The term "wholesale quantities" is defined in the new law to mean the quantities at which there are the greatest aggregate *value* of sales. That is to say, if a

manufacturer has, say, 50 export transactions to the U.S. and ten of these are in 100 units at a reduced price and the other 40 are in ten units at a higher unit price, then the 100 units will be considered as the usual wholesale quantity. This is because the aggregate value of the sales of the 1,000 units is greater than the aggregate value of the 400 units (and the lower price would be accepted as the export value). Previously, under such an equation, the price for the ten units would have been taken as the value for duty because there would have been a greater number of transactions in the smaller group—40 against ten.

From these new definitions it will be seen that, except in some extraordinary cases, it should be possible for the Customs to find that export value coincides with the actual price at which goods are sold to United States importers. However, these are such fundamental changes in the Customs law that it is probable that there will be initial delays in arriving at the appraisal of imported goods arising out of the interpretation of the new law. As the intent is to simplify and to eliminate unjust or unnatural appraisals, these amendments should eventually have far-reaching effects in unblocking the channels of trade.

Moreover, the definition of cost-of-production value, which is redesignated "constructed value", has been changed so that instead of requiring that a minimum profit of 8 per cent and general expenses of 10 per cent be used in the calculations, the new formula calls for "an amount for general expenses and profit equal to that usually reflected in sales of merchandise of the same general class or kind as the merchandise undergoing appraisement which are made by producers in the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for shipment to the United States."

Main Amendment and Its Effect

The main amendment to the original bill established that any product that would be subject to a reduction from its average appraisal during 1954 of 5 per cent or over as a result of this new law would be placed on a public list. Any products so listed would continue to be appraised under the old method.

The Treasury is required as soon as practicable to make a study and to publish a preliminary list in the *Federal Register*. For 60 days after its publication, any manufacturer, producer, or wholesaler in the United States may present to the Treasury his reason for belief that a certain article would now enter at an appraisal of 5 per cent (or more) below the appraisal under the former method. Any such articles may be added to the list after the necessary investigation. When the final list is drawn up, it will be published in the *Federal Register*. Thirty days thereafter, the

new method of appraisal will start to operate for those goods not listed.

In drawing up the list, the Treasury will probably use as a basis the study made when the bill was in the Congressional mill. It is impossible to know at this time how many items will be listed, but the staff studies demonstrated that for 1954 only some 13 to 14 per cent of total imports were subject to ad valorem treatment. The breakdown of these imports showed that only a relatively few products would be appraised 5 per cent or more below the figure obtained under the old method.

However, this study dealt to a considerable extent with groups of items (meat products, leather, etc.) whereas it is understood that the final list will show actual items in as much detail as reasonably possible. Nor will the list necessarily include all the items covered by any single paragraph in the Customs Tariff.

Clearly, until the list is published it will be impossible to judge how much it will limit the operation of the new method of appraisal. Nor is it possible to foretell how soon the scheme will be in operation, because much will depend on the number of candidates for listing. Each of these will have to be investigated by the Treasury but the Treasury does not intend to hold public hearings.

Taking the staff study as a basis, it would appear that not many products of major interest to Canada will be listed. Of the items or groups of items shown by the study to be affected by 5 per cent or more under the new appraisal method, the following are of potential interest to Canada: paper and manufactures (actually fractionally under 5 per cent), aluminum and manufactures, copper and manufactures (also just under 5 per cent), nickel and manufactures, vehicles and parts.

It should be emphasized that if a product is listed, its status remains unaffected. However, firms may still deal successfully with the difficulties inherent in the current methods of appraisal in nearly all cases as described in *Foreign Trade* of May 26, 1956.

Australia Lifts Ban on Tourist Films

The Australian Minister for Customs announced on August 20 that the Customs Department will no longer censor movie films taken in Australia by tourists. Previously, Customs officers examined movie films before permitting visitors to take them out of the country; Customs will still have the right to check film when it is considered necessary, but this will not be the general practice.

Italy Looks for Coal and Scrap

Italy now turns out four times as much steel as she did in 1947. Production figures in the other branches of her iron and steel industry have followed a similar pattern. Now, continuation and expansion of her output depend on finding sources of scrap and coke. As Italy turns to the Western Hemisphere, Canadians are finding a bigger market for these raw materials.

W. ROSS VAN, *Commercial Secretary, Rome.*

TO MAINTAIN her impressive postwar upswing in iron and steel output, Italy is looking with increased interest toward the Western Hemisphere for supplies of coal and scrap.

Virtually ruined during World War II, Italy's iron and steel industry has recovered and advanced to new production records. Steel manufacture rose by 23.8 per cent in 1955 to four million tons; this puts Italy in eighth place among the steel-producing countries of the world. And her 1955 increase was greater than that of any other country in the European Coal and Steel Community.

Search for Raw Materials

The Italian iron and steel industry finds raw materials hard to get. They are scarce at home and also among the country's close neighbours. In 1955 more than two million tons of scrap were imported, mostly from the United States, France and West Germany. Canada did get a share of the market, however—112 thousand tons valued at nearly \$4 million. Our coke sales to Italy were 11 thousand tons, worth \$400 thousand, up from seven thousand tons in 1954.

This year Canadian scrap exports to Italy got off to an early start. In comparison with the first six months of 1954 and 1955, when no sales were made, during

the same period of 1956 Canada sold the Italians 11 thousand tons of iron and steel scrap worth \$580 thousand.

Production Increases Great

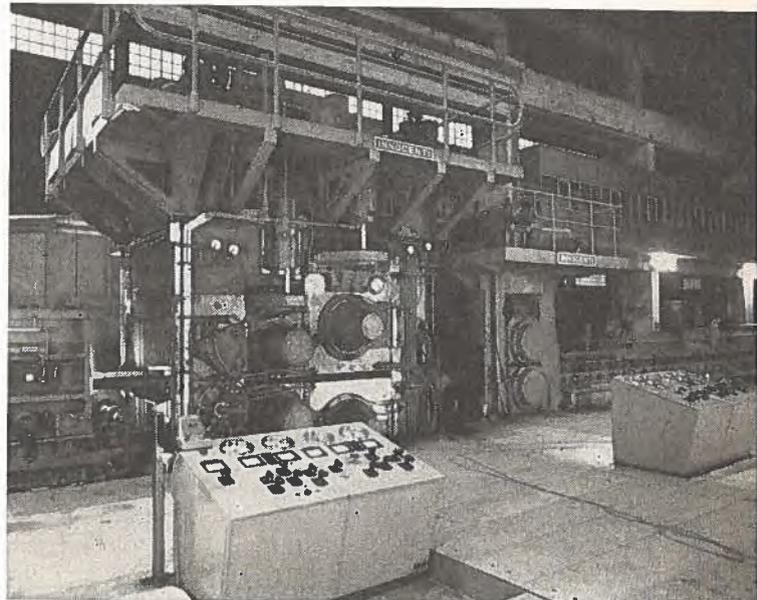
Although 1955 was a banner year for the Italian steel industry in volume of all products turned out, figures show the increases have been fairly steady since 1948. In 1954 steel output was up 54 per cent over 1953.

The following table shows the volume of production in alternate years since 1947.

ITALIAN IRON AND STEEL PRODUCTION

	<i>(thousands of tons)</i>				
	1955	1953	1951	1949	1947
Steel	5,400	3,500	3,062	2,055	1,691
Cast iron	1,630	1,222	952	392	318
Rolled iron	4,000	2,495	2,415	1,626	1,284
Ferro-alloys	107	87	96	52	65

During the first five months of 1956, production was greater in most categories, as shown in the following table:



This planetary rolling mill, recently installed in one of Italy's largest steel plants, will reduce heavy steel ingots and roll them into bands of 1 metre width, using one process only.

ITALIAN IRON AND STEEL PRODUCTION

(first five months)
(thousands of tons)

	1956	1955
Steel	2,360	2,178
Cast iron	710	630
Rolled iron	1,794	1,636
Ferro-alloys	28	37

Cast Iron

A 30 per cent increase last year in cast iron production over 1954 was due mainly to blast furnace usage and introduction of a second furnace of this type, rather than to electric furnace output. In the latter, production is cut during the winter months because of the shortage of electricity but blast furnaces operate at full capacity.

Of the 1,630 thousand tons of cast iron produced during 1955, 84.6 per cent was blast furnace production with only 15.4 per cent produced by electric furnaces.

In spite of the increased output in 1955 and addition of another blast furnace during early 1956, it is estimated that imports of 400 thousand tons of cast iron will be needed to meet requirements. Most of the cast iron produced is for the steel industry; the rest goes to foundries. The foundries also depend heavily on imported cast iron.

Steel

Even with the new record set in 1955, the steel production capacity of existing Italian plants still is not fully exploited. The consumption of steel in Italy has, for the first time, reached 6.2 million tons, of which 5.7 million is for domestic use—almost 120 kilos per capita. Much of the increase was a direct result of starting up a second blast furnace in Genoa at the most important “complete cycle” steelworks in Italy. Production at this plant in 1955 approximated 650 thousand tons, almost double that of the previous year, and capacity is expected to be raised to 750 thousand tons a year within the next few years.

Of the 5.4 million tons of steel produced during 1955, the following processes contributed these percentages of total production: Martin furnace 57.3 per cent, electric furnace 36 per cent, and Bessemer converter 6.7 per cent.

Rolled Iron and Iron Alloys

With an increasing domestic demand and the continuing modernization and extension of plant facilities, production of rolled iron products during 1955 totalled four million tons, an increase of 27 per cent over 1954. Production still is not sufficient to meet the needs of various branches of industry, including automotive and shipbuilding. At the end of 1955 orders on hand

reached a million tons, compared with 669 thousand tons at the end of 1954. This includes export orders. Consequently, there has been a tendency towards increased imports.

The following table gives a breakdown of rolled iron products:

Type	% increase over 1954	% 1955 production
Profile iron bar and plate	+18.0	38.4
Bars	+33.9	10.6
Flat products	+48.6	34.6
Pipes	+29.4	13.2
Rail tracks, girders and wheels	-14.7	3.2
Total rolled iron output	+27.0	100.0

Recently built in Turin is a planetary rolling mill spoken of as “the world’s largest”. It was built by an Italian firm in conjunction with a U.S. organization, and will manufacture under licence. In a single operation, heavy steel ingots will be reduced and transformed into thin sheets of up to one metre in width. The present average annual production estimates are set at 250 thousand tons. It is hoped that this amount will eventually be doubled. Production from this new mill will do much to fill the present gap and may some day provide exports as well.

Production of iron alloys during 1955, at 107 thousand tons, 17 per cent over 1954, exceeded the previous peak reached in 1952 by 4,000 tons. Exports contributed to the maintenance of a high production; they exceeded imports by 2.2 thousand tons.

Year	Production	Import	Export
1954	89,169	6,424	10,574
1955	107,000	10,000	12,200

Exports consist almost entirely of iron silica, 11 per cent of the total production. West Germany, Austria, Australia and Czechoslovakia are the principal markets.

Two-Way Trade

The table below gives comparative statistics on the two-way trade in iron and steel products for the years 1953 to 1955 inclusive:

Products	EXPORTS (thousands of tons)		
	1953	1954	1955
Pig iron .....	.....	.....	.....
Ferro-alloys	5.3	10.6	12.5
Steel			
Semi-finished	42.2	39.5	27.0
Hot rolled	116.2	155.9	328.0
Secondary products	10.4	15.3	25.0
Raw materials			
Iron ore	4.0	1.0	40.0
Pyrites	60.0	115.0	110.0
Pyrite cinders	433.6	397.0	330.0
Steel and iron scrap	.....	.....	.....
Coal .....	.....	.....	.....

IMPORTS

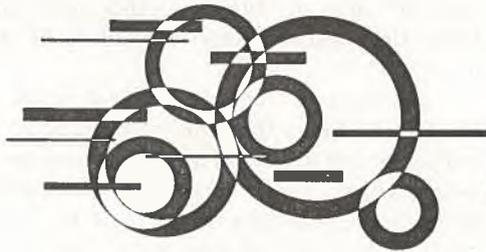
(thousands of tons)

Products	1953	1954	1955
Pig iron	96.7	223.3	350.0
Ferro-alloys	5.9	6.4	10.5
Steel			
Semi-finished	151.3	173.8	160.0
Hot rolled	477.1	499.9	412.0
Secondary products	29.7	27.8	29.0
Raw materials			
Iron ore	733.9	632.6	800.0
Pyrites	115.0	137.3	190.0
Pyrite cinders .....	.....	.....	.....
Steel and iron scrap	1,025.7	1,489.6	2,200.0
Coal	9,049.0	9,569.0	10,500.0

The principal categories of steel imports, apart from mild steel, include silicon sheets, deep drawing sheets,

stainless steel in all forms, high special steel and die block steels. The major supplying countries are West Germany, Austria, Sweden, the United Kingdom, the United States and Canada. A number of stainless steel products originating from hard currency areas are subject to quantitative quota.

Its difficulties in obtaining supplies of iron ore and coal mean that Italy tends to look with increased interest to Western Hemisphere sources of supply. Process and transport costs, however, will be deciding factors in determining how much of the Italian market these sources obtain.



transportation notes

Traffic through the Suez Canal

THE 86 YEARS since the Suez Canal was opened have witnessed many changes both in the Canal itself and in the traffic passing through it. In 1871, a vessel took, on the average, 41 hours to make the journey; today it takes only about 13 hours. The appearance of larger ships has compelled the deepening of the Canal and the increase in traffic has made other improvements necessary to boost its daily capacity. Transit dues have been reduced no less than 26 times; today they are barely a third as large as in the 1870's. The type of freight carried through the Canal has also altered considerably—a reflection of economic changes in many countries.

