



CANADA

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COVER This young Danish workman is shaping a variable pitch propellor designed for an ocean-going vessel. High on the list of Danish imports come raw materials for industry, on which tariff rates are low; Canada shares in this market. For a study of Denmark's imports and their sources, please turn to page two.

WHAT DENMARK BUYS ABROAD

Impressive increase in Canadian sales has followed Danish liberalization of dollar imports during 1955. The following analysis of Denmark's purchases abroad points up main Canadian opportunities in this small but growing market.

I. V. MACDONALD,
Assistant Commercial Secretary, Stockholm.

THE DOLLAR LIBERALIZATION MEASURES passed in 1955 have given to the Danish market a new importance. Partly because of the relaxations, Canadian exporters (according to Danish figures)* increased their sales in Denmark by 71 per cent during the first five months of 1956, compared with the same period last year. This increase was achieved in spite of the fact that the Danes bought no Canadian wheat in 1955 but switched their purchases to the soft currency countries, which had an unusually large export surplus. In 1952, Canada sold about \$2 million worth of wheat to Denmark.

The sharp increase in Danish imports has not benefited Canada only. Total imports have also been rising and in May reached a record monthly value of 937 million kroner. The increase covered almost all commodities but was especially strong in raw materials and semi-processed goods. Grain, fuel, machinery, and motor vehicles also stood out. During the period January-May 1956, total imports rose by more than 200 million kroner over the same period in 1955, despite labour difficulties and a transport strike.

The table below shows the principal countries and main commodities benefiting from Denmark's upsurge in trade.

SOURCES OF DANISH IMPORTS

	1954	1955	1956 Jan.-May
	(in 1,000 D. kr.)		
<i>United Kingdom</i>			
Total	2,157,225	2,077,168	844,073
Fuels and oils	745,216	910,074	364,250
Machinery, non-electrical	140,423	126,718	60,111
Transportation vehicles	157,298	100,719	52,382
<i>West Germany</i>			
Total	1,562,441	1,518,200	692,766
Fuels and oils	221,427	241,071	121,161
Transportation vehicles	265,635	200,608	95,083
Machinery, non-electrical	191,534	170,206	77,770
<i>United States</i>			
Total	395,674	637,392	354,138
Grain	3,050	71,551	70,463
Feedingstuffs	40,122	110,481	63,177
Fuels and oils	56,027	94,901	51,382
<i>Sweden</i>			
Total	743,948	721,996	284,066
Metals	77,663	112,767	41,353
Wood, lumber, cork	158,064	136,937	31,543
Paper, cardboard, etc.	74,485	83,789	32,571
<i>The Netherlands</i>			
Total	493,789	509,396	248,674
Fuels and oils	79,733	93,103	56,117
Metals	52,204	58,967	39,087
Yarn, piece goods, textiles	59,270	51,087	18,127

Agricultural products figure largely among Denmark's imports, although the volume depends largely on two

*Source: "Denmark's Trade with Foreign Countries" May 1955 and 1956 respectively, imports from Canada stated at D. kr. 7,293,000 and 12,469,000.

factors—the domestic harvest of similar or competitive crops, and Danish exports of higher-quality grain products such as malting barley, grain for seed, etc., which deplete total domestic supplies. These factors together result in a fluctuating demand and Canadian exporters must remain alert to opportunities in this field if they are to be fully exploited.

The net import surplus of cereals (grain, feedstuffs and seed), which averaged about 250 thousand tons per year from 1949-51, was replaced by an export surplus in 1952 and 1953. However, in 1954 the net import increased to almost 900 thousand tons and in 1955 imports exceeded exports by 600 thousand tons. Canadian agricultural exports to Denmark have followed this pattern:

EXPORT OF CANADIAN AGRICULTURAL PRODUCTS TO DENMARK

(in 1,000 kroner)

1949	1951	1953	1954	1955
1,797	23,791	27,604	6,582	7,317

The ban on grain imports put into force at the end of June 1955 temporarily retarded purchases. However, the restriction was removed on August 31 for wheat and on September 22 for rye. Main sources of supply for wheat were Argentina, France, Uruguay, and the United States; for rye, Argentina, the United States and Canada; and for wheat flour, West Germany and the United States, although Canada has also sold some flour there.

Imports of oilcakes and oilseeds have been rising over the past six years and in 1955 totalled 540 thousand tons, supplied chiefly by the United States, West Germany, Britain, and the U.S.S.R.

Tobacco and Foodstuffs

Sugar and coffee beans account for more than half of Denmark's imports of specialty foodstuffs. Imports of raw tobacco, divided chiefly among U.S., British and Dutch firms, decreased by about 15 per cent in volume during 1955. To date, the few attempts to sell Canadian flue-cured tobacco in the Danish market have not been successful, although raw tobacco is on the free list for import from the dollar area.

Opportunities for Canadian processed foodstuffs in Denmark are limited by the nature of Danish domestic production and by the current quantitative import restrictions. However, mild-cured and frozen salmon has found a steady though small sale and periodically shipments of skimmed milk powder have been made. Canadian firms have also sold small quantities of offals, sausage casings, whisky, and Pacific halibut. The fact that Denmark is herself a large exporter of fish products may help some types of Canadian fish exports to Denmark (especially salmon) because

potential demand from "smokers" is correspondingly large. Dollar import restrictions impede expansion of fish exports from Canada although eels, haddock, whiting and coalfish are on the liberalized list.

Raw Materials Imported

Denmark buys large quantities of industrial raw materials, many of which are of interest to Canadian exporters. This group of imports as a whole has increased in volume by about 40 per cent since 1949, and for the most part enters duty-free or at very low rates. Denmark has a relatively low tariff, particularly on materials needed by its industry, and no country receives any tariff preference.

Principal raw and semi-finished industrial materials imported into Denmark are (roughly in order of importance): non-ferrous metals, wood and lumber, textile fibres, chemicals, crude fertilizers, pulp and waste paper, animal and vegetable oils and derivatives, and rubber. The year 1955 saw a setback in imports of nitrogen, phosphate, and potash fertilizers. All of these declined in 1955, largely because of lower farm incomes. Many of these commodities are supplied to Denmark under trade agreements with other countries, especially those products which have not been liberalized. Canadian raw and semi-processed materials sold to Denmark include copper, asbestos, nickel, aluminum, planks, nets, twine, hides, acids, synthetic resins, drugs and chemicals, printing paper, and cellulose products, all of which have been liberalized for import from dollar countries.

Consumer Goods Imports Rise

Excluding foodstuffs, the value of consumer goods imports has increased by over 200 per cent since 1949, more than any other group. However, in 1955 the two most important categories, finished textile goods and passenger cars, showed decreases. Textiles are imported chiefly from the EPU area and only wool, cotton, textile rags and waste, and vegetable fibres have been liberalized for import from dollar countries. The number of passenger cars imported fell from 39,000 in 1954 to 30,000 in 1955—the 1954 figure reflecting in part the relaxation of import restrictions on automobiles from European countries.

Solid and Liquid Fuels

Denmark's vital power requirements for energy and heat, coupled with a dearth of natural resources, mean that large quantities of both solid and liquid fuels have to be imported. Consumption of solid fuel (mostly coal and coke) by industrial users has risen substantially since 1949 and imports of fuel oil have risen even faster—to 2.4 million tons in 1955, three times the 1949 figure. The relative gain of liquid fuels can be explained partly by the fact that average prices for

oil and gasoline have risen less quickly than those for solid fuels. The chief source of coal is the United Kingdom, followed by the United States and, to a lesser extent, Poland and West Germany. The latter also supplies more than half of Denmark's imports of coke. About 90 per cent of the petroleum is imported from the U.K. and comes originally from the Middle East.

Import Licensing Procedure

Many Canadian products with sales possibilities in Denmark can be admitted under the present regulations only through a dollar import licence and, unless the product can be shown to be "essential", such licences are often difficult to obtain. On the other hand, successive groups of commodities have been placed on the free list for dollar imports. Typical of the dollar-liberalized products are: oilcakes and oilseeds, most chemicals, paper, wood, non-ferrous metals, cellulose derivatives, tools, ball bearings, medical instruments including electrical, agricultural

machinery and tractors, and office machinery. For some non-liberalized dollar imports the required licences are issued freely upon application. (For a more complete explanation of Danish import licensing and how it affects Canadian goods, see the June 23, 1956, issue of *Foreign Trade*, page 9, and the table on page 35 of the same issue.)

Imports from Dollar Area

The liberalization measures of 1955 have contributed to the current promising increase in imports from Canada and the other dollar countries. Dollar imports into Denmark rose to 402 million D.kr. in the first five months of 1956, compared with 250 million D.kr. in the first five months of 1955—Canada's share was D.kr. 12.5 million and 7.3 million, respectively. Although Canadian exports to Denmark have been limited to a relatively small range of commodities, new sales opportunities are being discovered each year and it will pay Canadian exporters to watch carefully developments in this small but growing market.

Japan Sets Foreign Exchange Budget

Big boost in foreign exchange budget for second half of fiscal year to \$1,915 million for commodity imports reflects Japanese confidence in continuing rapid growth of national economy. Automatic approval system expanded.

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

JAPAN'S FOREIGN EXCHANGE BUDGET for the second half of the fiscal year 1956, which was announced this week, totals \$2,341,094,000. Of this, \$1,915 million is for merchandise imports (about \$150 million more than in the first half) and \$426 million for invisible imports (\$80 million more than in the first half). This brings to \$4,450 million the total foreign currency budget for the entire fiscal year 1956 and represents an increase over the 1955 budget of \$1,050 million. The total budget for the import of goods only for the entire year is the largest since the war.

The new budget is designed to ensure sufficient supplies of materials necessary for the stepping-up of indus-

trial production, and to stabilize prices, especially in steel, non-ferrous metal and rayon yarn production, where they are rising rapidly. To permit the purchase of foreign goods on a more economical basis, the scale of the "global" system—which covered some 60 per cent of the budget for the first half of the year—has been expanded to cover about 80 per cent. Imports from countries which are restricting imports from Japan (for example, by invoking Article 35 of the General Agreement on Tariffs and Trade) are to be carefully watched. The liberalization of trade is advanced a further step by the expansion of the Automatic Approval import system by \$38 million to \$390 million. New items added to the Automatic

Approval list include vanadium, molybdenum, manganese, ferro-manganese, pine resin, cotton linters and citrus fruits.