The Canal is about 100 miles long and more than 394 feet wide on the surface throughout its length; the depth is not less than 38 ft. 4½ in. at the lowest tides, thus providing a safety margin for vessels drawing 34 ft., the present maximum draught. (Originally it was only 17 to 18 ft. but by 1875 it had been deepened to 26 ft. 3 in.) Its width, measured (as is customary today) at a depth of 32 ft. 10 in., is nowhere less than 197 feet. This is, however, not wide enough to allow large ships to pass under way, except in certain sections. The

result is that each day, at fixed times, two convoys leave Port Said and Port Tewfik, at opposite ends of the Canal, passing each other in the Great Bitter Lake or in the bypass recently constructed to the south of Kantara.

Traffic Is Increasing

In 1955, the number of ships a day passing through the Canal averaged 40; it is expected to rise to about 45 within a few years. But because the actual number of ships arriving at the two ends of the Canal varies considerably from one day to another, a traffic of 60 ships a day will have to be provided for within the near future. The total number of transits a year has increased from 11,694 in 1951 to 14,666 in 1955. The annual number of transits in each direction has been almost equal in the last few years.

The dimensions of ships using the Canal have also increased notably and the proportion of large tankers is rising fast. From 1946 to 1955, more than half of the 106 thousand vessels (65.5 per cent of total traffic) which passed through the Canal were tankers. The taxed tonnage has increased

during the last five years from 80.3 million tons in 1951 to 115.8 million tons in 1955. These facts mean that a further increase in capacity and enlargement of the waterway are urgent problems. A program is under way to boost the Canal's capacity to 45 to 50 passages a day and allow for vessels of 36-foot draught.

The following table shows how the traffic has increased:

Year	Number of Transits	Taxed Tonnage in '000 of tons	Number of Passenger Liners in '000
1870	486	436	26
1938	6,171	34,418	479
1950	11,751	81,795	664
1951	11,694	80,356	588
1952	12,168	86,137	571
1953	12,731	92,905	554
1954	13,215	102,493	537
1955	14,666	115,756	502

The participation in the total traffic for 1955 by areas south of the Canal was: Persian Gulf 62.3 per cent; Red Sea and Aden 3 per cent; East African coast 3 per cent; India, Pakistan, Burma and Ceylon 11 per cent; Malaysia and Sonde Islands 7 per cent; Australasia 5 per cent, and Far East 7 per cent. The participation in the total traffic for 1955 by areas north of Port Said was: Europe 84.5 per cent, American continent 12 per cent.

Vessels of 48 countries used the Canal in 1955, or about one-third of the total gross tonnage of the world's commercial fleet and half of its tanker fleet.

The following table shows the flag distribution (in percentages) for a number of countries:

Year	Britain	Norway	France	Italy	Netherlands	Sweden	United States	Other
	%	%	%	%	%	%	%	%
1870-1880	76.1	0.4	8.3	2.7	4.1	0.1	0.1	8.2
1913	60.2	0.5	4.7	1.5	6.4	0.6	—	26.1
1938	50.4	4.3	5.1	13.4	8.8	0.9	1.1	16.0
1950	32.5	14.1	7.7	6.5	5.5	2.6	10.2	20.9
1951	33.5	14.1	8.2	6.1	4.7	2.4	9.8	21.2
1952	33.3	15.7	9.0	5.4	4.5	3.0	7.3	21.8
1953	33.3	15.0	9.1	5.4	4.6	3.4	4.4	24.4
1954	32.1	14.0	9.2	6.8	4.5	3.5	3.0	26.9
1955	28.3	13.5	9.4	8.0	4.1	3.3	2.7	30.7

The increasing production of oil has shifted the centre of gravity in the Canal traffic from India to the Middle East. The following table shows the traffic in southbound and northbound goods over a number of years:

GOODS' TRAFFIC

('000 tons)

Year	Southbound	Northbound	Total
1910	8,429	14,006	22,435
1938	7,768	21,011	28,779
1950	12,141	60,468	72,609
1951	17,420	59,333	76,753
1952	22,001	61,447	83,448
1953	22,518	67,881	90,399
1954	22,370	74,511	96,881
1955	20,082	87,426	107,508

North and South Traffic

The goods traffic from 1913 to 1955 has been characterized by an increase of south-north traffic over north-south traffic. The former represented 53 per cent of the total in 1920, 67 per cent in 1930, and 81 per cent in 1955. Southbound traffic increased from 6.3 million tons in 1920 to 20.1 million tons in 1955; northbound traffic shot up from 10.7 million tons in 1920 to 87.4 million tons in 1955.

An analysis of southbound traffic for the last five years shows that the movement of cement, minerals and chemical fertilizers increased by two-and-a-half times. The movement of cereals and cereal products reflects lower demand by the East in the last two years compared with 1951-53. The movement of oil (mainly refined) fluctuated widely as a result of the temporary closing of the Abadan refinery, when other sources had to meet demand in India and the Far Eastern countries, and has also been influenced by the recent opening of the Aden refinery. The movement of paper and wood pulp has been slightly higher but coal and coke traffic has fallen off. Important tonnages of machinery, railway equipment, vehicles, worked metals and chemicals move through the Canal. The item "other products" increased in importance during this period as a natural outcome of the diversity of western production. It accounted for over 35 per cent of the total southbound traffic in 1955.

An analysis of northbound traffic for the last five years shows increasing movement of oil and by-products, ores and metals. Oil and by-products (mainly crude) increased from 42.8 million tons in 1951 to 66.9 million tons in 1955. Shipments from Kuwait in 1955 represented over 70 per cent of total crude oil traffic. The remainder comes from Saudi Arabia, Iran, Iraq, Qatar, Bahrein, etc. Northbound oil is mainly destined for the United Kingdom (20.5 million tons in 1955), France (12.1 million tons), the United States (8.6 million tons), Italy (7.3 million tons) and the Netherlands (7.2 million tons). The item "other products" has also

increased in importance. It includes mainly rubber, iron, manganese, zinc, titanium and chrome ores, fruit, tea, jute manufactures, sisal, wheat, rice, oil-seeds, vegetable oils, and wool.

Transit dues were originally fixed at 10 gold francs per passenger and per registered ton. These rates have been gradually brought down and since 1951 have been 36.5 francs per ton. Other reductions of lesser importance have been granted in recent years, such as the abolition of dues on passengers. Since 1874 dues have been charged on the net tonnage, calculated in accordance with the rules laid down in 1873 by the Constantinople International Commission.

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

Greece

AIR TRANSPORT—A contract was concluded between the Greek Government and Greek-born shipowner Onassis on August 2, whereby Mr. Onassis will buy the sequestered Hellenic Air Lines and reorganize and extend the service both within Greece and on ten routes abroad, including North America. The contract further provides for the establishment by the concessionaire of an overhaul base capable of servicing both Greek and transit planes, and the purchase of a minimum of 3 four-engine DC-7's and 3 two-engine Convairs or, alternatively, 2 four-engine DC-6's. Onassis will invest \$15 million in this project and has agreed to a 2.50 per cent state tax being levied on the gross proceeds of the new corporation—Athens, Aug. 7.

India

RADAR FOR HARBOURS—The Indian Lighthouse Department has placed a contract for the supply and installation of a Decca-type 32 harbour radar at the new port of Kandla on the coast of Saurashtra. The Department is also planning to instal radar in lighthouses to assist navigation in coastal waters. Decca type 30-A harbour radar has already been chosen for the first stage of this new development program, and will be fitted in the lighthouses at the approaches to Calcutta and Bombay—New Delhi, Aug. 13.

Italy

TRAFFIC IN GENOA—A total of 14,306 vessels with a net tonnage of 33,771,990 tons entered and left Genoa in 1955. The average daily number of entries and departures in this period was reckoned at 40, compared with 38 in 1954. Goods landed and loaded

in 1955 totalled 12,054,349 tons, an increase of more than 19 per cent over the previous year—Rome, Aug. 16.

New Zealand

PACIFIC FREIGHT RATES—The Montreal, Australia and New Zealand Line has announced a 12½ per cent increase in northbound freight rates from Australian and New Zealand ports to the east coast of the United States and Canada. The increase on general cargo from Australia becomes effective on August 20, and on similar cargo from New Zealand from October 1, 1956. This freight rate increase, the second in 12 months, applies generally to non-refrigerated cargo and naturally has caused some concern in agricultural circles in both countries. The increase will, particularly in the case of New Zealand, affect shipments of casein to the United States. Officials of the shipping line have stated that rising costs in maintaining services make the adjustments necessary—Wellington, Aug. 15.

Northern Ireland

SHIPS AND AIRCRAFT—Latest order received by the Belfast shipyard is for a 43,000-ton tanker for a Norwegian company, with delivery scheduled for 1960. British shipping lines are expected to place contracts for other large passenger ships; one company has tendered for at least one of these. The Belfast aircraft factory has also received an order for five Bristol Britannia airliners for Canadian Pacific Air Lines—Belfast, Aug. 17.

South West Africa

IMPROVING COMMUNICATIONS—Some progress has been made in improving the transportation bottleneck in this area. Plans have been announced for the purchase of new rolling stock, strengthening and re-laying of railway lines, and the expansion of the harbour at Walvis Bay. In addition, an amount of over £200 thousand has been allocated in the territorial budget for the purchase of heavy machinery to be used in tarring the main roads, none of which are hard-surface. Unfortunately no decision has been announced about the widening of the narrow-gauge railway to the mining area, a project which is becoming more urgent.

The extension of the present wharf at Walvis Bay by 1,300 feet will double the capacity of the harbour and permit it to berth six ocean-going vessels at a time. The urgent necessity for this can be seen in the increase in the totals for tonnage handled during the past three years. The figures for 1953 to 1955 (in that order) are: 492,825 tons, 497,857 tons, 600,139 tons—Cape Town, Aug. 10.

Planning a Business Trip Abroad

Some exporters hesitate to undertake a visit to foreign markets because it takes planning. This article—fourteenth in our series on the techniques of export trade—shows how the experienced travel agent can relieve the prospective traveller of time-consuming detail and smooth his path.

L. C. TOMBS, *Vice-President, Guy Tombs Limited.*

BUSINESS TRAVEL IN FOREIGN COUNTRIES differs in two respects from pleasure travel—although some businessmen can plan journeys that are a happy combination of business and pleasure. Destination is one difference. For example, the banker or the exporter figure largely in travel to South America, although far fewer tourists go to this area than to Mexico or the West Indies. Except for a limited number of South American cruises, a travel agent is seldom asked to book a passenger to Colombia, Chile or Argentina unless his client is engaged in business or is an official of government or an international organization.

Documents Need Careful Attention

The second difference between travelling on business and on holiday lies in the documents which the traveller must carry. Many of the Latin American countries, for example, have elaborate and exacting regulations about the variety of documents which the visitor—and especially one bent on business—must have to enter. In addition, the length of the forms and the number of copies often prove irksome.

For example, one Latin American country issues tourist cards to Canadians at a cost of \$3.00, without pictures, plus passport. (Naturally the visitor will carry his Canadian passport.) An exporter, however, must apply in person for his "business card" two weeks in advance and must explain the nature and the length of his

intended visit. This business card can cost him from \$3.00 to \$40.00, or even up to \$100.00. In addition, he must supply five profile and eight full-face pictures, or a total of 13. Not every Latin American country makes things so difficult. One, for instance, issues tourist cards at \$2.00 to both Canadian tourists and businessmen and does not require either a passport or pictures.

The regulations, indeed, vary from severity to definite liberality. Canadians may visit Bermuda, the Bahamas, the British West Indies, and British Guiana without passports, provided that they carry suitable identification. The Western European countries—with the exception of Iceland, Finland, Portugal, and Spain—do not require visas from Canadian visitors; Turkey and Yugoslavia do.

It is difficult to be dogmatic about this matter of documents, because the situation is always changing. Some countries—and they are not all in Latin America—ask the businessman to produce a police certificate, letters of recommendation, or other documents which are described in the box feature on page 15. The trend today in Latin America appears to be towards substituting tourist cards for visas, or for passports and visas. Occasionally, travellers engaged in business have entered certain Latin American countries equipped only with tourist cards, but this practice is not recommended. A prospective traveller should check carefully with the representatives of the countries which he intends to visit about the documents which he will need, or rely upon the travel agency to check and recheck visa and other requirements. This is the only safe way to proceed.

Situation Will Improve

The business traveller who has already had experience with involved documentary requirements will be interested to hear that various organizations are working for the simplification, standardization, and above all, the reduction in the number of "national" travel documents. For example, the International Air Transport Association and the International Civil Aviation Organization have attacked persistently the red tape

frequently encountered by airline passengers. With the help of other international bodies, governments, and professional associations, this campaign is meeting with some success.

One encouraging development took place at the Sixth Inter-American Travel Congress held in Costa Rica last April. There the representatives of 19 of the 21 American republics unanimously adopted (subject to ratification) a series of far-reaching resolutions. One of these called for the reduction of documentary requirements for travel between their countries to three basic papers—proof of identity and nationality, a simple embarkation-debarkation form for statistical purposes, and the international certificate of vaccination.

Because the man travelling on business often must go to countries off the tourist track, because he must

comply with these exacting documentary regulations, and because his time is valuable, he frequently turns to the authorized travel agent to help him plan his trip. The agent works hand in hand with the steamship lines, the airlines, and the commercial and resort hotels. Just how many people turn to the travel agent to do their planning for them was revealed in testimony before the Civil Aeronautics Board in Washington and New York several years ago, when it was stated that agents make 50 to 85 per cent of transatlantic air bookings. The same applies to steamship bookings. An official spokesman for the Trans-Atlantic Passenger Conference (which includes the principal Atlantic and Mediterranean steamship lines) remarked recently that "on the North American continent, more than three-quarters of the transatlantic steamship tickets are sold through the medium of travel agents".