Raw Materials and Foodstuffs

Estimated quantities of the more important commodities to be imported are indicated below:

Rice	450,000 tons
Wheat	1,040,000 "
Barley	516,000 "
Sugar	600,000 "
Soya-beans	419,000 "
Beef tallow	65,000 "
Raw cotton	1,290,000 bales
Raw wool	400,000 "
Coal	2,025,000 tons
Iron ore (excludes imports under Automatic Approval)	450,000 "
Scrap iron	576,000 "
Pig iron	150,000 "
Crude oil	41,960,000 bbls.

No details of the amounts for various classes of goods to be secured from the dollar countries, sterling area and open account countries have been published. However, the statement which follows compares the import budget for the second half of 1956 with the first half, and shows the entire budget for 1956:

Import Budget, Fiscal Year 1956

Item	2nd half 1956	1st half 1956 (In \$1,000)	Whole Year
Foods	241,227	242,858	484,085
State monopoly goods (salt and tobacco)	10,209	12,333	22,542
Lumber	12,360	13,789	26,149
Raw materials for daily necessities (hides, skins, fats, resins)	22,580	30,127	52,707
Textile raw materials	311,073	348,802	659,875
Fertilizer and raw materials therefor	41,045	24,194	65,239
Coal	57,297	43,998	101,295
Iron-steel raw materials (coal excluded)	159,810	264,968	424,778
Non-ferrous metals and ores	75,700	58,858	134,558
Petroleum	100,760	95,679	196,439
Chemicals and chemical materials	9,455	5,307	14,762
Medicines and agricultural chemicals	2,663	2,927	5,590
Machinery and metal goods	146,000	145,000	291,000
Raw materials for processing	39,000	35,000	74,000
Barter imports	13,500	15,000	28,500
Goods delivered to U.S. Army	5,000	5,000	10,000
Re-export goods	1,000	1,800	2,800
Miscellaneous	66,321	68,042	134,363
Automatic approval imports	390,000	352,050	742,050
Reserves	210,000	210,000
Totals	1,915,000	1,765,732	4,680,732

Selling to the Greek Farmer

SEVERAL IMPORTANT DEVELOPMENTS in Greek agriculture should be of interest to Canadian exporters because they open up sales possibilities. One is the increasing use of mechanical farm equipment, particularly in the northern section of the country, including Thessaly and Macedonia. There the fertile soil and the open plains lend themselves to the use of harvester combines, tractors and other farm equipment. In spite of a substantial increase in the number of tractors since 1939, there is still a dearth of equipment to work the three million acres of arable land. The present mechanical farm equipment in Greece is made up of the following units, with comparison for 1938-40.

	1955	1938-40
Pumping units	35,000	6,800
Tractors	9,000	1,500
Threshing machines	1,850	1,070
Combines	850	42

Some Canadian firms are cultivating this market; 28 Canadian-made harvester combines reached Greece in 1955, and there are possibilities for further expansion of farm equipment sales.

The second opportunity that presents itself to the Canadian businessman is the possibility of sharing in Greece's proposed irrigation program. Reclamation, irrigation and soil conservation projects have since 1939 increased the area under cultivation by 11 per cent and expanded the irrigated area by 20 per cent. Major projects now under construction will, over the next few years, add another 100 thousand acres of irrigated land.

In an effort to counteract poor soil conditions in a country three-quarters of which is mountainous and where erosion is a problem, large quantities of nitrogenous fertilizers find a ready market in Greece. Each year about \$17 million worth of ammonium nitrate (33.50 per cent N), ammonium sulphate, ammonium sulphate nitrate, calcium nitrate and calcium ammonium nitrate are imported. In recent years these products have been largely obtained from Hungary, Austria, West and East Germany, mainly because of extremely low prices. Only one Canadian supplier had a share in this business last year, though there is an opportunity for greater Canadian participation in this market. The Athens office will be glad to advise any Canadian companies interested in making sales.

—A. B. BRODIE,
Commercial Secretary, Athens.

Lebanon's Orchards

Earn Foreign Exchange

Without mineral or oil resources and with 1.4 million out of 2.5 million acres rocky or wasteland, Lebanon relies upon fruit crops to bring in foreign exchange. With improvement in growing methods, exports of oranges, apples, lemons and bananas are rising.

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

LEBANON'S FRUIT INDUSTRY, despite some setbacks, has made real progress in the past ten years. This progress should continue because the application of scientific methods of fruit culture, the outstanding increase in refrigerated storage capacity, and the rapid expansion of air freight services to the surrounding area have provided a solid foundation on which the industry can continue to build.

The mountains of Lebanon have long since lost their importance as the source of the famous cedar renowned in Biblical times. Yet they give this small country an advantage over its neighbours because they mean variations of climate which allow for the culture of all kinds of fruit—from bananas and citrus on the coastal strip to apples and cherries on the hilltops. And, because Lebanon has few minerals, is not an oil producer, and cannot even supply its own cereal needs, it has to turn to more specialized forms of agriculture (such as fruit growing) which give a higher return.

Transportation Improves Sales

Transport facilities to move fruit to export markets have improved rapidly in recent years. Through the port of Beirut apples are shipped to Egypt and Saudi Arabia, citrus fruit to Czechoslovakia, the Balkans

and the U.S.S.R., and bananas to Egypt and other countries bordering on the Mediterranean. But it is air transport that has been the outstanding advance in the last few years, although the volume moving by air is still much smaller than by sea. Four-engined transport planes operated mainly by local airlines now leave Beirut International Airport daily for Kuwait, Dhahran, Bahrein and other centres of the Persian Gulf with their cargoes of Lebanese fruit and vegetables. Air transport has stimulated the establishment of fruit and vegetable grading and packaging plants to which cash crops are brought for sizing, cleaning, and packaging in modern containers. Vegetables and fruit, pre-packed in polythene bags and ready for the retail market in the country of destination, represent a departure in packing methods unheard-of in this part of the world as little as three years ago. Ten years back, there were barely over 100 thousand cases of refrigerated storage capacity in the whole of Lebanon and that was used mainly to store imported perishables. At present there are 44 cold stores with a combined capacity of over 2½ million cases.

Fruit Exports Important

As a group, fruit is one of the most important of Lebanon's exports. These fruits in order of their foreign exchange earnings are oranges, apples, lemons and bananas; in 1955 they accounted together for about 90 per cent of the total fruit and nut exports. The remaining 10 per cent was accounted for by dates, figs, grapes, quince, pears, apricots, peaches, cherries, medlars, melons, strawberries, almonds, hazelnuts, chestnuts, and pistachios.

Expansion of this industry has not been without problems. One is high prices which, although they acted as a spur to the rapid expansion of orchards (particularly apples) after 1954, affected the price of land

Lebanon's Fruit Trade

	Total Fruit Exports		ORANGES		LEMONS		APPLES		BANANAS	
	Tons	L£x1,000	Tons	L£x1,000	Tons	L£x1,000	Tons	L£x1,000	Tons	L£x1,000
1951	56,358	14,031	34,774	5,601	8,178	1,821	6,171	4,301	3,637	1,142
1953	52,124	14,089	24,603	4,255	6,975	2,042	7,898	3,978	5,203	1,739
1955	70,642	19,781	33,384	6,677	9,924	2,960	11,987	5,665	9,894	2,660



Many Lebanese orchards like this one are planted on carefully tended terraces. Wide variations in climate in this small country make possible the culture of various types of fruit.

which, in turn, raised production costs. As a consequence the apple has remained a luxury fruit and in the last two years considerable quantities have not been sold. Future expansion into what is a very large potential market for fruit in the Middle East will depend on the ability of Lebanese fruit growers and exporters to reduce their costs and their export prices. Much has already been done to improve the fruit industry and the Lebanese government authorities, aided by various foreign advisory organizations, are tackling the remaining problems, such as combatting of plant diseases, educating the grower to use fertilizers and insecticides, selecting the most profitable varieties of fruit, and many questions of picking, inland transport, grading and packing and export shipping.

Here are data on the main fruit crops.

Apples

● *Production*—Output has increased spectacularly in past ten years and the number of trees today ranges between 2½ and 3 million. About 55 per cent are bearing, some only in the past year or two. Terraced orchards are still being constructed and planted, and steady volume of output will not be achieved for five years. Two-year-old Syndicate of Apple Orchard Owners is studying technical aspects of apple culture and also packing, storage and marketing. It is collecting accurate statistics and conducting research on most suitable areas and altitudes for apple growing.

● *Varieties*—The first foreign apple planted in Lebanon was the Reine de Canada. Though it is a good producer, it has largely been replaced by the Yellow or Golden Delicious or the Starking, which

will grow successfully at lower altitudes. Popular winter varieties include Jonathan, Winesap, and Winter Banana. Effort is now being made to introduce early summer varieties to meet demands of the summer tourist trade. The French Sans Pareil is being cultivated; Kansas Queen and Early Delicious are being studied for future planting.

● *Exports*—In 1955, exports reached 12,000 tons, compared with only about 6,000 in 1951. Egypt continues to be the best market, taking between L£2 million and L£3 million each year. Next best customers in 1955 were Saudi Arabia and Iraq—over L£800 thousand worth each. Syria and Jordan each made purchases of some L£500 thousand.

Citrus Fruits

● *Production*—Output includes oranges, lemons, tangerines, and grapefruit, which are grown in the narrow coastal fringe bordering the Mediterranean. About 120 thousand tons of citrus are produced each year. Quality and flavour are excellent but much remains to be done to eradicate disease and improve selection, grading and packing. Prices tend to be high.