Passports and Visas . . . a Few Pointers

THE TRAVELLER to foreign countries will find that many procedures are common to most countries—for example, a passport. But as he travels from place to place he is apt to find certain regulations that are peculiar to only one country. There are two important principles to follow:

One, find out the proper procedure from the Mission in Canada of the country you plan to visit, and two, do not plan any trip at the last moment or you may be disappointed. You must obtain passports, health documents and visas and these may take longer to complete than you think. Some foreign governments require their officers in Canada to check with the home office before issuing a visa to a businessman; this could mean a delay of weeks.

To avoid embarrassing situations and annoying delays, be sure to check regulations ahead of time. Here are a few to keep in mind:

- *Carry a valid Canadian passport; most foreign countries require it. One notable exception, of course, is visits to the United States where proof of identity and of Canadian citizenship are the only requirements for a stay up to six months. (If you wish information about passports and visas for various destinations, write to the Passport Officer, Department of External Affairs, 40 Bank Street, Ottawa.)*

- *Obtain all the necessary health documents or valid immunization certificates for each country you will visit. (For details see box feature on page 16.)*

- *If entry visas are required, obtain them from the Mission in Canada of the countries concerned. In some cases the traveller may have to carry a transit visa to pass through a country to and from his final destination; these also are available from consulates in Canada.*

- *For leaving most countries, presentation of a passport at the border is usually sufficient. Some countries require an exit visa as proof to border authorities that the traveller has no financial or tax obligations and has committed no crimes during his visit.*

- *Some countries require a business card, or subject the business visitor to additional forms and procedures: be sure to inform foreign government officers of the purpose of your visit so that there will be no misunderstanding later.*

- *Become acquainted with customs' requirements and regulations covering currency brought in or taken out of the country, travellers' samples, and so on. You should also investigate local income tax regulations as they affect the taking of orders during your stay in the country.*

N.B.: When you apply for a visa you usually have to show a valid passport; proof of financial means or sponsorship by a citizen for the time you will be in the country; a return travel ticket or a ticket for a country beyond; in some cases, proof of good character and good health; and any valid international vaccination certificates required.

An efficient and well-established travel agent is in an excellent position to provide his client with objective, experienced service. He can advise him about alternative carriers and routes, draw up precise itineraries, book transportation (including car purchase or hire), reserve hotel rooms and, if necessary, arrange for meals, transfers, etc. He can provide the answers to the businessman's questions about passports, visas, currency, tipping, and photography. He can suggest the best seasons to visit certain countries and the proper clothing to pack. He can look after baggage and the forwarding of exporters' samples. The inexperienced traveller who tries to look after all these details himself often ends up thoroughly confused or finds he has paid out a good deal of money for rather unsatisfactory arrangements. He may, for one thing, arrive in a strange country only to find that all the hotels in the city he wants to visit are jammed. The business traveller particularly, who wants to make every moment count, cannot risk delays and confusion.

What about Fees?

In most cases, the travel agency does not charge the traveller for its services. Instead, it receives its modest commissions from the airline or the steamship company, and the rate of commission is fixed by the respective Conferences. He charges his client exactly the tariff fare. (British and European railways also pay a commission on bookings to agents in the Western Hemisphere.) Nor does the agent charge for consultation. He does, however, charge a small fee in certain cases:

1. When he is asked to set up a conducted "package" tour for a group.
2. When he must plan and arrange a tailor-made "foreign independent tour", which involves a great deal of additional work.
3. In booking certain hotels. This small service fee is necessary because the country concerned either does not permit the transfer of commission funds abroad, or because many hotels do not make a practice of paying commissions to agents.

Most travel agents belong to the American Society of Travel Agents (ASTA) which has a world-wide membership of over 3,000—including, as "allied members", transportation companies, numerous hotels, public relations and advertising firms, and representatives of many government tourist bureaux. The 1,200 active members of ASTA (that is, American and Canadian travel agency members) solicit and process about 90 per cent of travel agency bookings in North America and ASTA membership has become a guarantee that the client will receive good service.

Healthy and Wise . . .

VALID HEALTH CERTIFICATES are a necessity for a trip abroad and the wise traveller inquires well in advance about the documents he should carry and the inoculations he will need. The regulations vary widely from country to country, but here is a brief outline of the more common requirements. The traveller should, however, check with an authorized travel agency or with the Quarantine Service of the Department of National Health and Welfare or with foreign government representative before making final plans.

Health Documents

- *International Certificates of Vaccination*—the only form of vaccination certificate which is recognized by all countries. These must be completed and signed by your doctor, then stamped by some recognized government health authority (federal, provincial, or municipal) to make them valid.

Smallpox—carry proof of vaccination within the past three years. Although you may visit some countries in Europe without it, you cannot return to Canada without being vaccinated before you land. Most countries, however, require smallpox vaccination certificates.

Yellow fever—many countries require the traveller to show a certificate of vaccination against yellow fever if there is a possibility that he has been exposed. Regulations covering air travellers are strict in several countries and notably India, Pakistan and Ceylon which impose nine-day isolation on all air visitors who fail to present a valid vaccination certificate. There are two yellow fever zones: in Africa, the area between the Union of South Africa and countries bordering on the Mediterranean; in the Americas, all countries between a line drawn from Honduras to Tobago and as far south as southeastern Brazil and Bolivia. Worst yellow fever areas in each zone are in the tropical forest regions. Vaccination for yellow fever is administered at special centres in Canada by the Department of National Health and Welfare.

Cholera—a certificate is required by India, East Pakistan, Burma, China, and other parts of South East Asia where there have been severe outbreaks in recent years. The vaccination is good for six months but a booster shot should be obtained every four to six

a Word to the Traveller

months, or as long as you are in an area where there is any danger of infection. Persons entering Canada from an infected area require a valid certificate.

● *Personal Health Certificates*—several countries in Latin America require a health certificate signed by a doctor and approved by a Canadian health authority before granting extended visas or resident privileges. Brazil still requires all travellers to present a certificate on a consular form filled out by a physician designated by the Brazilian Missions in each country.

To Protect Your Health

Although no country requires vaccination certificates for the following diseases, the traveller should make sure he is protected when necessary against:

- *Typhoid and paratyphoid fever (strongly recommended for foreign travel).*
- *Tetanus (for protection in case of accident).*
- *Typhus (borne by lice, usually in areas where living conditions are poor; freedom from infestation is best protection but vaccine is used).*
- *Diphtheria (if not immune as indicated by the Schick test).*
- *Plague (only if there is an epidemic in the country the traveller expects to visit).*

Canadian travellers going to or coming from Alaska, the Bahamas, Bermuda, Cuba, Greenland, Hawaii, Iceland, Jamaica, Panama, Canal Zone, Puerto Rico, St. Pierre and Miquelon, the United States, and the Virgin Islands are not required to carry smallpox certificates nor any other proof of vaccination. Persons arriving in Canada from an area of a country where yellow fever is reported are required to show proof of yellow fever vaccination if headed for a yellow fever receptive area in the United States.

Material used in this box feature was supplied by the Department of National Health and Welfare, and for the feature on page 15 by the Department of External Affairs—Editor.

Out of long experience in the planning of trips for business and other travellers, I am setting out a few simple but important details which the businessman going abroad should watch:

1. Be sure to allow sufficient time to complete visa and other documentation for certain countries.
 2. If you are going to Europe or travelling across the Atlantic, book your westbound Atlantic steamship passage or your return air passage before you leave Canada. This is especially important if you are travelling by ship.
 3. Check and confirm all connections and transfers in good time while you are travelling.
 4. Reconfirm your various air reservations according to the instructions printed on your ticket and in the timetables. (Your agent should remind you to do this.)
 5. Reserve British and Continental hotels well in advance during the late spring, summer, and early autumn—several months in advance, if this is feasible. In London and Paris, where the hotel situation is always very tight, bookings should be made well ahead at any time of year. This also applies to the busy seasons in South America, Bermuda, and the West Indies.
- For Australia, New Zealand, the Philippines, Japan, Hong Kong, Indonesia, Singapore, India, Pakistan, the Middle East, and for Africa, reservations in advance are absolutely essential. The numbers and size of reasonably good hotels in these areas are limited and the businessman must have *confirmed* reservations, made normally at least two months before arrival. The transportation companies, the agents, and the travel trade organizations continue to feel concern over the availability of hotel space outside the Western Hemisphere.
6. Carry travellers' cheques in American dollars, and also take with you some American bills and, if possible, small amounts of the currencies of the countries you will be visiting. In most European countries, the traveller can purchase local currency at frontier airports. These exchange offices will usually take any excess of the currency of the previous country visited.
 7. Take sensibly light but durable baggage, especially if you are going by air.
 8. If you wish either to purchase or hire a car for use on the Continent or in Britain or elsewhere, or to ship your own car, check with your travel agent about procedure.
 9. Inquire about the seasons in the countries you plan to visit and adapt your clothing to the climate. ●

They've Tried It ... and It Works

Does a business trip abroad really pay off in orders? It does, say the export managers of three Canadian companies, interviewed by "Foreign Trade"—if the traveller spends his time to best advantage. Here is their advice to the exporter embarking upon a first foreign visit.

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

A VISIT TO FOREIGN MARKETS helps the exporter to establish personal relations with agents and with customers, gives him an insight into buying habits and marketing practices, and increases his sales. But these results only follow if the traveller does some fact-finding first and then uses his time to advantage.

That's the considered judgment of the export managers of three Canadian companies interviewed by *Foreign Trade*. Each company sells a different type of product; their markets and their approach vary. But each of them is convinced that personal selling pays.

A. C. Bornemisa, Manager of the International Division of Canadian Cannery Limited, has in the last two years visited some 20 countries in Central and South America, the Caribbean, and Europe. Philip Sanford, export manager of the Arborite Company Limited, has in the same space of time travelled in Africa, the Middle East, and Latin America. William E. Lett, export manager for Noranda Copper and Brass since 1952, has concentrated his journeys in Latin America, where sales opportunities for his company's products appear most rewarding.

From our talks with these advocates of "seeing for yourself", we emerged with some sound advice which the prospective traveller might bear in mind.

(1) *Plan to spend some time on research before you set out.* Read all you can about each country, its economy and its people, before you leave. This will prepare you to talk to businessmen there.

Study statistics on the markets you intend to visit. Find out what your competitors are selling there and at what price. The best way to do the latter is to send your price list to the Trade Commissioners in the countries you plan to visit, asking them to check it against competing products. Mr. Bornemisa follows this practice. He also works out in advance the laid-down costs of his merchandise in the currency of each area, and the freight rates from Canadian port to the various ports of destination.

(2) *Make your arrangements and your reservations well in advance.* This includes writing in good time to the Trade Commissioner asking him to arrange appointments. Two of the men we interviewed leave it to the Trade Commissioner to make hotel reservations for them; the third prefers to do it himself. Tell the Trade Commissioner how many days you plan to spend in his territory and whether you wish to interview prospective agents or customers or both. Tell him what your problems are so that he can do some thinking about them before you arrive. It is also a sound idea to carry with you introductory letters from your Canadian bank to its foreign correspondents. Such letters may help in obtaining useful introductions and commercial references.

If you already have an agent in the territory, write him about your plans well in advance also.

(3) *Don't operate on too tight a schedule.* It is wise, especially if you are travelling by air, to allow a little leeway to take care of unexpected delays. Mr. Sanford suggests spending a *minimum* of one week in each major market and at least two clear working days in any place which you visit on business. It's important too to check with the Trade Commissioner or your local agent about holidays in the various countries. Not knowing about them can disrupt a carefully planned trip.

(4) *Take some sales aids with you.* Mr. Bornemisa, who sells canned foods, sends some samples of his line in advance to each point on his itinerary. Mr. Sanford, of Arborite, follows this practice too and also takes descriptive literature—if possible, in the language of the country he is visiting—plus pictures

in both colour and black and white of various ways in which Arborite can be used. In sending samples to the Trade Commissioner, be sure to authorize him to clear them through Customs and pay the duty, making it plain that you will reimburse him.

(5) *Stay at first-class hotels and entertain your customers in proper style.* This applies also to government officials with whom you may be talking business. Mr. Lett points out that this is particularly important in Latin American countries. The formality of an office visit gives way to a more relaxed atmosphere, conversation is less hurried, and there is time for the visitor and his guest to get better acquainted.

(6) *On a first trip, or if you are pressed for time, concentrate on choosing and training agents.* Try to find out how the agent is regarded by the business community and whether he already has contacts in your line of business. Make your own estimate of his personality. Mr. Bornemisa makes it a practice not only to become acquainted with the top executives in the agency he selects but also with the sales force, who are directly concerned with moving his merchandise and may need help with selling problems.

(7) *If possible, call on present or prospective customers with your agent.* Calling on all of them may not be feasible in one short visit, but a few should be selected and called upon during each trip. It is important, says Mr. Lett, to see any who have complaints or who have encountered problems in using your product. A talk face-to-face usually minimizes the complaint and straightens out matters quickly.

(8) *Don't try to cover too much ground in one trip.* If you are a beginner in export trade, it is usually better to concentrate on one area and get your sales there well organized. Then investigate additional markets.

(9) *Follow up on your visits promptly and carefully.* Make sure that the businessmen on whom you call receive quickly any literature, samples or other information which they request. Mr. Sanford carries a dictaphone with him and every day or two dictates reports, requests for samples, and so on. He then airmails the dictation to home office, which carries out instructions immediately.

(10) *Make personal selling trips a continuing assignment.* For best results, these seasoned business travelers say, you should revisit an active market every year, particularly when it promises well and is reasonably accessible. Once business is going smoothly and your representatives there are able to manage by themselves, your visits can be less frequent (say every two or three years) and you can turn your attention to other areas. ●

SEPTEMBER 15, 1956

Portugal's Trade in Cork

ALTHOUGH PORTUGAL IS A SMALL COUNTRY, 60 per cent of the world's cork originates there, because it is the natural habitat of the cork oak. During 1955 the production of "amadia" (raw cork) totalled 192,000 tons and that of "virgem" (virgin cork) 67,000 tons; total value was \$32 million. This compares with 1954 production of 141,000 tons of raw cork and 56,000 tons of virgin cork, worth \$18 million.