● *Exports*—Oranges and lemons are most in demand; exports totalled L£9.6 million in 1955. Syria continues to be most important market for oranges, but Czechoslovakia is taking increasing proportion of the crop. Last year the USSR for the first time bought Lebanese oranges worth L£1.5 million and lemons worth L£660 thousand. Large quantities have been disposed of in eastern European countries with which Lebanon has bilateral trade agreements, because these include provision for fixed commodity quotas at high prices.

Bananas

● *Production*—The banana plantations are confined to the coastal strip and about 2,000 acres are cultivated. Production has risen from 15,400 tons in 1952 to 17,000 in 1955.

● *Exports*—Sales abroad have gone up steadily—from 4,900 tons in 1952 to 9,900 in 1955. Chief customers last year were Syria (4,900 tons), Iraq (2,100), Cyprus (703) and Kuwait (629). An irrigation project in south Lebanon is expected to make 11,000 acres fertile and increase banana production.

Grapes

● *Production*—Grapes are widely used by the Lebanese as a food and as the raw material for local wines and liquor. The crop averaged about 80,000 tons between 1952 and 1955.

● *Exports*—Exports are usually small—only 44 tons in 1952 and 81 in 1955. ●

Portugal Plans Steel Industry

Long-projected iron and steel industry for Portugal moving towards reality, with stage one to be completed by 1958. Eventual steel production is set at 300 thousand tons, enough to meet domestic demand, except for special steels.

RICHARD GREW, *Commercial Counsellor, Lisbon.*

THE DEVELOPMENT OF AN IRON AND STEEL INDUSTRY in Portugal has made little progress up to the present. However, Portuguese plants do manufacture such articles as files, rasps, tools, drills and bits, sufficient to meet the domestic demand. Gradually export markets for these are being developed.

The demand in Portugal for iron and steel products—particularly for the housing and public works program, hydro-electric developments, shipbuilding, and for passenger coaches and freight cars for the railways of Portugal and the Overseas Provinces—has grown enormously. Basic steel materials for all these have had to be imported.

However, the Six Year Development Plan formulated in 1952 and put into execution in the following year gave an important place to the establishment of an iron and steel industry, although this project has remained more or less in the planning stage until recently. It has now been decided to grant the necessary authority to carry it out in accord with the studies already made. The plan will go forward by stages until its completion in 1964.

First Stage Planned

The first stage includes the establishment of a cold rolling and tinplating mill with a capacity of 20,000 tons of tinplate per year. This has already involved an investment of \$4 million. It is expected that production will begin before the end of the current year because construction was already under way before the overall plan was finally approved. At the beginning, it will be necessary to use imported steel. The tinplate that is produced will go almost entirely to the canning industry, the most important section of which is the canning of sardines and tuna fish.

Another project is the establishment of a blast furnace with an annual capacity of 30,000 tons of pig iron, to be located close to the most important iron ore mine in Portugal. An initial investment of \$2 million will be required.

A third development will be the building of electric furnaces and of a mill to produce 80,000 tons a year of rolled and structural steel. The investment for this is expected to approximate \$22 million.

It is intended to complete all these units by 1958 and to locate them in the north of Portugal where raw materials, hydro-electric power and labour are apparently sufficient to meet all requirements.

Second Stage to Follow

The second stage of the plan includes a mill, also in the north, with an anticipated annual production of 70,000 tons of steel using the Krupp-Renn method, which is considered the most suitable although it presents certain technical difficulties. However, it has the advantage of using the raw materials in the area. Production is expected to begin in 1961.

Another steel mill with blast furnaces with an annual capacity of 150 thousand tons is planned for the south of Portugal, either near the River Tagus or Sado, and its completion is expected in 1964. The decision to erect one of the steel mills in the south was taken because it will be close to the principal consuming centres and to good ports. In addition, some raw materials such as pyrites and manganese are available nearby. The cost of the two sections of the second stage is estimated to total \$68 million.

Upon completion of the entire project, it is estimated that a total of 1.3 million tons of domestic raw materials will be consumed annually, excluding 150 thousand tons of coal. Electric consumption is expected to reach 400 million kwh.

Until the final stage of construction is reached, it is expected that outside financial assistance will not be needed. Private Portuguese capital, including social organizations, will provide most of the funds although the Government may contribute up to 30 per cent of the necessary capital. For many years government funds have been invested in large private enterprises,

partly to give confidence to private investors and also to maintain some control over them.

Will Save Foreign Exchange

Although the establishment of an iron and steel industry in a country such as Portugal may appear to be somewhat ambitious, nevertheless there are many factors to justify it. In the past, Portugal has been almost entirely dependent on imports of iron and steel. These have had an average annual value of close to \$60 million and constituted between 13 and 35 per cent of the total value of imports. Furthermore, much of the raw material the industry needs is available within the country, such as ore with a high iron content, pyrites, coal and limestone. In addition, it is expected

that by 1958 there will be a 200 million kwh. surplus of electricity and a further 200 million kwh. will be available by 1961.

Because Portugal has always had an unfavourable balance of trade, the savings in foreign exchange once the industry is in operation should assist materially in equalizing the value of imports and exports. The hope is that many new industries mainly dependent on iron and steel will be attracted and will turn out products that are now imported. The project should also help the unemployment problem.

Upon completion of the plan, production of steel from the three mills is expected to total 300 thousand tons. This should meet the entire domestic demand for the types of steel which the new industry will turn out.

France Experiences Newsprint Shortage

Rise in newspaper circulation and appearance of new daily has created newsprint supply problem. With domestic mills able to produce only 275 thousand tons a year, French will probably be buying more pulp and newsprint from North American sources.

A. L. NEAL, *Attaché, Office of the Commercial Secretary, Paris.*

THE RAPID GROWTH IN NEWSPRINT CONSUMPTION in France has created a difficult situation both for producers and consumers.

To begin with, back in June 1955 a program was worked out, forecasting 1956 newsprint consumption at 440 thousand tons compared with 398,500 in 1955. About 150 thousand tons of this were to come from foreign sources and the remaining 290 thousand from French domestic production.

French output, however, lagged behind and the target figure had to be cut first to 280 thousand and later to 275 thousand tons. By January of 1956, the import program was raised to 165 thousand tons but deliveries proved slow. And in the meantime, consumer requirements began to mount.

The appearance of a new evening tabloid, *Temps de Paris*, raised needs to 480 thousand tons, and other

newspapers increased their circulation. *France-Soir*, for example, printed 1½ million copies a day in April and, at the time of Prince Rainier's marriage in Monaco, circulation went up to 2,180,000. Other Paris papers experienced comparable increases. Moreover, increasing use of dailies for department store advertising has further boosted newsprint consumption.

Supply Problem Considered

The situation created a double problem: first, of finding remedies for the emergency and second, of taking into account these clear indications of a long-term growth in consumption.

At the beginning of June 1956, it became necessary to restrict the distribution of paper to the various journals. This was done by limiting the number of pages to be printed. Dailies were restricted to not

more than 16 pages in June, 14 pages in July, and not more than eight pages in August. In addition, French mills were encouraged to step up production—mainly through a reconversion to newsprint of manufacturing facilities devoted to production of other types of papers. These measures were supplemented by increased imports.

It is now expected that French consumption will increase for several years to come. Consumption figures for the years 1953 to 1955 inclusive, with estimates until the year 1961, were published recently by the French paper *Express Documents*. These figures are:

1953	304,000	metric	tons
1954	345,000	"	"
1955	398,500	"	"
1956	465,000	"	"
1957	520,000	"	"
1958	560,000	"	"
1959	595,000	"	"
1960	630,000	"	"
1961	668,000	"	"

Domestic Production Difficulties

It remains to be seen how these increased needs will be met. French production is hampered by the high cost of domestic pulp and the scarcity of raw materials. The prices of Scandinavian pulps are said to run from 25 to 40 per cent below that of French pulps. In the French market this difference is minimized to some extent by an equalization scheme whereby import taxes are used to subsidize domestic production. Even so, the cost of French pulps remains high.

Moreover, the possibility of pulping from domestic softwood species has reached its peak. Experiments have been made in the use of hardwood and straw but neither has yet made significant progress and the outlook is not clear. Nevertheless, import licences have been granted to cover the purchase from North America of two papermaking machines with an annual capacity of 80,000 tons each. Because of the tendency in certain French mills to reduce newsprint production, it is feared that the output of these new machines will not result in a very substantial increase in the present 275-thousand-ton annual output.

It seems reasonable to forecast that France will have to import increased quantities of pulp and newsprint in the years to come. It is doubtful whether substantial additional supplies can be obtained from Scandinavia and the newspapers will insist that the Government take measures to assure them a guaranteed supply. It seems likely that this will involve, in part at least, imports from North America and an undertaking by the French Government to provide the exchange needed to conclude normal long-term contracts. ●

Venezuela Attracts New Industries

ALTHOUGH MANY OF THE 165 NEW INDUSTRIES established in Venezuela last year are of modest size, nevertheless the figure does give an indication of the rapid industrial expansion in this country. The Government's policy of assisting industry by allowing the duty-free import of certain equipment and of primary materials has greatly accelerated this trend to industrialization. In 1955 primary materials imported free of duty for all purposes were valued at more than \$39.4 million, compared with \$23.9 million in 1954. Foreign investment played an important role in the industrial development of Venezuela last year.

During the past year or two, well-known United States rubber manufacturers have established three new plants. General Motors has just purchased property in the favoured Valencia area with the announced intention of constructing a new factory. G.M. also has a plant in a suburb of Caracas which has been operating for several years. Autolite has lately set up a plant to manufacture 300 batteries a day.

Despite the difficulties of competition and slack demand which the textile industry has experienced, it is planning to expand. Sudamtex (United Merchants and Manufacturers of New York), which makes rayon piece goods, is reported to have purchased new machinery and equipment for making nylon yarn, which will double its Venezuelan output. McGregor Sports Wear is to open a factory in Caracas during the year and an Italian firm, Giuseppe Scachi, plans to establish a subsidiary to make silk yarn.

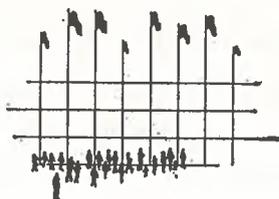
The glass industry in Venezuela is at present limited to one factory which produces bottles. A new firm, Industria Venezolana de Vidrios Planos, C.A., has announced the purchase of Belgian machinery (costing some \$750 thousand) for a new plant at La Victoria which is about halfway between Caracas and Valencia. The new factory will manufacture plate glass, a product which hitherto has been entirely imported.

A factory to produce a synthetic leather is to be opened soon by C.A. Industria Nacional Suela Artificial. It will have a capacity of 30 tons a month and the necessary machinery is being bought from Germany. Venezuela's first modern flour mill, backed by Italian capital, is to open in the near future.

Figures of capital investment during 1955 are not yet available but the total industrial investment in the Federal District of Caracas totalled \$109 million in 1954 compared with \$44.9 million in 1953.

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

* Now Commercial Counsellor, London.



fairs and exhibitions

Canadian Shoes Go to Chicago

A GROUP OF CANADIAN SHOE MANUFACTURERS have taken the best of their products to Chicago to display them in the National Shoe Fair which opens tomorrow and runs to November 1st. This U.S. shoe fair is said to be the biggest of its kind in the world. It attracts, on the average, about 1,000 exhibitors and occupies several floors in each of five large Chicago hotels. The 17 Canadian firms taking advantage of this opportunity to show their shoes and boots to U.S. buyers are:

Canada West Shoe Manufacturing Company Ltd.,
Winnipeg.

C. & J. Clark Company Ltd., Toronto.

Del Grande Shoe Company Ltd., Montreal.

Denny-Stewart Ltd., Montreal.

Eagle Shoe Company Ltd., Montreal.

George C. Williams Ltd., Toronto.

Johnny Brown Theatrical Shoe Manufacturing Com-
pany, Montreal.

Ludger Duchaine Inc., Quebec City.

MacFarlane-Lefievre Ltd., Montreal.

Miner Rubber Company, Granby.

Pedulla & Agostino Ltd., Montreal.

Slater Shoe Company (Canada) Ltd., Montreal.

Tarsil Ease Shoe Company Ltd., Montreal.

The Hart Boot and Shoe Company Ltd., Fredericton.

The John Ritchie Company Ltd., Quebec City.

Tyrol Shoe Company Ltd., Montreal.

Wallace Footwear Ltd., Montreal.

Hong Kong Displays Its Products

THE CHINESE MANUFACTURERS' UNION will hold its 14th Exhibition of Hong Kong Products from November 29, 1956, to January 3, 1957, in the Central Reclamation Centre, Hong Kong. Planned to illustrate Hong Kong's industrial progress and potential, to develop its export trade, and to promote trade

generally, the exhibition added last year a special International Industrial Machinery Display. The machinery display will be held again this year and invitations have been sent to manufacturers in different countries.

Stalls for exhibitors of Hong Kong manufactured products will measure 60 square feet of floor space, with steel framework provided. For the international industrial machinery display the stalls will each occupy 100 square feet, without steel framework. Rental for each stall is HK\$500. For full details, write to the Secretary, The Chinese Manufacturers' Union, 64-65 Connaught Road, Central, Hong Kong.

It Takes More than String and Brown Paper

... AND EXHIBITORS at the Packaging Exhibition in London will be prepared to demonstrate just what it does take to provide a plant with the best in modern packaging methods. Over 200 exhibitors have already booked more than 100,000 square feet of stand space at Olympia, where the Exhibition will be held from January 22 to February 1, 1957. The progress in automation, mechanization and functional packaging design which the exhibits will illustrate



Some of the ecclesiastical vestments and church furnishings which were on exhibition in the Canadian Showroom at Rockefeller Centre from the middle of September to the middle of October. Three Canadian firms participated.

should suggest to visiting manufacturers methods of expanding their sales and stabilizing costs. Provincial Exhibitions Ltd., organizers of the Packaging Exhibition, will be pleased to send full details and admission tickets to overseas visitors.

Trade Fair in Japan

JAPAN'S 1957 INTERNATIONAL TRADE FAIR will be held in Tokyo, May 5-19, in the Harumi Pier Grounds and the Otemachi Grounds which provide a total exhibit space of 429 thousand square feet. The 1,650 booths in the two areas will each measure ten by ten feet and will cost US\$250 indoors and US\$89 outdoors. Final date for space applications is November 30, 1956. Exhibitors should apply to the Tokyo International Trade Fair Commission, % Economic Bureau, Tokyo Metropolitan Government, 1, 3-chome, Marunouchi, Chiyoda-ku, Tokyo, C.P.O. Box 1201. Admission cards for business visitors can be obtained from this address, or from the Embassy of Japan, Room 701, Metcalfe Building, 83 Metcalfe Street, Ottawa.

Exhibits at the Japanese Trade Fair will be classified in the following groups: textiles and textile products; machinery and tools (including parts and accessories); metals and metal products, chemicals; food, agricultural and marine products; miscellaneous household, recreational and luxury goods and stationery, office supplies, etc.; sightseeing and advertising, and exhibits by foreign government agencies, public entities and similar organizations.

In the Showroom—Taste-Tempters

FOODS THAT ARE STAYING and foods that are tempting—something for every meal in the day and snacks between—are now on display in the Canadian Showroom in Rockefeller Center, New York. The show opened on October 24th and runs to November 23rd.

Twenty-two Canadian manufacturers have co-operated to bring this variety of foods and beverages to the New York buyers' doorstep. There are basics—such as soups, canned vegetables, macaroni and spaghetti, canned and dehydrated fruits, tea and coffee—and there are extras—cocktail mixes, liqueur syrups, pickles and sauces, juices and nectars, and dietetic foods. For the sweet tooth, the display has maple products, biscuits, jams, jellies, marmalades, cookie mixes, pie and cake fillers, chocolate products and confections—and the small fry's delight, popcorn and gum.

Canadian firms taking part in this latest Showroom display are:

B.C. Fruit Processors Ltd., Kelowna, B.C.
Campbell Soup Co. Ltd., New Toronto, Ont.
Canada Packers Ltd., Toronto, Ont.
Canadian Cannery Ltd., Hamilton, Ont.
Catelli Food Products Ltd., Montreal, Que.
Dare Co. Ltd., Kitchener, Ont.
David & Frère Ltée., Montreal, Que.
Davidson's Pure Food Products Ltd., Montreal, Que.
E. D. Smith & Sons Ltd., Winona, Ont.
Graham Food Produce Ltd., Belleville, Ont.
H. J. Heinz Co. of Canada Ltd., Leamington, Ont.
Les Producteurs de Sucre d'Erable de Quebec, Levis, Que.
McLarens Ltd., Hamilton, Ont.
M. W. Graves & Co. Ltd., Berwick, N.S.
O-Pee-Chee Co. Ltd., London, Ont.
Peak, Frean (Canada) Ltd., Toronto, Ont.
Rose & Laflamme Ltd., Montreal, Que.
St. Lawrence Sea Products Co., Quebec City, Que.
T. H. Estabrooks Co. Ltd., Montreal, Que.
United Maple Products Ltd., Granby, Que.
Van Kirk Chocolate Corp. Ltd., Toronto, Ont.
Windsor Wafers Ltd., Hamilton, Ont.

Trade Fair in Brazil

BRAZIL IS PLANNING an international trade fair which will open in October 1957. Space rates, application forms and other details are available from the Brazilian Government Trade Bureau, 400 St. James Street West, Montreal. The registration fee has been set at Cr.\$1,000 (free exchange value—Cr.\$80.00 equals US\$1.00).

Agricultural Show in Verona

CANADIANS ARE INVITED to exhibit at the 59th International Fair of Agriculture and Horses in Verona, Italy, March 11-19, 1957. The Verona Fair is the main agricultural fair in Italy and is generally considered the most important in Europe for cattle and horses. Agricultural machinery will also be displayed. For information: Commercial Attaché, Embassy of Italy, 136 Queen Street, Ottawa. ●

Electrical Appliances for British Households

Wide variety of electrical equipment produced since the war has made life easier for the British housewife, despite virtual cutting-off of North American imports. This sketch of progress made by British manufacturers in this field should interest their Canadian counterparts.

J. L. MURPHY,
Office of the Commercial Counsellor, London.

THE HOUSEHOLD ELECTRICAL APPLIANCE INDUSTRY in the United Kingdom has made tremendous strides since the war ended. Its output today has reached a value of £100 million a year—about seven times the prewar figure. Total output of electric washing machines, for example, is approaching a million a year, electric vacuum cleaners about 1,270,000 and electric stoves about 350 thousand.

This rising domestic production has been accompanied by a drastic fall in electrical appliance imports from the United States and Canada. In fact, these imports are today only a fraction of the prewar figure. The North American countries were then the main suppliers, with Germany, Sweden, Switzerland and Japan holding a smaller share of the market.

Today, all imports from dollar countries are subject to licence from the Board of Trade, and the criteria used in granting these licences include essentiality and the lack of suitable British alternatives. The result is the virtual exclusion of imported electrical appliances. There is, however, a Token Import Scheme, under which quotas are granted for certain goods up to 30 per cent by value of the average annual exports of the goods to the U.K. in 1936-38. The list applicable to Canada and the United States includes electric

washing machines, refrigerators, vacuum cleaners, fans and lighting fixtures.

The following sections provide some details about the large selection of electrical household equipment now being made in Britain.

● Electric Cookers

Over 50 different electric cookers are now on the British market. Efficient and much improved in appearance, the normal family type of cooker has a thermostatically controlled oven and multiheat control of boiling plate; the deluxe types incorporate such refinements as timing clocks, ringers, and strip lighting. A new model of cooker has a dual-purpose grill which preheats the oven; it is said to raise the temperature to 400 degrees Fahrenheit within eight minutes. Other types have glass oven doors. Prices of cookers range from £26 to £120. They do not carry any purchase tax.