Last year exports were the highest on record both in quantity and value. Portugal exported about 7,600 tons more cork than in 1954 (153,518 tons); the value increased by over 280,000 contos (\$8.5 million) from the 1954 total of 1,425 thousand contos, reflecting a rise of nearly 20 per cent in prices.

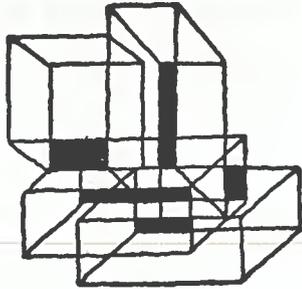


Women in a Portuguese factory at work selecting and grading corks, a first step in preparing them for export.

Exports of raw materials (virgin, "refugo" shavings, and corkwood) in 1955 rose from 114,767 tons to 123,246 tons, an increase of about 7 per cent over 1954; exports of manufactured and semi-manufactured cork products declined slightly from 38,751 to 37,958 tons.

Biggest customer is the United States, which imported 52,142 tons of Portuguese cork last year, followed by Great Britain (26,978 tons), Germany (13,694 tons), Argentina (10,891 tons) and Russia (6,668 tons). Canada imported 2,015 tons of cork last year direct from Portugal, 49 per cent less than the year before. As the U.S. boosted her imports by 6,509 tons at the same time, some of this cork probably found its way to Canada in shipments by American parent companies to Canadian subsidiaries.

—RICHARD GREW,
Commercial Counsellor, Lisbon.



commodity notes

Australia

AUTOMOBILES—Motor car manufacturers are showing signs of developing export markets worth over £5.0 million annually, the Acting Minister of Trade reported at the inauguration of an export department by a well-known Australian automobile company. The Acting Minister said that almost immediately the value of exports of Australian-made motor vehicles to New Zealand would rise to about £2.0 million a year; he was commenting on the news that the N.Z. Government had issued licences which would enable an additional 1,750 Australian motor vehicles to be exported to the Dominion this year. The government official complimented the company for intending to use its new export department to develop markets in New Zealand and in South-East Asia, areas where Australia enjoyed a geographical advantage—Melbourne, Aug. 13.

Austria

PETROLEUM, NATURAL GAS—During the first five months of 1956 Austria's oil production amounted to 1,444,199 metric tons compared with 1,492,021 tons during the same period of 1955. For the first time West Germany's oil production, at 295,840 metric tons in May, nearly equalled Austria's production in the same month amounting to 296,132 tons. Austrians fear they may lose first position in oil production in western Europe to the German Federal Republic. Austrian natural gas output increased slightly from 311.3 million cubic metres in the first five months of 1955 to 320.3 million cubic metres during the same period this year—Berne, Aug. 10.

France

POLYSTYRENE—A Paris company has announced the conclusion of a contract with an American producer for the manufacture of polystyrene in France. Details of the volume of production and date on which operations will commence have not yet been announced—Paris, Aug. 15.

SYNTHETIC RUBBER—A group of ten major French chemical and rubber manufacturers has announced

formation of a company which will build a butyl rubber plant near Le Havre, France. This plant, which will have a rated capacity of 20,000 tons of butyl rubber per year, is expected to be in production by the end of 1958. It is reported that the capacity of this first butyl producer outside North America will be sufficient to meet the needs of the French rubber industry and during the next few years there will be a surplus available for export—Paris, Aug. 16.

Greenland

REFINED ORE—After more than eight years of preparatory work and investment of 30 million D. kr., the first deliveries of refined ore from the collieries at Mesters Vig in East Greenland are now ready for shipment. Because of the difficult and expensive transportation involved, the ore cannot be exported in the crude state but must be refined before it leaves Greenland. The first shipment consists of 2,000 tons of refined ore and has been sold to Belgium, where it will be converted into pure lead and zinc. On the basis of present world prices it is estimated that the total output of the deposits will be worth about 130 million D. kr. It is hoped that other deposits of similar or more precious metals can be found—Copenhagen, Aug. 14.

Indonesia

SUGAR—Indonesia's sugar production for 1956 is estimated at 900 thousand tons, compared with 851 thousand tons in 1955. Exports of sugar are expected to exceed the 1955 figure of 275 thousand tons—Djakarta, Aug. 13.

Kenya

PYRETHRUM—Pyrethrum growers in Kenya have been enjoying a prosperous season. Owing to heavy rainfall early in the year, production is well above that of 1955; yields are 1,763 tons compared with 1,186 tons for the first five months. The planting of new acreages has continued and it is expected that

the acreage under pyrethrum will be 20 per cent higher than last year. Firm contracts for 1,333 tons of flowers and 66,500 pounds of extract, with a total value of \$1.6 million, have been secured for the sales year from July 1 this year to June 30 next year; this is an enormous jump over the previous year's sales of \$200 thousand—Salisbury, Aug. 7.

Malaya

STEEL MILL—A steel rolling mill soon will begin production of steel for building projects. For raw material the company will use scrap steel which Singapore and the Federation have been exporting to Hong Kong and Japan at the rate of 20,000 tons per year. The new firm brought 17 technicians from Hong Kong to operate the mill, located on the outskirts of the city of Singapore. Production is expected to be 4,000 tons the first year, 7,000 the second and 10,000 tons in the third year. The small rolling mill was imported from Hong Kong and the company will use it to re-roll local scrap as well as imported scrap from Indonesia and other neighbouring countries—Singapore, Aug. 8.

New Zealand

WOOD PULP—Expansion of New Zealand's pulp and paper industry continues; Whakatane Board Mills, located in the North Island, planned a trial run of their new semi-chemical pulp unit in mid-August. This unit is the first of its kind in New Zealand and has been installed at a cost of roughly \$413 thousand; it is expected to be in actual production in two months' time. Annual production of the new unit will be about 4,000 long tons. During 1955, New Zealand produced 52,925 long tons of chemical wood pulp, an increase of 31 per cent over 1954. Production of 28,858 tons of mechanical pulp was nearly 2 per cent below the figure for 1954.

Pulp produced at Whakatane mill will be used to manufacture cardboard products and will largely replace imported supplies. This will not directly affect Canadian exporters since imports of mechanical and chemical wood pulp have come largely from outside the dollar area, particularly from Sweden. There were no imports from Canada in 1955, and less than \$1,000 worth during the early months of 1956—Wellington, Aug. 16.

Portugal

COD—Information received late in July indicated that the Portuguese cod-fishing fleet has been making good catches and that prospects are good for a satisfactory catch during the current season. Seven trawlers have returned from their first voyage carry-

ing larger quantities than in the previous season. Fishing is favourable, despite a late start because of bad weather. During the first two weeks of June, the line fishing vessels had an average of one-third of the usual season's catch which is considered highly satisfactory—Lisbon, Aug. 7.

Sweden

MORE TANKERS—The same shipping yard which is at present building six tankers for the United Kingdom has received an order from a U.S. company for ten tankers of 40,000 tons each, the first of which is scheduled for delivery in 1959. The total value of the American order is estimated at \$80 million. The British orders involve three shipping companies; three of the vessels being built are 19,000-ton motor tankers. Fast delivery dates offered by the shipbuilding firm have attracted business—Stockholm, Aug. 15.

United Kingdom

BICYCLES, MOTORCYCLES—Increased exports of both bicycles and motorcycles in the first six months of 1956 have been announced by the British Cycle and Motorcycle Industries Association. In the first half of this year, 1,106,625 bicycles, valued (with parts,) at £18,217,548, were shipped abroad, compared with the figures of 1,096,926 and £16,020,935 for the same period of 1955. June figures are given as 157,595 cycles worth £2,707,542, compared with 111,950 worth £1,628,424 in June last year.

The six-months' figures for motorcycles are 38,080 machines worth (with parts) £5,777,571, compared with 34,890 worth £5,087,038 last year. In June exports totalled 5,028 machines valued at £747,332, compared with 3,735 worth £554,666 in June 1955—London, Aug. 22.

Venezuela

SEED POTATOES—The Venezuelan Ministry of Agriculture has announced that arrangements are being made in Caracas to have the Agricultural Bank place orders abroad for some 180 thousand to 200 thousand fifty-kilo crates of seed potatoes. No further details are available, but it is believed that Kennebecs, Red Pontiacs and Sebagos will be the preferred varieties for the forthcoming tenders. All seed shipments to the Venezuelan Government last year were financed on a letter of credit basis, redeemable at the point of export in Canada following inspection by a Venezuelan plant pathologist. It is expected that a similar procedure will be followed this year. Further details are available from the Commercial Secretary, Canadian Embassy, Caracas—Caracas, Aug. 15.

The Singapore Office Territory

... the market prospects

With five years' experience in this territory, D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, is in a position to help exporters develop or expand markets in this part of Asia. This report, prepared before he left his Far Eastern post for leave and tour in Canada, should provide the exporter with useful background information on the market there.

D. S. ARMSTRONG, Trade Commissioner, Singapore.

THAT PART OF SOUTH EAST ASIA served by the Singapore office has a hot and humid tropical climate; rainfall is regular and copious and the high temperature varies little throughout the year. Most of the land area is fertile enough to feed the population and also produce surpluses of agricultural products for export, such as rice, rubber, copra, palm oil, etc. Fish are plentiful in the South China and Andaman Seas. Petroleum produced in Burma and Brunei (supplemented by Sumatra) meets the area's requirements, but coal must be imported. Little hydro-electricity is generated at present and potential capacity is quite small. Tin, the most important metallic mineral, is mined in Malaya, south Thailand and south Burma. Other minerals include bauxite, iron ore, and small amounts of manganese, zinc, and gold.

Manufacturing is limited to basic consumer essentials such as shoes, soap, rope, and cement, and includes some processing of natural products—such as refining of mineral and vegetable oils, tin refining, rice milling, and the making of foam rubber. These represent almost the full extent of present industrial production other than a motor-car assembly plant and another firm making asbestos cement pipes and sheets; there are a very few more. However, Burma particularly—and to a lesser extent Thailand and Malaya—are making great efforts to industrialize.

Except in Malaya, road and rail transportation facilities are inadequate. On the other hand, both ocean and inland shipping are highly developed. In Burma, Thailand and Sarawak, the rivers are used to transport most goods. Bangkok and Singapore are now major international air centres and air services continue to expand.

In contrast to India, China and Japan, South East Asia is not over-populated; unemployment is rarely a problem except when the tin and rubber industries are severely depressed. With an easy climate, reasonable food supplies and a simple standard of living, people who live there find they need to expend little energy to obtain a minimum amount of food, shelter and clothing.

Everywhere you go there are considerable numbers of Chinese; their position in the commercial field is an important one. Chinese businessmen (and Indians to a lesser extent) monopolize internal distribution and the import-export trade with neighbouring countries. These people do not, as a rule, deal directly with exporters or importers in Europe or North America; the European business houses here handle their orders. Burma is an exception because of its smaller Chinese population and a nationalistic trade policy.

Singapore Is Commercial Centre

Singapore is the commercial centre for all South East Asia. Apart from its defence role, its sole purpose is to provide trade facilities; it produces and consumes little. Banking, insurance, postal, telegraph and telephone services and harbour installations are all excellent.

Singapore still maintains its status as a free port, established by Sir Stamford Raffles in 1819. Customs duties are levied only on liquor, tobacco and petroleum products. However, as a member of the sterling area's dollar pool, it maintains import and exchange controls on transactions with hard currency countries. Practically the only goods from North America which are licensed for direct import are "essentials"; the granting of an import licence is an automatic guarantee that the currency will be available to pay for the goods.

There is one important exception to the sterling area's dollar licensing policy: Singapore importers have access to the free foreign exchange market in Hong Kong. If an exporter cannot obtain a licence to bring in some particular product from Canada, he can import it and pay for it through Hong Kong. Here is the procedure an importer follows. A buyer in Singapore who wishes to purchase, say, smoked salmon, places an order with an agent in Hong Kong naming the Canadian supplier and sends a copy to the supplier. When the order is accepted, he transfers money to his Hong Kong agent who, in turn, purchases Canadian or U.S. dollars there and opens a letter of credit in favour of the Canadian exporter. The goods must be shipped to Hong Kong, where new bills of lading are issued, forwarding them to Singapore. They are not usually transhipped or landed at Hong Kong.

This method results in a landed cost which is some 5 per cent higher than for goods imported directly. The reasons for this are that it is necessary to pay a slight premium over the official rate for dollars purchased on the free market, the agent in Hong Kong requires a small commission, and there is an extra banking commission. About half the imports into Singapore from Canada and the United States come via Hong Kong; the value of this trade to Canada was more than \$2 million in 1955.

Malaya Main Dollar Earner

The Federation of Malaya, with its large production of crude rubber and tin, is the sterling area's main dollar earner. Exports of these two items in 1955 were worth the equivalent of \$900 million, or approximately 70 per cent of all exports from the country. Other important exports are canned pineapple, palm oil, coconut oil, iron ore and bauxite.

When you consider Malaya's (including Singapore's) import trade, the countries the goods come from must be divided into two groups—Asian and non-Asian. Indonesia, for example, sells Malaya the largest quantity of goods by volume and value, but mainly for re-export to Western countries. Imports from the United Kingdom lead those from other non-Asian countries by a fair margin, followed by the United States (consumer goods and earth-moving equipment); Australia (meats, vegetables and fruit); the Netherlands (canned foods and manufactured goods); West Germany (engineering and electrical supplies); Switzerland (watches); France (manufactured goods, wines); Belgium (steel); Italy (textiles, motor cars); South Africa (foodstuffs, inorganic chemicals); Denmark (foodstuffs, beer, cement); Canada (canned, fresh and frozen foods, motor vehicles, outboard motors, paper).