● Food Mixers

There are a number of food mixers on the market, one of which was introduced into the United Kingdom from the United States. One manufacturer produces three different models; another firm supplies ovenproof bowls with its mixer and mixing, heating, whipping or blending of light or heavy ingredients are made easy by selecting any one of twenty speeds on the dial. A new portable mixer has recently come on the market. It is supplied with a small detachable mixing bowl, making it suitable for grinding coffee beans; other attachments are offered for mixing drinks or beating eggs. Price range is from £7 3s. 9d. to £59 9s. 7d., including 60 per cent purchase tax. Last year, exports of electric food mixers reached over £600 thousand in value.

● Electric Kettles, Coffee-Makers, Grills

A variety of electric kettles are in use at the present time in British homes. Some of the latest include one with a combined kettle and saucepan, a fast-heating

type which has a special safety feature which prevents the lid falling off when pouring and positions the vent to deflect scalding steam away from the handle, and a vapour-controlled automatic kettle which switches itself off when the water boils and which has an additional protective switch to guard against damage should the kettle be turned on when it is dry. Prices range from £2 1s. 8d. to £6 1s. 11d., including 30 per cent purchase tax.

To cater to the English custom of morning tea in bed, several different kinds of automatic tea-making sets (some include an alarm clock and bedside lamp) have appeared on the market in the past year or two. Prices range from £4 16s. 9d. to £17 5s. 1d., including 30 per cent purchase tax.

Apart from a few urn-type models, most coffee percolators are conventional in shape and are finished in chromium or copper; a few of the cheaper ones are made of aluminum. One eight-cup model is designed to pour without spilling. Another provides for "flavour control" and indicates by means of red and green pilot lights when the coffee is percolating and when it is merely keeping hot. Prices range from £2 18s. 0d. to £10 4s. 3d., including 30 per cent purchase tax.

The maker of a new infra-red contact electric griller claims that it can grill bacon in 15 seconds, fish in 30 seconds, and steak in two minutes. Temperature of the plates is thermostatically controlled and the total loading is 1,200 watts. Prices range from £16 to £38, including 60 per cent purchase tax.

● Dishwashing Machines

One dishwashing machine has made its appearance on the British market. It is said to wash, rinse, sterilize and dry a full load of dishes and saucepans in three minutes. The price is £75 1s. 2d., including 60 per cent purchase tax.

● Domestic Refrigerators

There is a growing feeling in the United Kingdom that a refrigerator is no longer a luxury. Aside from its importance in safeguarding health during hot weather, the British housewife feels that it is an all-the-year-round investment because "cold-cooking" opens up an entirely new culinary field. Probably the most notable innovation in the last year or two has been the increased tendency to use coloured finishes on refrigerators. Because of restricted kitchen space, the 3½ cubic feet models are the most popular in British households. There are smaller models in use (one of 1½ cubic feet) and there are also a number of larger types up to 12 cubic feet. Prices range from £46 4s. 10d. to approximately £500 for the latest model, including 60 per cent purchase tax. In 1955, output

of domestic refrigerators was valued at about £16 million.

● Electric Heaters

Electric fires are playing an increasing part in supplying warmth in the British home—well over 200 different models and sizes of domestic electric heaters are now on the market. They include ordinary electric fires with one or more firebars, some with imitation fuel effect; convectors, both portable and for use on wall panels; portable radiators, water-filled and oil-filled, some of which carry towel rails; and tubular heaters. At one time it was estimated that heating by electricity was cheaper than by coal for any length of time up to six hours. But with the continued rise in the cost of coal, this period can now be extended.

Guards are now compulsory on all new electric fires and manufacturers in adopting the required safety measures have also added to the attractiveness of their products.

There is nothing very new in the general run of electric heaters, except perhaps one line called "Radio Glass Thermopanel" in which the element is fixed directly to armour-plate glass. Because of the low heat conductivity of glass, the hand is not blistered by momentary contact and there is little danger of the elements burning out. Prices range from £9 7s. 1d. to £14 7s. 9d., including 30 per cent purchase tax.

Tubular heaters are considered to be the cheapest form of electric heating, especially for halls, garages, heating cupboards, etc. Prices range from 17/3d. to £5 2s. 6d., including 60 per cent purchase tax.

● Electric Blankets

A number of British companies make electric blankets; one firm claims that it made the first single-heat blanket with no thermostat over twenty years ago. One of the largest firms to specialize in the standard electric blanket also makes electrically-heated foot muffs, gloves, eye and ear pads, and flying suits. Another manufacturer specializes in electrically heated mattress overlays and has five different models on the market. Prices range from £4 1s. 11d. to £22 0s. 0d., including 30 per cent purchase tax.

● Water-Heating Appliances

In water-heating appliances, thermal storage models are available from 1½ gallon sizes up, in free outlet, pressure and cistern types. Experience has shown that the kitchen needs of the average household are amply served by using a 1½ gallon heater. This size is favoured because of economy and low cost. The cistern-type water heaters are intended to supply a number of taps. In addition to being economical to run, they are entirely automatic in operation; with a

capacity of 20 gallons and a loading of two or three kilowatts, it is estimated that a little over three gallons of really hot water are obtained for each unit of electricity.

To save the housewife fuel and money, one manufacturer has designed a dual-service immersion heater. It employs two elements, the shorter of which heats the water down to its own depth and no farther. This quickly provides a few gallons of hot water at the top of the tank, sufficient to ensure that hot water is always available for the sink. The longer element, which heats the entire tank, is used only when larger quantities of water are required. A thermostat on the heater controls the shorter element. Price range: immersion heaters £2 15s. 0d. to £12 12s. 0d.; storage heaters £14 0s. 0d. to £140 0s. 0d., both including 60 per cent purchase tax.

● Laundry Equipment

Manufacturers of this type of equipment have long recognized the many opportunities for labour-saving appliances in this field. Many varieties of washing machines, wash boilers, clothes dryers and ironing machines are now available. Price range: clothes dryers £7 12s. 7d. to £138 14s. 6d., including 60 per cent purchase tax; ironing machines, £28 19s. 6d. to £42 4s. 2d. including 60 per cent purchase tax; wash boilers £3 7s. 6d. to £24 0s. 0d., no purchase tax.

About half the washing machines incorporate facilities for heating the water. This not only permits the boiling of clothes if desired, but also meets the needs of those who have no separate water heating system. One such model includes a thermostatically-controlled heating element in the base of an aluminum bowl under the gyrator. A safety device provides full protection of the element against boiling dry or accidental switching on. Price range: vibrator type £17 0s. 0d.; other £38 0s. 0d. to £113 0s. 0d., including 60 per cent purchase tax. Output of electric washers is approaching one million a year, about 23 per cent of which are sold overseas.

Electric irons are now considered to be indispensable. Light models (2 to 2½ lb.) are regarded as just as capable of dealing with the average weekly ironing as the heavier (4 to 5 lb.) types. To avoid a trailing flexible cable, one manufacturer has produced a no-flex iron. It is automatically plugged into electricity supply only between ironing operations. There are only three types of steam irons on the British market at present, all of which can be used for dry ironing as well. Price range is from 17/11d. to £6 11s. 0d., including 30 per cent purchase tax.

● Vacuum Cleaners

There are over 50 British-made vacuum cleaners from which the housewife can make her choice. Last year

production was estimated at 1,270,000 (compared with 512 thousand in 1937); 200 thousand went to foreign markets. All the conventional types have been in use for some time and apart from occasional improvements, it is difficult to pinpoint any revolutionary changes. One recent model has a double-insulated motor which is suppressed for radio and television interference and others are said to be absolutely silent in action compared with older types. One model features two sets of brushes, one for waxing and one for polishing, and two buffs for finishing (felt for floors and lambswool for furniture and automobiles). Another has a rubber buffer ring which prevents damage to furniture and wall skirtings. Prices range from £11 8s. 6d. to £38 0s. 0d., including 60 per cent purchase tax.

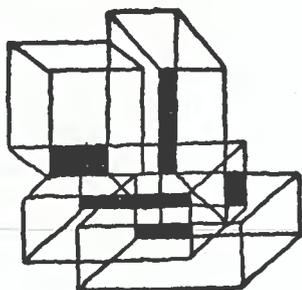
Northern Ireland's Trade

Canada remained Northern Ireland's most important overseas supplier in 1955, accounting for £13.4 million of the total value of imports, compared with £10.8 million in 1954. These figures represent only the direct seaborne imports and do not include the value of goods shipped via Great Britain. Other main supplying countries (exclusive of Great Britain and the Irish Republic) were the United States, Belgium, France, Federation of Rhodesia and Nyasaland, and the Netherlands.

Foreign trade figures for 1955 released recently show an increase of over £9.0 million in trade—to a total of £562.8 million compared with £553.0 million in 1954. Imports totalled £295.3 million, an increase of approximately £10 million; exports fell by about £2 million to £267.5 million. The trade deficit rose from £13.9 million in 1954 to £27.8 million in 1955.

The decrease in exports resulted mainly from a sharp fall in the value of livestock shipped; increased shipments of food and beverages offset most of this decline.

Among the larger imports were the following; (the 1954 figures, for comparison, appear in brackets): cotton goods including those for further processing, £22 million (£21 million); machinery £21 million (£22 million); coal £15 million (£13 million); tobacco, manufactured and unmanufactured, £14 million (£13 million); animal feeding-stuffs, £13 million (£12 million); apparel, £12 million (£11 million), and private and commercial motor vehicles £11 million (£10 million).



commodity notes

Argentina

PEANUTS—The third official estimate of peanut production for the 1955-56 season sets the crop at 216 thousand metric tons. This is the largest ever for this country and 83.2 per cent higher than the 1954-55 crop year; compared with averages for the last five years the yield is 46.2 per cent higher and for the last ten years, 71.7 per cent higher. The final seeded area was around 200 thousand hectares; average yield was 1,106 kilos of nuts per hectare—Buenos Aires, Oct. 5.

Australia

ENGINE BEARINGS—It was stated recently by the Premier of Tasmania that, following the expansion of a factory in Launceston, the company will soon be able to make all the engine bearings needed in Australia for all types of cars. It will also turn out a big surplus for the export trade which would be sold at prices competitive with those in world markets—Melbourne, Sept. 28.