SEPTEMBER 15, 1956



DONALD S. ARMSTRONG, Trade Commissioner in charge of the Singapore Office since 1951, is now on tour of Canada before he takes over a new post. He is anxious to meet Canadian businessmen who want to expand their export sales and particularly those who might derive most benefit from his knowledge and understanding of the South East Asian

market. To complete his tour, which started in Vancouver and Victoria earlier in September, he will visit Edmonton on September 17 and 18, then twelve other centres across the country before he leaves Ottawa on November 7.

Mr. Armstrong, a graduate of the University of Toronto, joined the Trade Commissioner Service in 1945 and was posted first to Johannesburg, South Africa, and then to his present post in Singapore, where he has served two terms.

For further details of his tour itinerary please turn to page 34.

Although politically separate, the Federation and Singapore are interdependent economically; the same import control policy operates in both territories.

Sarawak's Chief Exports

Sarawak, the largest of the three British territories in Borneo, obtains most of its export earnings from rubber, pepper, timber, sago, jelutong and illipe nuts. World rubber and pepper prices have always fluctuated widely but curiously in the last five years, when one price was high, the other was low and vice versa.

The colony imposes the usual restrictions on dollar imports but merchants are able to buy goods from the countries affected in Singapore and Hong Kong. As there is virtually no manufacturing industry in Sarawak, the Colony depends heavily on imports of food, clothing, machinery and building materials. Sarawak is Canada's largest foreign customer for outboard motors. They are used extensively on the numerous rivers that are practically the only transportation routes at present.

North Borneo Has Labour Shortage

The Colony of North Borneo exports rubber, copra (mainly re-exports derived from Indonesia and the Philippines), timber, tobacco, catch and hemp. A

The Singapore Territory

The territory covered by the Canadian Trade Commissioner's office in Singapore includes:

British Territories

- *SINGAPORE, a Crown Colony, which includes the city, the island and the colony as a whole. It has a population of 1½ million, mainly Chinese, but with many minority groups—Malays, Indians, Eurasians, Europeans, and others.*
- *FEDERATION OF MALAYA, a former British protectorate by agreement between the Crown and the nine Malay Sultans. It has a population of over six million, 45 per cent Malays, 42 per cent Chinese; the remainder are Indians, Eurasians and Europeans. In addition to the nine States, the Federation contains two settlements—Penang and Malacca. Kuala Lumpur is the capital.*
- *SARAWAK, formerly the domain of the Brook family (the "White Rajahs"), is now a Crown Colony with a population of some 600 thousand. Over half the population are Dyaks (the former Borneo head-hunters) and the next largest groups are Chinese and Malays. The capital is Kuching.*
- *NORTH BORNEO, another Crown Colony, was developed up to World War II by the British North Borneo Company. The population of less than 400 thousand is mostly indigenous, with such tribes as Dusuns, Bajaus and Muruts. Chinese are the next largest group, followed by Malays and Filipinos. Jesselton is the capital but Sandakan is an important business centre.*
- *BRUNEI, a British Protectorate headed by a Malay Sultan, has a population of only 60,000, half Malays; Chinese form the largest non-indigenous group. Brunei Town is the capital.*

Non-British Territories

- *BURMA, formerly a British possession but an independent republic headed by a President since 1947, has a population of about 18 million. The capital is Rangoon.*
- *THAILAND, also known as Siam, has been an independent Kingdom since the year 1350. Its population is about 18 million, of which two million are Chinese. The capital is Bangkok, situated on the Chao Phya River, Thailand's main waterway.*

forestry policy established a few years ago is opening up new timber lands which might put North Borneo in the same class as the Philippines and West Africa as a source of tropical hardwoods.

Like Sarawak, North Borneo must import basic necessities such as food, clothing, building materials and machinery. Most of these are purchased as re-exports from Hong Kong and Singapore. There is little direct trade with Canada but a few Canadian products find their way to North Borneo through the entrepôt ports in the region.

North Borneo's chief problem—unique in Asia—is a shortage of labour, both skilled and unskilled. There is a fairly large minority made up of Chinese and Filipinos which may increase. Until there are more people, it will be impossible to develop the full potential of this largely unexploited colony.

Brunei Well-off Financially

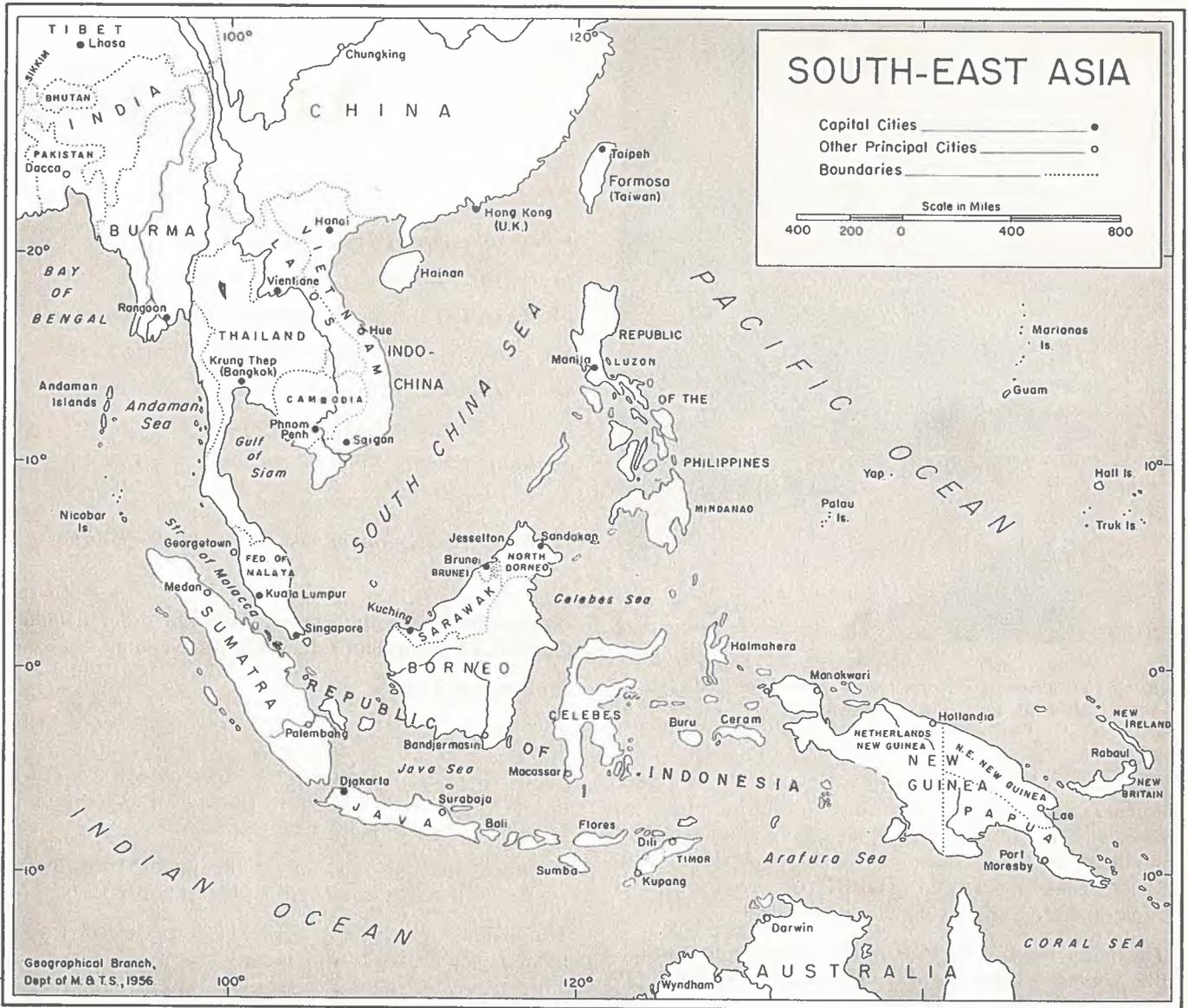
The State of Brunei must be one of the most financially fortunate countries in the world. It has no income tax, no public debt, and an income from investments abroad amounting to 10 per cent of its total income. State revenues depend almost entirely on the oil industry which, until the recent developments in western Canada, made Brunei the largest oil-producing area in the Commonwealth.

Despite its prosperity it cannot be considered an export market for many Canadian goods because of the small population—about 60,000 people—and their simple standard of living. The oil industry, a Shell subsidiary, strictly controls dollar buying.

Thailand's Economy Sound

The Kingdom of Thailand has always seemed blessed with good fortune: wars, economic adversity and colonialism have, so far, not directly affected her. One reason for Thailand's prosperity is the brisk demand from other Asian countries for her sizable rice surpluses since the end of World War II. Rice exports account for 80 per cent of Thailand's foreign exchange earnings; tin and rubber, both produced in South Thailand, earn additional income.

Except for one year (1954) Thailand has had a minimum of import and exchange controls but export controls, as a main source of government revenue, have been burdensome at times. Thailand imports a wide range of consumer goods and some capital equipment, mainly from the United Kingdom, the United States, Japan and Western Europe. Canadian sales, although not large and consisting mainly of flour and motor vehicles, have remained steady. The Chinese dealers in Thailand prefer to import consumer goods



of well-established American brands and pay a premium for them over similar brands made elsewhere. This preference, though it is more marked in Thailand, exists throughout South East Asia.

Burma Is in Difficulty

Burma has had a difficult time since she won her independence in 1947 and became a republic outside the Commonwealth; she has been ravaged by war, upset by the struggle for independence, and infested with dissident terrorist groups. Like Thailand, Burma depends on rice for most of her foreign exchange earnings and government revenue but, unlike her neighbour, came near to economic collapse in 1954 when the bottom fell out of the sellers' market for rice. An

ambitious and costly development program based on high earnings from the rice trade was part of the trouble. Stringent import restrictions, severe cut-backs in development plans, and a period of austerity have served to control the situation.

Burma imports most of her requirements from the United Kingdom, Japan, and India; she earns few dollars and has little dollar-earning potential. If she could rehabilitate the tin and rubber industries of south Burma—in areas now infested with insurgents—she might possibly earn more dollars and boost her imports from Canada (valued at \$480 thousand last year); Burma's imports from the United States are worth little more. ●

Australia's



These Hereford cattle are moving down from summer quarters on the high plains of Victoria to the warmer lowlands for the winter. Most of the cattle raised for the export trade in beef roam the vast, semi-arid hinterland in search of pasture.

AUSTRALIAN PROSPERITY depends to an exceptionally high degree on sales of farm products, especially wool. Overseas sales of agricultural commodities, including processed foods, account for about 85 per cent of her total export income; wool exports alone make up approximately 50 per cent.

The main market for Australia's primary products is the United Kingdom, although Asian countries buy substantial amounts of dairy products, wheat and coarse grains. Prospects for increasing exports to these traditional markets are good, especially for dairy products, but Australia faces stiff competition from continental countries such as the Netherlands and (perhaps to a lesser extent) North America. Recently countries which subsidize exports of wheat and flour, and the United States surplus disposal programs, have cut into Australia's Eastern markets.

Although Canada and Australia are both large exporters of farm products, they do not compete keenly in world markets. Australian wool has little competition from Canada. Canadian exports of cheese to the United Kingdom might increase somewhat if dollars were freely available and such competition would lower the price of Australian cheese in Britain. The volume of Australia's wheat exports, her second most valuable commodity, changes very little with differences in price

Sales overseas of products of her farms and food processing industries earn nearly 85 per cent of Australia's export income. This review of the country's agriculture for the 1955-56 crop year—and of the outlook for the future—should help the businessman in Canada to evaluate market opportunities in Australia.

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

because millers in the United Kingdom order definite amounts of Australian soft wheat for blending.

Production Trends

The volume of farm production rose to a record high during the 1955-56 crop year—31 per cent greater than before the war and 6 per cent above last year, the previous record. Latest Bureau of Agricultural Economics figures show new records for:

Wool—Production of wool in the grease rose about 10 per cent to an estimated 1,414 million pounds.

Milk—Total production is expected to exceed 1,400 million gallons, a postwar record.

Beef—Output of beef and veal should reach 750 thousand tons compared with 730 thousand tons last year.

Oats—A record oats harvest of 54.8 million bushels is expected.

A record yield per acre of 19.4 bushels of wheat and a near-record barley crop of 40 million bushels were also recorded.

Farmers have been investing heavily over a series of years in pasture improvement, land clearing, improved livestock, and better watering facilities. The combination of farm improvement, an unprecedented run of good seasons, and the success of myxomatosis in reducing the rabbit population have all contributed to increased production.

Except for wheat, crops promise to increase further in 1956-57. The sheep population too has been steadily

Agriculture . . . key to prosperity

climbing since the drought in 1946-47 and now numbers approximately 130 million head; wool production may rise 5 per cent this year to 1,480 million pounds.

The production outlook for the dairy industry is good, with butter output rising rapidly at present. How much cheese will be produced depends somewhat on the prices butter will sell for and on those expected for casein and skim milk powder.

Beef output may rise this coming year, while mutton and lamb production more or less levels off.

Because exceedingly heavy rains interfered with wheat seeding and caused heavy damage to early sown crops, the Australian wheat crop may fall from 40 million to 50 million bushels below last season's crop of 195·6 million bushels. Some districts have already had a normal year's rain in the first six months; much of the farmland in these areas was flooded.

Value of Farm Production Declines

Despite record high production last season, the value of farm production continues to decline. The farm value of all agricultural production in the 1955-56 crop year is estimated by the Bureau of Agricultural Economics at A£1,116 million compared with A£1,118 million one year earlier; the postwar peak was A£1,180 million in 1950-51, when wool prices reached record highs.

Main reason for the decline was a fall of about 14 per cent in average wool prices for the 1955-56 season, which was only partly offset by an increase of about 7 per cent in volume; lower overseas prices for wheat, coarse grains, beef, mutton and lamb also contributed.

Although the total gross value of farm production in 1955-56 was only about 1 per cent lower than in the previous year, there were important changes in the production pattern. The large decline in the total value of the wool clip was offset to a great extent by higher values for milk and wheat. Reductions in value for sugar cane, beef, mutton and lamb were largely compensated by the increased value of oats and barley production.