CARBON BLACK—It was recently announced by the Melbourne agents of Godfrey L. Cabot Inc., Boston, producers of carbon black, that the company is investigating the possibility of establishing a carbon black manufacturing plant in Melbourne and has obtained an option on a 40-acre site on the outskirts. Carbon black is used in the manufacture of tires and to reinforce rubber. Australia currently imports all her requirements—Melbourne, Sept. 28.

Chile

MOTOR BUSES—The local press has announced that the State Transport Corporation is negotiating with the Japanese firm, Mitsubishi Fuso Motor Co. Ltd., for the purchase of an additional 300 motor buses with a capacity of 100 passengers each. The total cost will reach an estimated US\$6.3 million—Santiago, Sept. 29.

France

PULP—Production of pulp is increasing in France and the industry is making substantial investments this year to expand facilities. Three plants have

increased their kraft pulp production, in total, from 94,000 tons in 1955 to an estimated 128 thousand tons in 1956; other plants are making improvements that will increase capacity. One company has established a new plant to produce bleached sulphite pulp and is expected to turn out 30,000 tons of pulp this year—Paris, Sept. 21.

Hong Kong

TEXTILES—The textile knitting trade in Hong Kong is experiencing a recession because of declining demand; cotton vests and singlets are hardest hit by the slow-down. Indonesia, to encourage local industries, has imposed restrictions on their import; similarly Thailand has raised duties. In addition there is a decline in demand from Singapore and Malaya—Hong Kong, Sept. 22.

India

JUTE—The first all-India estimate of jute production for the 1956-57 crop year puts acreage at 1,634,000 acres as against 1,425,000 acres for 1955-56. This represents an increase of 209 thousand acres, or 14.7 per cent, for the new crop year. The State of Bihar reports greater gains although small increases have been reported from Uttar Pradesh and Tripura also—New Delhi, Sept. 25.

TRUCKS—During the first half of 1956, Indian companies turned out 4,182 diesel commercial vehicles; two makes are manufactured at present. Two other firms which ordinarily produce vehicles with gasoline engines also supplied diesel trucks, engines for which they obtained from other manufacturers. The Indian Tariff Commission is at present investigating the ability of these companies to meet India's future requirements—New Delhi, Sept. 20.

Norway

FROZEN FISH FILLETS—In spite of increasing competition from other countries, Norwegian frozen

fish fillets continue to win new markets abroad. During the last twelve months, Norsk Frossenfish A/L has exported 22,000 tons of frozen fish fillets, the equivalent of 50,000 tons of raw fish. This is an increase of 10 per cent over the previous year. At the present time, Norway exports frozen fish fillets to 21 markets and is seeking to expand sales to the Eastern European countries—Oslo, Sept. 25.

SEED POTATOES—Norway produces about one million tons of potatoes annually; 300 thousand tons are used for human food, 450 thousand tons are fed to animals, 100 thousand tons are used for seed purposes, and 70 to 80,000 tons for the production of potato flour and spirits. Last year a trial shipment of seed potatoes went to South Africa, consisting of the two varieties King George and Up-to-Date, which are adapted to hot, dry climates. This year about 100 tons were exported to South Africa. Exporters hope the market will increase considerably next year—Oslo, Oct. 3.

South Africa

GRAPES—Production of grapes in the Union has increased steadily over the past three years to the point where a surplus is likely. In 1954, 505 thousand tons were produced compared with 555 thousand tons in 1955; the estimated output this year exceeds 600 thousand tons. Improved methods of cultivation, as well as increased plantings, have contributed to the higher yield—Cape Town, Oct. 2.

CITRUS FRUIT—Indications are that exports of citrus fruits for 1956 will reach a record total of 6.6 million cases, compared with 6.4 million cases in 1955—Cape Town, Oct. 2.

Sweden

MOTOR BICYCLES—The production of motor bicycles started to develop rapidly in Sweden some five years ago; today one of three large Swedish manufacturers of bicycles, Nymanbolagen AB, makes about 30,000 motor bicycles a year. Its most recent model "Crescent 2000" has all the usual loose parts (cables, chains, etc.) built in. It is equipped with a 50 c.c. two-gear Sachs engine with kick-starter, and has 20" x 2½" wheels. The gasoline tank has a built-in headlight and holds 1½ gallons—Stockholm, Oct. 9.

PULP—The distribution of Sweden's pulp exports during the first half of 1956 has been approximately the same as last year, with Western Europe taking the largest amount. The United States purchased approximately the same as in 1955, but exports to

Brazil continue unsatisfactory. A new import policy in Argentina has resulted in significant Swedish sales of pulp to that country. It is estimated that orders for the remainder of the year amount to about 80,000 tons of chemical and mechanical pulp, which is greater than Swedish exports to that country for the whole of 1955. Increase in shipments for the whole year will likely amount to just over 5 per cent, which corresponds to the rise in production—Stockholm, Oct. 9.

Thailand

FINE PAPER—A third fine paper mill, largest in Thailand, is now under construction 120 miles from Bangkok. Equipment valued at US\$13 million is being purchased from France with the aid of private United States capital loaned to the Government's National Economic Development Corporation. The plant will produce 50 tons of fine paper a day from rice straw and bamboo. The production of the new plant, in conjunction with that of the two currently operating, will make Thailand almost self-sufficient in writing papers. Newsprint production is not likely to be undertaken in the foreseeable future—Singapore, Sept. 20.

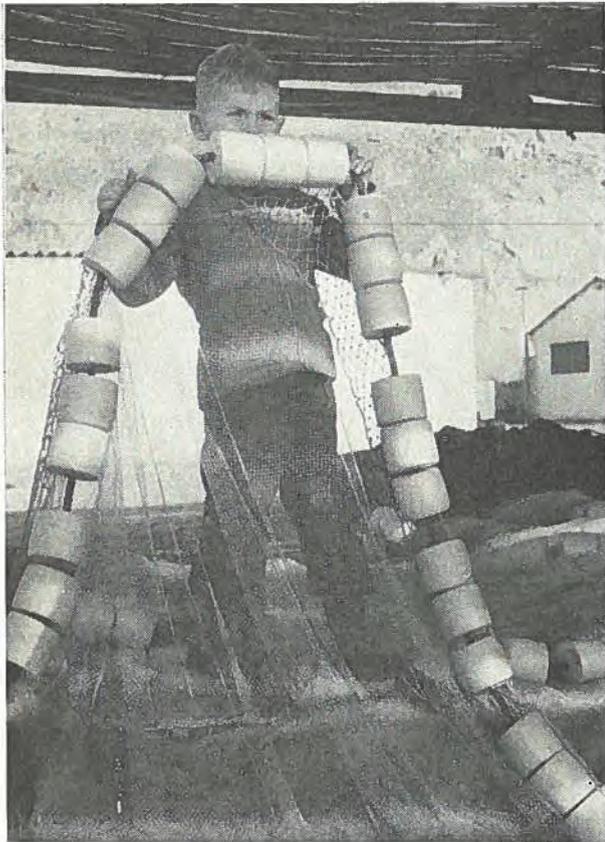
United States

FLAKE BOARD—United Wood Corporation has begun construction of a new \$500 thousand plant at West Memphis, Tennessee, to make flake board by combining flaked or chipped wood with glue under pressure. It is used as a core for veneered products such as furniture. The new plant, scheduled for completion in September, will have a capacity of eight million square feet of board a year—New Orleans, Oct. 5.

PULP AND PAPER—A prominent U.S. pulp and paper company has announced plans for a new \$30 million pulp and paper plant to be located near Columbus, Mississippi. The company has acquired a 2,500-acre site and has optioned a large timber acreage near the mill to supply part of the estimated 300 thousand cords of wood the mill will process annually. The new plant, which is scheduled for completion in early 1959, will have a capacity of 500 tons per day of kraft paper—New Orleans, Oct. 5.

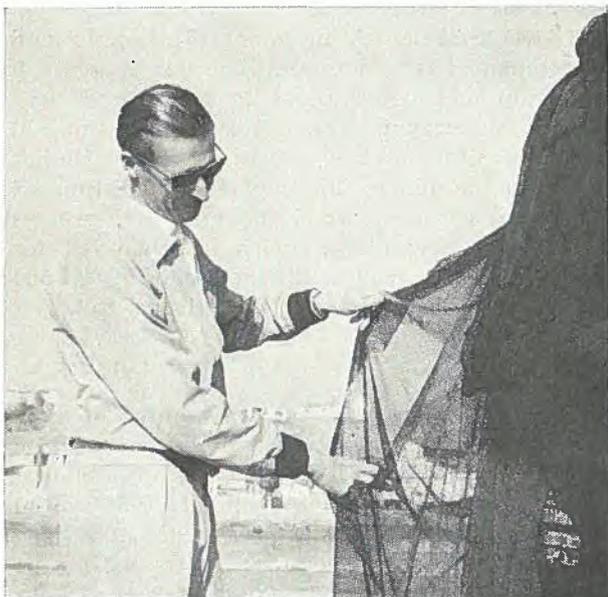
West Germany

ALUMINUM—During the first six months of 1956 the production of primary aluminum increased to 70,442 tons as against 67,464 tons during the first half of 1955. Imports of aluminum into the Federal Republic during the first five months of 1956 also rose to about 19,500 tons, compared with 14,270 tons in the same period of 1955—Bonn, Oct. 2.



(Above) This Canadian-made nylon net is being used by the anchovy fishermen; note the light colour and the plastic floats that are strung out along the top.

(Below) The manager of a fish-processing plant in Peru examines large hole in the cotton-type anchovy net, which the nylon product is gradually replacing.



Canadian Nets

Catch

Peruvian Fish

H. J. HORNE, *Commercial Secretary, Lima.*

WHEN PERUVIAN FISHERMEN achieved a record catch of 170 thousand tons in 1955, an "assist" went to an enterprising Canadian salesman. In the spring of 1954, this salesman arrived in Lima with samples of a new product—nylon fishing nets. Tested in the Canadian market, these nets had proved their superiority over cotton. They were lighter and easier to handle because they did not absorb water—but they were also stronger. They lasted longer and needed few repairs. Light in colour, they were practically invisible in the water and brought fishermen larger catches. These qualities offset the higher initial cost.