While income declined, prices of goods which farmers have to buy rose by 2·5 per cent in 1955; the net

cash income of farmers, which dropped from A£592 million in 1952-53 to A£480 million in 1954-55, probably fell further in the 1955-56 crop year.

Exports—Volume Up, Value Down

The total volume of agricultural exports in 1955-56 rose an estimated 31 per cent above the prewar figure, even though a great deal of wheat was stored rather than exported. Only in 1949-50, when overseas sales of farm products were 34 per cent above prewar, has this volume of exports been exceeded: in that year Australia exported large quantities of wool accumulated during the war.

Despite an increase of about 7 per cent in the amounts shipped, the value of exports of farm products is expected to decline about 4 per cent this year compared with last year.

Figures just released show that the value of wool exports in 1955-56 was down by A£17 million; the volume exported was 12 per cent greater. The value of wheat and flour exports is expected to fall about A£6·0 million and sugar is also likely to decline by the same amount. On the credit side, butter exports are expected to increase by more than A£9·0 million. Export income from agricultural products fell from A£643 million in 1954-55 to an estimated A£618 million in 1955-56.

Outlook for Export Trade

Figures published by the Bureau of Agricultural Economics clearly show how dependent Australia is on farming and the food processing industry for her export income; for each of the three years to 1954-55, agricultural exports have accounted for 85 per cent of total sales abroad. The percentage may be somewhat lower this year because of a fall in prices for agricultural exports and a slight increase in prices for exports of manufactured goods. Although the Government hopes to increase exports of manufactures by A£20 million a year, increasing production costs make it difficult for both manufactured and primary products to compete in overseas markets.

A recent article in the *Institute of Public Affairs Review*, an independent publication which studies economic and industrial problems in Australia, points out a significant fact: if the price of wool next year

should fall 10 to 15 per cent below present prices, Australia would face a serious economic crisis. The article concludes that lower wool prices would "drive home the extremely fine margin on which the Australian economy is at present operating, and the precariously thin line between reasonable prosperity and grave economic difficulty".

Australia has many immediate economic problems to solve. The Government is fully aware of and is doing its best to overcome them. High-level talks are going on overseas to obtain fair competition against subsidized goods from other countries, and the Government is backing publicity drives in the United Kingdom to promote Australian goods. Additional funds are going to research and extension work.

Looking ahead, two things should be noted: the economy is basically sound and the potential for increasing production is great. Improved pastures have increased from about 10 million acres at the end of World War II to over 25 million acres today and there is room for further expansion. Farmers now use two million tons of superphosphate a year to boost production and it should be possible to double fairly quickly the present two million acres of irrigated land.

More Wool and Grain

World consumption of wool is rising in spite of the competition from synthetic fibres. According to a review of the world wool situation made by the International Wool Bureau, buyers continue to pay good prices, although more wool is on the market. This was reflected in the last sales held in Australia for the 1955-56 season, when prices rose by about 5 per cent compared with earlier sales.

With a record clip of 1,480 million pounds forecast this season, Australia's export income from wool sales will be much higher in 1956-57 than last year, if prices remain firm.

The wheat crop is expected to be 40 million to 50 million bushels lower than last year, but Australia, with an expected carryover of more than 90 million bushels compared with the usual 20 million bushels, will still have plenty of wheat to sell. Experts are attempting to improve the quality of Australian wheat and work out a system of grading to assist in selling the best grain overseas at a premium over the present f.a.q. (fair average quality) grade.

Beef Exports a Problem

More beef will be available for export, but competition from Argentine and New Zealand chilled beef, plus expanded production in Britain, may tend to keep the price of Australian frozen beef low on the United Kingdom market. Before the war Australia shipped about 27,000 tons of chilled beef to the United King-

dom, compared with about 7,000 tons last year. Although she is making efforts to increase chilled beef exports, Australia is at a disadvantage compared with her competitors.

Most of Australia's beef is marketed at an average age of six years, in contrast to 2½ years for the Argentine and New Zealand types. Cattle raised for the export beef trade must roam the vast semi-arid ranges of the hinterlands in search of pasture. This extensive system of cattle raising is likely to limit for a long time the number of suitable types that can be made available for chilled beef—and continuity of supply is necessary to build up this trade. Australian breeders are doing a good job of improving beef quality in the more closely settled areas and to some extent in the more extensive ranges, but the best beef is sold on the higher-priced home market.

Another great difficulty in stepping up shipments of chilled beef is the fact that Australia is far from the United Kingdom market. Argentine meat can reach Britain in from 14 to 21 days and New Zealand meat from 20 to 30 days; it takes from 40 to 70 days from Australia. Because frozen beef is apt to remain the major part of Australian beef exports, research workers are now investigating ways to improve marketing.

Butter and Cheese Subsidized

The Federal Government has announced that the guaranteed prices to dairy farmers for butter and cheese in 1956-57 under the Dairying Industry Stabilization Plan will be 51d. per pound, commercial butter basis, compared with 49·29d. per pound in 1955-56. The price guarantee applies to all butter and cheese consumed in Australia, and to exports of up to 20 per cent of home consumption. The present financial year is the last one in the current five-year stabilization plan. The Government has agreed that in any new plan it will pay a fixed annual subsidy; the amount is to be determined before each year begins.

The subsidy fixed for the present year is A £13·5 million, A £1·0 million less than last year. At the same time the Government has approved price increases of about 1½d. per pound for butter and about ¾d. per pound for cheese consumed domestically.

These price increases, combined with the subsidy, ensure that the dairy industry will receive a full 51d. per pound for butter or the equivalent for cheese. For consumers, this means a small rise in retail prices. Even so, federal guarantees have kept consumer prices about 7½d. per pound below the cost of production. The present government will have paid out a total subsidy of A £113 million on dairy products by the end of 1956-57.

Butter consumption, which was rising in Australia, declined in 1955-56 because of the price increase and vigorous competition from margarine.

Greater Production Needed

Expanded production of some agricultural commodities now mainly imported can play an important part in rectifying the adverse trade balance. The Government is seeking ways and means of encouraging increased and efficient production of such commodities as tobacco and cotton, flax and other oil-bearing crops. For tobacco, the Government has adopted an import system whereby a manufacturer can obtain a rebate of duty paid on imported tobacco according to the percentage of home-grown leaf he uses. This incentive to manufacturers has boosted sales of all usable Australian leaf at reasonable prices.

Successful Marketing the Answer

Farm production has increased sufficiently in the post-war period to take care of Australia's increased domestic consumption, the result of a yearly population increase of over 3 per cent. At the same time the industry has maintained its share of exports (if processed foods are included) at about 85 per cent of the total. Although there is still room for considerable agricultural expansion, lower prices overseas tend to offset increased production. It is thus more necessary for secondary industry to assume responsibility and provide a larger share of exports.

Rising production costs and sharp hikes in shipping charges multiply the difficulties exporters face. They must find solutions to these problems before they can expect to make much progress.

Those industries which rely primarily on the Australian market should do well in the future; they have a solid demand which should expand year by year. But industries which must rely to a greater extent on overseas markets are not as fortunate. Their prosperity is directly hitched to fluctuations in world markets; a review of wheat and wool price changes over the past ten years will show how true this is.

To be sure of continued prosperity, Australia will probably expand the volume of production and quality of her agricultural products and try to market them more effectively; for the present at least, this is the only way for her to boost exports significantly. Successful merchandising requires keeping storage stocks high in overseas markets as buyers are annoyed by seasonal shortages and like to be sure they can buy a quality product when they want it. How well Australia is able to apply the techniques of successful marketing to her special situation will largely decide the measure of her prosperity. ●

Carpets from India

ORIENTAL CARPETS are woven on hand looms, usually of hand-spun woollen yarn. In India, one of the main carpet-producing countries of the world, about 50,000 persons work in the industry, on looms in their own homes or in weaving sheds. Carpets are produced in Bhadohi (a district of Benares), Mirzapur, Agra, Amritsar, Gwalior, Jaipur and Kashmir.

Carpet weaving used to be considered a "sweatshop" industry. Recently, however, the Indian Government has paid considerable attention to conditions in the country's cottage industries and wages paid to weavers have increased in every production stage. All reputable rug companies have their own supervisors who tour the villages to instruct the weavers and supervise their work. Manufacturers are introducing quality-marking schemes to reassure foreign buyers.

Almost all of the Oriental rugs produced are exported; few are sold in India. Indian consumers prefer cheaper substitutes such as jute and coir matting. The total value of woollen carpets exported in 1955 was Rs.40,427,782 (about \$8 million). Last year Canada imported \$1 million worth of rugs of all kinds from India compared with \$1.23 million worth in 1954. Most of the 1955 imports were Oriental rugs valued at \$668,000 and cocoa fibre mats worth \$227,000.

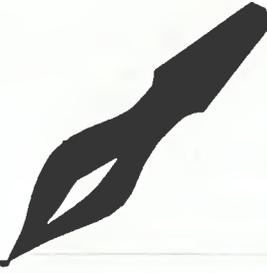
The traditional market for Indian carpets is the United Kingdom (60 per cent of the total). The British wartime embargo on luxury goods, which lasted until 1951, interrupted the trade. When the ban was lifted, British importers placed large orders but not always with the most reputable manufacturers and shippers. Prices rose abnormally in 1951 and goods were sometimes not up to standard.

Importers soon lost confidence in Indian carpets, prices fell steeply, and in 1952 a number of orders were cancelled. Carpet exports declined by 50 per cent. Since then, sales on a consignment basis have accounted for 60 per cent or more of India's carpet exports. Production has now returned to a more normal figure.

Indian weavers with simple hand tools—a loom, a knife, a pair of scissors, and a combed hammer—are capable of following even the most intricate rug designs. Despite strong competition from mill-made carpets using nylon and other substitute materials, Indian hand-woven carpets seem to be holding their markets abroad.

—WM. JONES,
Commercial Secretary, New Delhi.

General notes



Argentina

NEW INDUSTRIES—The Argentine Central Bank has given its approval under the Foreign Capital Investment Law to investment in four industries. One is a plant to manufacture sulfanilamide antibiotics by the U.S. firm, Lederle Products Inc., for which U.S. \$2,472,644 has been approved.

Investment of U.S. \$846,800 by Koppers International C. A. of Venezuela in a plant to produce thermoplastic raw materials, principally for the manufacture of polystyrene, has also been approved. The two other projects are a cement factory by the U.S. firm Preload Company Incorporated, and a plant to make recording equipment and vinyl paste by Columbia Gramophone Company Limited of England—Buenos Aires, Aug. 16.

Australia

COST OF LIVING—The Acting Commonwealth Statistician announced that the wholesale price of basic materials and food in Australia rose almost 3 per cent in April and May. For the 11 months to the end of May, the wholesale price index for basic materials and food showed an increase of 6 per cent.

On July 2 retail prices of butter were increased by 1½d. per lb. and cheese by 1d. per lb.; prices of biscuits and flour were also raised.

Substantial increases in tram, bus and railway fares came into operation in New South Wales on July 1 and in Queensland on July 5.

Building materials showed the largest increase in wholesale prices for the period from June 30, 1955, to the end of May 1956, with a rise of 11·6 per cent.

Both the Victorian and New South Wales Governments are facing serious gaps between revenue and expenditure and are seeking sources for a greater tax yield—Sydney, Aug. 7.

Austria

TRADE WITH EASTERN COUNTRIES—The share of Eastern Bloc countries in Austria's foreign trade grew from 8·2 per cent in the first five months of 1955 to 12·0 per cent in the same period of this year. Value of Austrian exports to the Soviet Union during the same period rose from A.Sch. 0·74 million to

A.Sch. 88·5 million, to Czechoslovakia from A.Sch. 80 to 140 million, to East Germany from A.Sch. 105 million to 170 million, to Poland from A.Sch. 143 million to 274 million, to Rumania from A.Sch. 32 million to 90 million, to Hungary from A.Sch. 167 million to 215 million, and to Bulgaria from A.Sch. 36 million to 40 million. Imports from these countries increased to from 9 to 10 per cent of Austria's total imports—Berne, Aug. 15.

Belgian Congo

MINING AND INDUSTRY—According to recent studies, reserves of coal deposits in the Albertville region are estimated at 50 million tons.

The creation of a synthetic petrol industry capable of producing 150 thousand tons per year is under study. Various chemical industries (notably tar and fertilizers) could be created in the same region.

In the Kivu, methods of tapping methane gas are being studied; reserves of methane gas there exceed in importance coal production in Belgium. It has been decided to erect a new cement works on the shores of Lake Kivu, with a capacity of 30,000 tons a year—Leopoldville, Aug. 14.

Cuba

OIL REFINERY EXPANSION—A prominent United States company will expand refining capacity in Havana from 8,500 to 35,000 barrels a day. The project, expected to be completed and in operation by September 1957, involves an expenditure of \$30 million—Havana, Aug. 7.

Federation of Rhodesia and Nyasaland

PROSPECTING A MAJOR INDUSTRY—Prospecting for minerals has become a major industry during the past two or three years. Most of the activity stems from five large mining combines and several smaller concerns which are committed over the next four or five years to spend between them over £2 million a year. These companies are spending large sums on the latest techniques in prospecting, including aircraft and magnetic prospecting devices. Northern

Rhodesia, already the world's second copper producer, is considered a promising area for such intensive prospecting, and sustained high metal prices in world markets have left substantial margins of profit for exploration and development. Outside the Copperbelt area, the two most interesting discoveries of recent date are deposits of pyrochlore and a large field of low-grade coal—Salisbury, Aug. 4.