In 1954, when the nylon nets were introduced, Canadian sales of commercial fishing nets and twine to Peru totalled \$16,978; in 1955, they rose to \$85,135, and in the first six months of 1956 to \$72,550. Orders pending and still unfilled are far in excess of this amount. But Canadian suppliers are now meeting increased competition. German producers are offering nylon nets of comparable quality with, in certain cases, faster delivery. Japan has been sending over mixed nylon and cotton nets that, although they sell more cheaply, do not stand up as well as the nylon product.

Peru's fishing fleet today consists of nearly 3,000 boats and some 10,000 fishermen, operating from ports spread out along its extensive coastline. The recent prosperity of the fisheries has touched off a boom in associated industries such as small shipyards and new and modern canneries.

Main species caught include bonito, anchovies, machete, skipjack, tuna, and corvina. Last year Canada bought about \$210 thousand worth of Peruvian canned fish.

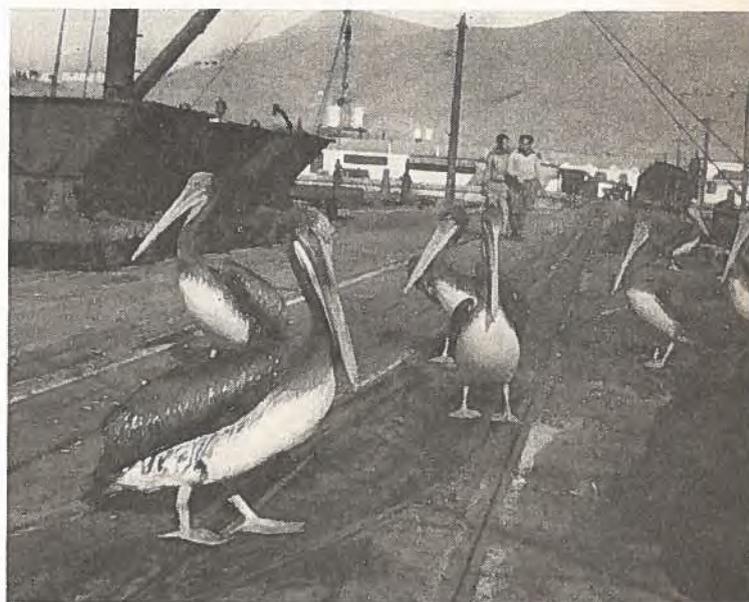
(Below) At a fishing station in Chancay, this group of young Peruvians is working hard at repairing cotton anchovy nets. These dark-coloured nets are not only heavier to handle, but have to be dipped in a hot preservative bath every ten days. Even then, they tear easily and require continuous attention.



(Below) This tram-car load of anchovies, caught off the Peruvian coast in nylon anchovy nets, is on its way to the fish-processing plant. In 1954 the anchovy catch reached 43 thousand tons and it has since increased, though it still does not equal the bonito in commercial importance to Peruvian fishermen.



(Above) It takes only these three people to mend the minor holes that appear in the nylon fishing nets displayed on the drying racks in the picture. Contrast this with the photograph above for a graphic illustration of the economies in wear and in labour that the nylon nets are today making possible.



(Above) Remember the rhyme about the pelican "whose beak holds more than its belly can"? These pelicans, protected by law in Peru because of their value to the guano industry, are loafing about a wharf in Chancay, hopefully waiting to pick up any fish spilled or to dine on offal flung to them.

Foreign Tariffs and the Exporter

The new exporter confronted with the complexities of foreign tariffs will find help with his questions here. This article, seventeenth in our series on the techniques of export trade, discusses some of the technicalities of tariff legislation and defines some of the tariff terms in common use.

H. V. JARRETT,
International Trade Relations Branch.

THE EXPORTER'S INTEREST in the rate of duty levied on his products in countries abroad starts from the time he investigates the market possibilities. He wants to know the duties applicable for various reasons:

- One, to assess the possibility of selling his product in competition with those of other countries or those locally produced.
- Two, to find out whether his product is assured of tariff treatment at least equal to that accorded to his foreign competitor, or whether he will either enjoy a preference or be faced with tariff discrimination.
- Three, to know if there are any problems of tariff classification affecting his goods.
- Four, to have an answer to any subsidiary question that may arise, such as the dutiable value or weight of his products, conditions under which preferences are granted, possibility of dumping duties being applied, and so on.

The purpose of this article and the one to follow in the next issue is to answer these questions briefly and to define some of the technicalities of tariff legislation

that the Canadian exporter doing business abroad inevitably meets.

Tariff systems may be classified into the following general types:

- *Single column tariff:* This is a tariff which consists of one schedule of duties with a single rate of duty for each article, applicable equally to imports from all countries. Duty reductions negotiated by countries employing such a system are usually generalized to apply to all other countries. Among the countries which today have single column tariffs are, for example, West Germany, Japan, the Scandinavian countries, and Mexico. The United Kingdom applies duties, whether or not negotiated by agreement, equally to imports from all countries, except for the preferences which she accords to other countries of the British Commonwealth. The United States tariff is of the same kind, treating all countries (with certain exceptions) alike.

- *Maximum-minimum tariff:* This involves the setting-up of two more or less complete columns of duties in the tariff. The lower rate is applicable to countries accorded most-favoured-nation treatment and the higher to other countries. Sometimes maximum-minimum tariffs contain only one column (usually called the minimum tariff) and the rates of the maximum tariff are determined by applying a percentage increase or multiplier to the minimum rates. France and Spain are among the countries employing this system.

- *General-conventional tariff:* The countries employing this system start out with a single column of duties and then proceed to establish a second column of conventional duties in negotiation with other countries. This second column includes only those items on which conventional rates have been negotiated and does not therefore cover all tariff items. The conventional rates are applied to countries enjoying most-favoured-nation treatment. On items on which rates have not been negotiated, the general tariff applies.

● *Preferential tariff*: This consists of the reduced rates accorded to another country by reason of a special relationship existing between them—such as among members of the British Commonwealth, between France and Portugal and their respective overseas territories, and the preferences exchanged by the United States with Cuba and the Philippines. Preferential rates of this type are exchanged exclusively between the countries within the respective spheres and are not extended to outside countries. A more detailed discussion of these preferences will be given in a later article.

Types of Rates

Specific Duties are rates levied upon commodities in terms of so much currency according to their weight, number, length, volume, or other measure of quantity. Duties are usually expressed in currency in use in the country and may be converted to Canadian terms at the current rate of exchange. There are exceptions, however. For example, in the tariffs of Spain and Chile rates are given in gold pesetas and gold pesos respectively. To convert duties to local currency, the rates are multiplied by an established factor of conversion.

Ad Valorem Duties are those which are levied in percentage terms on the value of the goods.

Alternative Duties occur where both specific and ad valorem duties are specified for an article, the rate applicable being the one which returns the higher duty (in a few instances the lower rate is the ruling one).

Compound Duties are those in which both a specific rate and an ad valorem rate are levied on the same article.

Tariff Classification

The simplest form of tariff is one which consists of a single item levying the same rate of duty on all imports. Such a tariff is applied only by a country with an uncomplicated economy. As the industry of a country grows and as more and more articles come into production, tariffs tend to become more complex. This arises from the need to assess duties equitably on a wide range of goods, with greatly varying values, for providing whatever protection may be deemed desirable and for encouraging the import of essential products. Tariff negotiations also promote greater specialization of tariffs, because concessions are often designed to cover only a particular grade or type of a product.

Tariffs which employ specific duties are apt to become much more highly specialized than those in which ad valorem duties predominate. For example, a single ad valorem rate may be used to cover a wide range of machinery. When levying specific duties on the same

machinery, however, it becomes necessary to break the classification down into weight groups, with lower rates applying to the heavier machines. The textile tariffs of many countries display very complex classifications, with rates varying with the component fibre or mixtures of fibres, weight per yard (or other measure), thread count, type of weave, and whether or not the fabric is dyed or printed.

Before the Second World War the tariffs of many countries, particularly those of Europe and Latin America, were based on specific duties and were, on this account, very complex. Since the war, however, the tendency has been to convert to the ad valorem system. A further trend towards simplification of tariff administration is the adoption by a number of countries of a standard tariff nomenclature, worked out by an international committee of experts and approved by the countries participating in the Customs Co-operation Council in Brussels.

In spite of some simplification in tariff procedure, the task of administering tariffs presents many problems. It is obvious that even a tariff of several hundred items cannot describe clearly every product that enters into trade. With the constant introduction of new products and of new materials in manufacturing processes, new questions of tariff classification have to be answered. Frequently two or more items of a tariff may have to be considered in assessing the rate on a particular article, depending upon its use or component material. In case of disputes over the correct assessment of an article, the matter may have to be resolved by a customs court or tariff board established for that purpose.

The International Trade Relations Branch of the Department of Trade and Commerce maintains at Ottawa a staff of experts who, through training and experience, can determine with a good degree of accuracy the tariff classification of any product which a Canadian exporter wishes to introduce into another country. Final decision rests, of course, with the customs authorities of the importing countries.

Duties Levied for Special Purposes

There are two kinds of duties which are levied only in special circumstances and under certain specified conditions. These are anti-dumping duties and countervailing duties.

● *Anti-dumping Duties*—The term “dumping” means sales of a product for export at lower prices than those charged for it in the domestic market. Dumping may also occur during a period of devaluation or depreciation of a country’s currency. This causes export prices, at least temporarily, to be abnormally low in terms of foreign currency. Sale at such export prices is termed exchange dumping.

When lower export prices are accounted for by legitimate drawbacks or exemption of the exported goods from direct internal taxes, such sales are not usually regarded as dumping.

To offset the effects of dumping many countries have introduced legislation providing for the levying of anti-dumping duties, which are special additional import charges designed to raise the price of the imported goods to the normal level. They usually consist, therefore, of amounts based on the difference between the export price and the home consumption price in the country of export. These duties almost invariably are applied only to articles of a class or kind produced in the countries of import.