Italy

FOREIGN TRADE—In the first quarter of 1956, value of Italian imports increased 11 per cent, compared with the same quarter of 1955, to 459,000 million lire. Exports totalled 312,000 million lire, an increase of 22 per cent. The trade deficit for the first quarter of 1956 amounted to 147,000 million lire, a decline of 8 per cent compared with the first quarter of 1955. With earnings from services such as tourism, offshore purchases, etc., the actual deficit in the quarter was considerably smaller than that in the same period of 1955—Rome, Aug. 17.

Japan

POPULATION RISES—Japan's population on October 1, 1955, was 89,275,529, a gain of 6,075,892 over the last official census taken in 1950. The 1955 census indicates an increasing trend towards population concentration in urban areas. The Tokyo metropolitan district population advanced by 1,759,584 in the five-year period and now stands at 8,300,000. There are 50,288,026 city and 38,987,503 country dwellers—Tokyo, Aug. 10.

Norway

NEW TITANIUM SOURCE—The most important Norwegian producer of titanium oxide recently reported the discovery of new deposits of ilmenite ore with a high titanium content. These deposits are located in the Jossingfjord on the west coast and are estimated to contain over 100 million tons of ore. Most of the ilmenite is accessible for open-pit mining. The Norwegian company is now planning to increase its annual production of ilmenite concentrate from 160 thousand tons to about 200 thousand tons. Norway supplies about 16 per cent of the total world production; Norwegian ilmenite concentrate contains 45-55 per cent of titanium dioxide—Oslo, Aug. 5.

South Africa

NEW WHEAT VARIETY—The Union's wheat crop during the 1955-56 season at 8.1 million bags (each bag 150 pounds) exceeded the previous record crop of 8,013,000 bags in 1950-51 by almost 100,000 bags. The record harvest will reduce the Union's present

dependence on imported wheat by almost a million bags during the coming year. Most of this increase is due mainly to expanded production of summer wheat over the past two years and partly to the introduction of a new variety, Regent, which is immune to stem rust and resistant to leaf rust. Yields reported for the new variety are attracting the attention of farmers in the "mealie area" who are switching from corn to wheat growing; so far the variety has been sown extensively in eastern Orange Free State and eastern Transvaal—Johannesburg, Aug. 7.

Taiwan

POWER DEVELOPMENT—The Taiwan Power Company plans to build a new 75,000-watt thermo power plant as part of the Government's five-year electric development plan, which is expected to add nearly 400 thousand kilowatts to Formosa's supply. It is reported that Westinghouse Electric has agreed to loan the company US\$6 million towards realization of the plan, while the Government will request additional loans from the United States Government—Hong Kong, Aug. 3.

United Kingdom

GOLD AND DOLLAR RESERVES—At the end of July, sterling area reserves totalled \$2,405 million, a gain of \$20 million during the month. This increase included receipt of \$16 million in United States defence aid. It also took account of a payment of \$19 million to the European Payments Union in 75 per cent settlement of the June deficit, and \$9 million paid to European Payments Union countries in bilateral settlements. It was announced that the United Kingdom deficit with European Payment Union countries in July, to be settled in August, amounted to £24 million, the largest deficit since September 1955—London, Aug. 22.

IMPORT SURPLUS—In July the United Kingdom visible trade deficit amounted to £44.2 million, based on total exports of £276.1 million and imports of £320.3 million. This trade gap was £6.5 million less than the average for the first half of this year and nearly £28 million less than the average for 1955 as a whole. Exports were about the same as the monthly average so far this year and 10 per cent above last year.

In July, exports to Canada were worth £15.2 million, down £2.1 million from June. However, the July results were equal to the average so far this year and 29 per cent above the 1955 monthly rate—London, Aug. 21.

SOUTH AFRICA: a midyear survey

Continued balance-of-payments problems and fall in foreign exchange reserves have slowed down the removal of import controls. But Canadian sales to Union are holding up well in 1956, despite economic transition.

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

THE FIRST HALF OF 1956 in the Union of South Africa was marked by a continuation of the slow-down in economic development which began last year. This was reflected in a levelling-off in business activity. The indexes of retail turnover to the end of April showed a slight rise but indications are that since then they have remained more stable. The amount of credit outstanding in particular lines is causing some concern.

The building trades have probably felt the changed conditions most. Some of the smaller firms have been forced into liquidation and the real estate market in most parts of the Union is at a low ebb. Agriculture is feeling the pinch of lower prices and increased costs and the enormous capital expenditure by the gold mining industry is dropping as new mines come into production. Government revenues for the first two months of the fiscal year were about the same as for the same period of 1955; railway revenues dropped and a deficit seems possible.

Spending on Public Works

A major sustaining factor in the economy is the large government expenditure on railways, telecommunications, irrigation, roads and other public works. The manpower shortage and keener competition have accelerated the trend towards greater efficiency, with commerce, industry and various levels of government making use of management consultants. Production of gold and uranium is substantially higher; output of other minerals is slowly rising in value as the transport situation gradually eases.

The minor relaxations of import control made towards the latter part of last year were disappointing and will have little impact on the volume of imports. The balance-of-payments position at the present time, and the fact that in the week ending July 6 reserves of gold and foreign exchange were at their lowest since May 1954, gives little ground for optimism about further easing of import control during the next few months.

But it is encouraging that the Government has not changed its decision to proceed with the gradual elimination of import control as soon as possible.

External Trade

Figures for the quarter ended March 31, 1956, show a rise in the value of the Union's external trade, although those for March alone are in contradiction to the trend, as the table below shows:

	1956		1955	
	March	Total for first quarter	March	Total for first quarter
Imports	45.1	129.6	47.8	123.4
Exports	31.9	93.4	32.3	88.9

Fruit and minerals (excluding gold) are the main products with larger foreign sales. Details on imports by commodities are not yet available.

Canadian exports to South Africa were running at about the same level as last year for the five months ended in May—a total of £25.4 million in comparison with £26.1 million for the same period of 1955. Featured in this trade were wheat, lumber, automobiles and parts, canned salmon and sardines, paper and paper products, chemicals, leather, and farm implements.

Canada's purchases from the Union were slightly below those of last year for the three months to the end of March. The comparative figures are: 1956, £963,895, and 1955, £1,077,162. Principal commodities were wines and brandy, wool, and diamonds.

Agricultural Production

The outlook for agricultural production is again excellent but marketing is becoming more of a problem as

rising costs and output, with keener competition, promise growers a lower net return.

Wool comes second only to gold as a contributor to foreign exchange earnings. It is therefore a matter of some concern that, although the clip this past season was the largest in twenty years (some five million pounds more than last year) it was valued at only £53.5 million, or over £5 million less than the £58.8 million earned in the previous season.

Maize production in the last few years has been running well above domestic requirements of about 26 million bags and 1956 was no exception. The crop was finally estimated at 32.2 million bags of 200 lb., some 4.2 million bags less than the previous harvest. In spite of large-scale export, the carry-over still poses major problems of storage and finance. Export prices have not been remunerative during the past year and the moving of large quantities of maize has thrown an extra strain on the already over-burdened transportation system.

Preliminary forecasts are that sugar output for the present season, which began in April, will be about the same as last year's record of 938,890 short tons. As for fruits, final figures are expected to show that with the exception of apricots and pears, shipments of deciduous fruit have been larger than those of last season. This rise is expected to continue as new plantings begin bearing. The following table gives details of exports for the current season to May 9, together with comparable statistics for the two previous seasons.

		1954-55	1955-56
Apples	Cases	992,826	1,315,449
Apricots	Trays, double layer	140,448	86,425
Grapes	Boxes	3,829,683	4,281,678
Nectarines	Trays, single layer	5,408	8,054
Peaches	Trays, single layer	341,265	438,463
Pears	Trays, single layer	26,743	38,001
	Cases	1,329,939	1,241,865
Plums	Trays, single layer	27,226	46,923
	Trays, double layer	279,686	320,683

Production of citrus fruit continues to expand. Estimates based on the latest tree survey in the Union indicate an exportable surplus of 10½ million cases by 1960 and 13 million cases by 1963, against a probable seven million cases this year. The smaller Spanish crop is expected to help keep prices firm this season.

The rapid expansion of the South African fruit industry poses a major problem of processing, storage, transportation and financing, and considerable work will have to be done before a solution is reached.

The last wheat crop totalled 8.3 million bags of 200 pounds, compared with an average of seven million bags over the previous five years. Acreage is expanding steadily and the hope is that the Union will even-

tually become self-sufficient, although the rise in population and the widely varying climatic conditions may make imports necessary for some time to come. The carry-over of five million bags makes it probable that purchases from abroad will be cut next year.

The supply situation in beef has been improved with the removal of price control. With the exception of the dry season, prices have hovered just above the level at which they were formerly controlled. Mutton and pork continue in adequate supply.

Mining Production Rising

Gold production continued its steady rise, with output for June reaching the record total of 1,351,465 ounces valued at £16,831,370. Output for the first six months of 7,757,670 ounces, valued at £96,497,856, was also a record. Output of uranium (which is processed in connection with gold) is also gaining, with 20 of the 27 mines holding contracts with uranium units in operation.

Diamonds worth £5,317,907 were exported during the first two months of 1956, compared with £5,791,379 worth for the same period of 1955. Demand for gem diamonds is said to be outrunning supply but sales are not as brisk this year as last.

Sales of other types of mineral products were running well ahead of last year for the first two months of 1956 and totalled £10 million compared with £7.7 million. Totals for the four principal minerals for this period (with the 1955 figures in brackets) are as follows: coal £3.3 million (£2.6 million); copper £2.1 million (£1.2 million); asbestos £1.1 million (£950,000); and manganese ore £647,657 (£342,965).

Transportation Problems

Great strides are being made towards overcoming the bottleneck in transportation but much remains to be done. The vigour with which the Railways Administration is attacking this problem augurs well for the future. Improved transportation facilities should result in increased exports, as shipments of many minerals are held back by the lack of facilities to move them to export points. The solution of this difficulty would contribute greatly towards remedying the deficit in the balance of payments. The latest prediction is that the railways will be able to accept all the traffic offering by 1958. A further spurt in economic expansion could, however, alter this estimate.

Secondary Industry

The rapid growth of the past few years which began tapering off in 1955 has not been renewed this year. The emphasis is now on increased efficiency to meet

keener competition during this period of consolidation. There have also been numerous requests for higher tariffs but the Board of Trade and Industry has refused the great majority, and there is no sign yet of any swing to prohibitive protection. The current difficult business conditions will in the long run leave secondary industry more healthy because of the pressure to cut costs and study markets.

South Africa is going through a period of transition which is bringing about a more efficient and, generally

speaking, a healthier economy. The more solid base which is being laid will provide a sounder foundation for the next period of expansion. No Canadian businessman interested in exporting can afford to neglect the unique opportunity offered by the market here in the Union, where the import bill totalled more than £482 million last year and where import control does not discriminate between dollar and sterling suppliers. The ruling factors are price and quality.

Trade Commissioners on Tour

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

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

G. A. BROWNE, Commercial Secretary in Havana, Cuba, begins the second part of his Canadian tour in Winnipeg, October 3-4. His itinerary is:

Saskatoon—Oct. 5	Halifax—Oct. 25-26
Vancouver—Oct. 8-12	Ottawa—Oct. 29
Saint John—Oct. 22	

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

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

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 Ottawa, October 24.

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

Sarnia—Sept. 17	Edmonton—Sept. 27-28
Winnipeg—Sept. 20-21	Vancouver—Oct. 1-12
Regina—Sept. 24	Victoria—Oct. 15-16
Calgary—Sept. 25-26	

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Brantford, Granby, Halifax, Kentville, Montreal, Saint John and Saskatoon; Chambers of Commerce in Brockville, Calgary, Hamilton, Kitchener, 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.

Tours of Territory

M. B. BURSEY, Commercial Counsellor in Ciudad Trujillo, Dominican Republic, began a ten to twelve-day visit to Puerto Rico and the islands of St. Thomas and St. Croix on September 10.

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

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

trade and tariff regulations

Bahamas

ADDITIONS TO OPEN GENERAL LICENCE—The following lumber and wood products may be imported into the Bahamas under World Open General Licence: shingles, lathes, box shooks, staves, headings and barrel shooks, softwood and hardwood plywood, mouldings and trimmings of wood. Products under World Open General Licence may be imported from all sources without restriction.

Costa Rica

DUTIES ON BOOTS AND SHOES RAISED—The Government of Costa Rica has greatly increased duties on imported boots and shoes in order to stimulate expansion of the domestic shoe manufacturing industry. The Legislative Assembly recently put into force a decree fixing a special tax, or surcharge, of 100 colones a pair (approximately US \$15.00) in addition to the regular customs duties which were already high. Regular duties on the principal types of women's and children's leather footwear, for example, are 40 colones per kilogram gross weight (about US \$2.75 per pound) plus 20 per cent ad valorem on the c.i.f. value.

According to the decree, all types of footwear are affected except those for special purposes such as mining, firefighting, dairying, and orthopedic use, so long as they are not manufactured in Costa Rica. It is expected that the new measure will virtually eliminate imports of ordinary foreign-made footwear, which in recent years have totalled almost US \$100 thousand annually.

Costa Rica has provided a small market for certain types of Canadian-made rubber boots and shoes, some of which may be affected, but no leather footwear from Canada has been imported recently.

Larger domestic production of footwear should, however, bring greater sales opportunities for Canadian leather tanners and manufacturers of other shoe materials. Already it has been announced that a new US \$150 thousand shoe factory will shortly go into production in a small town near the capital—Guatemala, August 17.

Norway

CUSTOMS TARIFF AMENDMENTS—Effective July 1, various amendments were made in the Norwegian customs tariff. Most of these amendments provide

for slight alterations in the text of tariff items with little effect on rates of duty, but some actual changes in customs duties are also involved. For example, the previous duty of 0.40 krone per kilogram on certain keyboards, actions and parts for pianos was abolished; other piano parts, which had been dutiable as manufactures of their component materials, were made subject to a duty of 2 kroner per kilogram. The duty on uncoated zinc plates and ribbons (other than zinc for clichés and offsets) was reduced from 0.24 krone to 0.12 krone per kilogram.

Hand pumps are now dutiable at 15 per cent ad valorem, compared with a previous duty of 0.20 krone per kilogram. Increases were made in the duties on knives, forks and spoons; blades for knives; and taps and valves of copper, brass and other copper alloys, of aluminum and nickel—Oslo, Aug. 23.

Exporters may obtain detailed information on specific items affected from the International Trade Relations Branch of the Department.

Poland

CUSTOMS DUTIES ON MANY NON-COMMERCIAL IMPORTS TO BE REDUCED—A new Polish customs tariff, which will come into force on October 1, reduces the duties on many non-commercial imports into that country. It also includes a considerably wider range of products than the tariff at present in force, with the effect that a greater variety of imports will be admitted without individual permission from the Polish authorities, subject to the customs duties being paid by the recipient. Ordinary commercial imports into Poland are made under economic plans by state trading organizations. They are not subject to the import duties provided in the customs tariff.

Although the new customs duties on gift imports into Poland will, generally, be lower than at present, they will still be rather high. For example, the duty on nylon stockings will be reduced from about \$14.75 to \$9.80 per pair at the official rate of exchange; on men's ordinary leather shoes from \$36.85 to \$29.45 per pair; on new clothing of nylon or natural silk from \$111.40 to \$89.10 per pound; on men's used woollen suits from \$11.15 to \$6.55 per pound; on used woollen topcoats from \$11.15 to \$4.45 per pound; on oilcloth from \$8.35 to \$2.25 per pound; on pepper

from \$32.80 to \$22.30 per pound; on various other spices from \$16.70 to \$6.55 per pound; and on tea from \$11.15 to \$8.90 per pound. The minimum duty on prepared medicines in small quantities will be reduced from \$7.35 to \$4.90. The duties on gift imports of coffee, cocoa and some other products will remain unchanged; razors, processed eggs and a few other commodities will be dutiable at higher rates—August 27.

Information concerning rates of customs duty on other specific articles which readers may wish to send to Poland as gifts may be obtained from the International Trade Relations Branch of the Department.

United States

DRAWBACK LAW ON PRINTING PAPERS AMENDED—By Public Law 1012, approved August 6, 1956, "printing papers, coated or uncoated" are added to the list of products specified in section 313(b) of the U.S. Tariff Act. Accordingly, under this law, if imported duty-paid printing papers and domestic U.S. merchandise of the same kind and quality are used in the manufacture or production of articles, there will be allowed upon export of any such articles, notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of drawback equal to that which would have been allowable had the printing paper used therein been imported.

Uruguay

NEW EXCHANGES AND TRADE REGULATIONS ANNOUNCED—Effective August 4, a new system of exchange and trade regulations came into force in Uruguay. The following list of products (first category imports) may be imported at a fixed rate of 2.10 pesos per U.S. dollar: Raw materials when they are imported by or for manufacturers for their own use and in accordance with their half-yearly requirements, combustibles codified in first category, products for combatting insects in agriculture and cattle, building materials, foodstuffs of prime necessity.

Subject to government approval, bananas, seeds and refined sugar may also be imported at the rate of 2.10 pesos per U.S. dollar.

A rate of 3.00 pesos per U.S. dollar will apply to imports of agricultural machinery and spares, antibiotics, cortisone, insulin and fertilizers. The Government will make good the difference between this special rate and the "free commercial market rate".

Other imports will be subject to the "free commercial rate of exchange". The right to obtain

foreign exchange for such imports may be purchased by the importer in the form of a certificate originally granted to an exporter who has turned over earnings of foreign exchange to the Bank of the Republic. These certificates are negotiable and are valid for eight days. They can be used only for payment of imports.

The Bank of the Republic exclusively will be authorized to use exchange not accruing from imports through the "free commercial market". Details on surcharges for various items imported through the free market are to be announced later.

Exports will be divided into 11 categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of a basic export rate of 1.519 pesos per U.S. dollar.

Further details may be obtained from the International Trade Relations Branch.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Automatic Sales Clerk

Coin-operated vending machines, over 1½ million of them, are used to dispense a wide range of products in the United States. Although latest estimates show that bottled soft drinks, cigarette, and candy machines still lead the way by a wide margin, ice cream, milk, juices and fruit are all being handled by this method. A recent survey in New York State shows about 50 per cent of the industrial plants in that state have milk-vending machines. Compared with this, 82 per cent have machines selling soft drinks, 83 per cent have machines selling candy, and 64 per cent have cigarette machines.



Coming to Canada on Business

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

► from 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 France

RENE AUGUSTE-DORMEUIL of Auguste-Dormeuil et Cie, 2 rue Drouot, Paris 9e, will present his company's 1957 summer collection of fine quality woollen fabrics in Quebec City at the Chateau Frontenac from September 15 to 18; in Montreal at the Ritz-Carlton, September 19 to 22; in Toronto at the Royal York from September 26 to 29.

► 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.

► from Norway

GUDLEIU HARG, chemical engineer with Messrs. Wilh. Willumsen A/S, Oslo, import agents specializing in industrial chemicals, will be in Montreal October 1, 2, and 3. The purpose of his visit is to get in touch with large chemical manufacturers with a view to representing them in Norway. He will stay at the Sheraton-Mount Royal in Montreal.

► from Trinidad

LEONARD L. BEARDEN, general manager, Sanitary Laundry Co. Ltd., 1 Ajax St., Port-of-Spain, Trinidad, B.W.I., who is interested in acquiring boxes for packaging shirts, laundry machinery and supplies, will be in Toronto from September 22 to September 25 (approximate dates) at the Royal York Hotel.

► from the United Kingdom

F. A. EVANS, managing director of Press Equipment Limited, Hunters Vale, Farm Street, Birmingham 19, will be in Toronto September 25 to 27 to appoint agents for the sale of his firm's automatic mechanical feeds for power presses; he also seeks a mechanical consultant as his representative. It will be possible to get in touch with Mr. Evans c/o the United Kingdom Trade Commissioner, 119 Adelaide Street West, Toronto.

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 1.01975.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 30	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05448	1.835	(1)
		Free	.03079	32.48	
Australia	Pound		2.1835	.4580	
Austria	Schilling		.03772	26.51	
Belgium- Luxembourg	Franc		.01967	50.84	
Belgian Congo	Franc		.01967	50.84	
Bolivia	Boliviano	Official	.005161	193.76	
British West Indies	Dollar		.5686	1.76	(2)
	Pound		2.729375	.3664	(3)
	Dollar	British Honduras	.6823	1.4656	
Brazil	Cruzeiro	Effective selling*			
		Category I	.011414	87.61	*July 31
		Category II	.009079	110.14	(4)
		Category III	.005748	173.98	
		Official buying	.53362	18.74	(5)
Burma	Kyat		.2059	4.86	
Ceylon	Rupee		.2047	4.885	
Chile	Peso	Free	.001981	504.795	(6)
Colombia	Peso	Basic	.3923	2.549	(7)
		Free*	.1986	5.035	*Aug. 28
Costa Rica	Colon	Official	.1746	5.727	
		Controlled free	.1477	6.77	
Cuba	Peso		.9806	1.020	tax 2% (4)
Czechoslovakia	Koruna		.1362	7.342	
Denmark	Krone		.1420	7.042	
Dominican Republic	Peso		.9806	1.020	
Ecuador	Sucre	Official	.06538	15.295	
		Free	.05222	19.150	
Egypt	Pound	Official	2.8159	.3551	(6)
Fiji	Pound		2.4589	.4069	
Finland	Markka		.004264	234.521	
France, Monaco and North Africa	Franc		.002802	356.88	(8)
French Colonies in Africa	Franc		.005604	178.4	(9)
French Pacific	Franc		.01541	64.89	(10)
Germany	D Mark		.2340	4.274	
Greece	Drachma		.03268	30.60	
Guatemala	Quetzal		.9806	1.020	
Haiti	Gourde		.1961	5.099	
Honduras	Lempira		.4903	2.040	
Hong Kong	Dollar	Free*	.1623	6.16	*Aug. 17
		Official	.1706	5.862	
Iceland	Krona	Official	.06021	16.61	
		Special buying	.04466	22.39	
		Special selling	.35174	28.43	(11)
India	Rupee		.2047	4.885	
Indonesia	Rupiah	Basic	.08635	11.581	(12)
Iran	Rial	Certificate	.01294	77.25	
Iraq	Dinar		2.7458	.3642	
Ireland	Pound		2.7297	.3664	
Israel	Pound		.5448	1.835	
Italy	Lira		.001574	635.3	
Japan	Yen		.002724	367.1	

* Latest available quotation date.

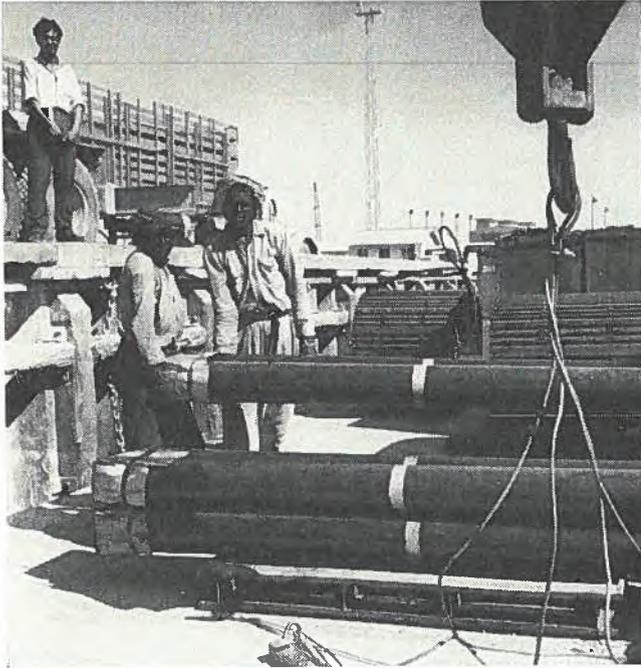
Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 30	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3048	3.280	
Mexico	Peso		.07845	12.75	
Netherlands	Guilder		.2561	3.905	
Netherlands Antilles	Guilder		.5160	1.938	
New Zealand	Pound		2.7294	.3664	
Nicaragua	Cordoba	Effective buying	.1486	6.729	
		Official selling	.1390	7.19	
Norway	Krone		.1373	7.283	
Pakistan	Rupee		.2047	4.885	
Panama	Balboa		.9806	1.020	
Paraguay	Guarani	Official	.01634	61.20	(6) (13)
Peru	Sol	Certificate	.05161	19.38	
Philippines	Peso		.4903	2.040	
Portugal	Escudo		.03422	29.22	(14)
El Salvador	Colon		.3923	2.550	
Singapore & Malaya	Straits dollar		.3184	3.141	
South Africa (Union of)	Pound		2.729375	.3664	
Spain & Dependencies	Peseta	Basic buying	.04478	22.33	
		Basic commercial selling	.59737	16.74	(6)
		Free	.02518	39.71	
Sweden	Krona		.1896	5.274	
Switzerland	Franc		.2289	4.369	
Syria	Pound	Free*	.24691	4.05	*July 16
Thailand	Baht	Free	.04737	21.11	(6)
Turkey	Lira		.3502	2.855	
United Kingdom	Pound		2.729375	.3664	
United States	Dollar		.980625	1.020	
Uruguay	Peso	Free*	.2331	4.290	(16)
		Basic buying	.6456	1.549	
		Principal selling	.4671	2.141	(6)
		Special selling	.3269	3.059	
Venezuela	Bolivar		.2927	3.416	
Yugoslavia	Dinar		.003268	305.9	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special 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 appears in the Trade and Tariff Section of this issue.

Canada in Foreign Markets



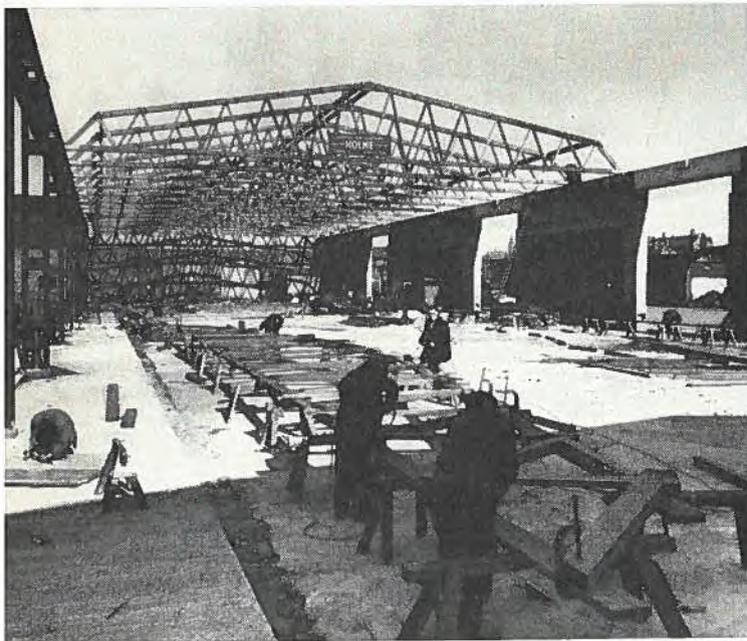
—Kuwait Oil Company

In Kuwait—At Mina al Ahmadi, the Kuwait Oil Company's marine terminal in the Persian Gulf, Arab workers unload part of a substantial order of six-inch conduit pipes from Canada.

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



In Bermuda—Employees of the Bermuda News Bureau work in this handsome modern office, which is well equipped with desks and typewriters which were imported from Canada.



In the United Kingdom—Canadian Douglas fir has been used in the construction of these timber trusses for a shed being erected by the Mersey Docks and Harbour Board at Liverpool.



In Jamaica—These cylinders being unloaded from ship at Jamaica contain cellulose film produced by a Canadian company which exports to a number of markets abroad.