● *Countervailing Duties*—These are related to anti-dumping duties. They offset bounties or subsidies paid on exports by the government of the exporting country and are usually equal in amount to the bounty or subsidy.

Additional Charges on Imports

In addition to customs duties proper, many countries levy extra charges of one kind or another. The most common form is a surtax of a percentage of the duty. Other forms include ad valorem surcharges, package tax (which is a small extra charge on each package in the shipment), and a variety of other charges of various kinds. Generally these taxes are for some particular purpose such as to provide means for construction of port works, to establish funds for promotion of social welfare, and so forth. The exchange regulations of a country may also provide for taxes of various amounts on imports and removal of quantitative restrictions on imports may lead to the imposition of a compensatory import tax.

Of a different kind are the internal taxes which are collected on imports by many countries. These are usually (but not invariably) levied at the same rate as on similar products of domestic origin. Included in this category are sales taxes, excise taxes, purchase taxes, turnover and transaction taxes and the like.

In many countries, particularly those of Latin America, consular fees for legalization of shipping documents are an added (and sometimes substantial) charge on imports. Some of these are collected by the consul performing the service and others at the port of entry of the goods.

Dutiable Weight

In the case of specific duties calculated on the weight of the goods it is necessary to know not only the rate of duty applicable but also whether the duty is levied on the gross, legal or net weight of the goods. Each country has its own definition of these terms but generally they are about as follows:

Gross weight is the weight of the goods and of all interior and exterior containers and packing material.

Legal weight is the weight of the goods together with the immediate interior containers. Legal weight used in this sense is employed mainly in tariffs of Latin American countries.

Net weight is the weight of the goods themselves without consideration of packing materials. It should be noted, however, that in a few countries net weight is defined to include the immediate containers.

Tare allowances are sometimes used to arrive at the dutiable weight. For example, in Cuba many tariff items specify that the duty is to be levied on the gross weight decreased by a specified percentage thereof, which varies according to the type of container used. In Switzerland gross weight may be arrived at by adding a percentage to the net weight.

By knowing the basis on which duty is levied on his goods, an exporter is better able to assess the true level of the duty and this knowledge will also be a guide to the kind of packing material he should use, consistent with assuring arrival of the goods at their destination undamaged. This is particularly true of products such as canned goods and bottled liquids, in which the weight of the containers and packing material makes up a large share of total weight of the shipment.

Most countries using specific duties use all the foregoing types of dutiable weights, depending upon the commodity involved. In some countries however—for example, Venezuela, Switzerland and Colombia—all (or nearly all) specific duties are levied on the gross weight regardless of the nature of the goods.

Dutiable Value

The price at which goods subject to ad valorem duties are invoiced to the purchaser in the importing country is not always the one on which the duty is levied. Very often, indeed, the invoice price is disregarded in the assessment of customs duties and some other basis of valuation is taken.

In many countries, particularly those of the Commonwealth, duty is levied on the export price or the current domestic value of the goods, whichever is higher. For example, in Australia the dutiable value is either the actual money price paid for the goods by the Australian exporter or the current domestic value, whichever is higher. To both these values are added all charges payable for placing the goods free on board at the port of export. In the United States, past practice has been to appraise goods on the basis of their freely offered domestic selling prices in the country of export. A new procedure is being devel-

oped in accordance with recent legislation which is expected to result in the appraisal of most goods on the basis of their export prices to wholesalers in the United States.

A form of dutiable value at one time quite common but not used so much now is the official value. Under this system the values of imported goods are fixed by legislative or administrative action and are incorporated in the tariff schedules. Among the countries now employing this system are Mexico and Uruguay. In Mexico the official values are used as a basis for levying ad valorem duty only when they are higher than the invoice price. In Uruguay the official valuations are used irrespective of the invoice value and are generally considerably lower than the current market prices. To offset this, the nominal ad valorem

rates, plus various surcharges, are high. Argentina also employed this system but recently converted its tariff to a straight ad valorem basis, although it continues to use official values for a few rates bound by trade agreements.

It is particularly important that the exporter should show prices in his invoices with exactitude. He should be prepared to show such prices in whatever form the regulations of the importing country call for. ●

In an article to appear in our November 10th issue, Mr. Jarrett will discuss British preferential tariffs and other preferential arrangements, customs unions and free trade areas, tariff relationships with other countries, import and exchange restrictions, etc.—Editor.

ARGENTINA BEGINS BANKING REFORM

Recent action of restoring complete autonomy to Argentine Central Bank marks first step in projected program of banking reform. Other measures are expected to follow shortly.

W. F. HILLHOUSE,
Agricultural Secretary, Buenos Aires.

THE FIRST STEP in a complete banking reform in Argentina took place a few weeks ago. By a Decree Law dated August 10, the Argentine Banco Central regained complete autonomy. This followed ten years of nationalization and submission to the policies of ex-President Peron and his associates.

Some idea of the significance of this move may be gained from the following quotation from a recent issue of the *Economic Survey*, which provides a reputable weekly analysis of Argentine conditions: "The terrible destruction of our economy under the deposed regime had as its basis and instrument the reform of the Central Bank in 1946-49. Under no circumstances would an autonomous bank have been willing to allow itself to be used as the instrument of inflation, such as occurred in 1946 . . . It is therefore a very welcome and wise step once again to establish

the position of the Central Bank in such a way that these pernicious influences are eliminated."

Autonomy Now Assured

The autonomy of the Bank is assured by the following articles of the new Law:

Article 1. "The Central Bank is an autonomous entity of the nation . . . The President, Vice-President and Directors will act as independent functionaries charged with fulfilling and having fulfilled the dispositions of the Central Bank Law and the Banking Law."

Article 6. "The President and the Vice-President will be appointed by the Executive Power with the approval of the Senate for a period of seven years, and may be reappointed. During their term of duty they must devote all their activities to the exclusive service of the Bank and during that time may not hold any other position, remunerated or not. Furthermore, they may only be removed from office for inefficiency, for dishonesty in the exercise of their functions and for common crimes.

Article 9. ". . . The following may not hold Directorships . . .

(a) employees or officials of any Government Department and those having another occupation, irrespective of how the latter may be remunerated, depending

directly or indirectly on the Federal, Provincial or Municipal Government . . . with the exception of the Directors representing the Executive Power . . .”

Directors Selected

Quality of service, breadth of viewpoint and continuity of policy appear to have been taken into account in establishing the method of selection and the terms of duty of the Directors. The presidents of the Bank of the Argentine Nation, the Industrial Bank of the Argentine Republic, the National Mortgage Bank and the Postal Savings Bank are ex-officio directors. The twelve remaining directors appointed are as follows:

- (a) Four direct representatives of the Executive Power.
- (b) One representative of the banks of the interior of the Republic.
- (c) One representative of the private banks of the Federal Capital.
- (d) One representative for each of the following activities: agriculture, stock-raising, commerce, the co-operative societies, and labour.

Directors in categories *b*, *c*, and *d* are to hold office for four years, with one-half their number being replaced each two years. The representative of the interior banks is nominated directly by the institutions concerned; the remainder are appointed by the Executive Power from lists presented by the activities which they represent.

Functions Remain Unchanged

The stated purposes of the Bank remain unchanged. In brief, they are:

- To concentrate and accumulate reserves and exercise exchange control.
- To regulate credit and the circulating medium.
- To promote liquidity and orderly functioning of credit and apply the banking law and other legal provisions that may be adopted.
- To supervise the normal functioning of the securities market and act as the financial adviser and agent of the Executive Power in internal and external credit operations, and in the issuance and marketing of public loans.

However, the Minister of the Treasury stated recently: “In practice, however, none of these main purposes was fulfilled by the nationalized Central Bank, since it was neither able to counteract, by recourse to the use of its reserves, the cyclical fluctuations which subsequently afflicted the economy, nor did it succeed in adjusting the volume of credit and the money supply

to the real volume of business in defence of the currency. Nor did it promote the liquidity and smooth working of the credit system, and it failed in the discharge of its function as economic adviser to the National Government.” There is optimism in all circles that now these purposes will in fact be carried out.

The Board of Directors, among other duties, will establish rules for the conduct of the monetary, credit and exchange policy, and policies pertaining to the securities market and economic affairs generally; approve the annual general balance statement, profit and loss account and report of the Bank; establish or close branches or agencies, name correspondents and regulate their relations with the Bank; fix the rediscount, interest and import and export exchange rates; acquire and transfer real estate necessary for the operation of the Bank; appoint the general manager and assistant general manager, and so on.

Additional Steps to Be Taken

The denationalization of the Central Bank is considered to be but the first step in a complete banking reform. The plan is to denationalize all the other state banks, a step already begun with the important Bank of the Province of Buenos Aires. A second integral part of the reform is the return of deposits to the private banks. Under nationalization, the private banks merely acted as agents for the Central Bank. It is expected that before the end of the year these deposits will be returned in part to the private banks and that the remainder will be returned gradually. After ten years of arbitrary policies which have not honoured banking practices, the reforms cannot be expected to be effective overnight. They do, however, provide the firm basis upon which to build an important part of the reconstruction of the country's economy.

MLS Opens Toronto Office

Maple Leaf Services has opened a regional office in Toronto at 310 Spadina Avenue, under the direction of J. H. Barter. This office will look after MLS buying in Ontario.

Maple Leaf Services, a non-profit private company sponsored by the Canadian Army, last year opened two shopping centres for the Canadian Brigade in Germany, at Soest and Werl. A third centre will be opened shortly in Hemer. MLS is also taking over the catering for canteens and clubs within the Brigade. In Canada, it will manage all amenities for army personnel at camps and units throughout the country. Buying for Europe is handled by the company's head office in Ottawa.

Uruguay Alters Exchange Rates

New system of exchange rates, introduced in August, designed to ensure that all goods imported will be paid for by foreign exchange earned from Uruguayan exports. Importers still doubtful about this complicated system.

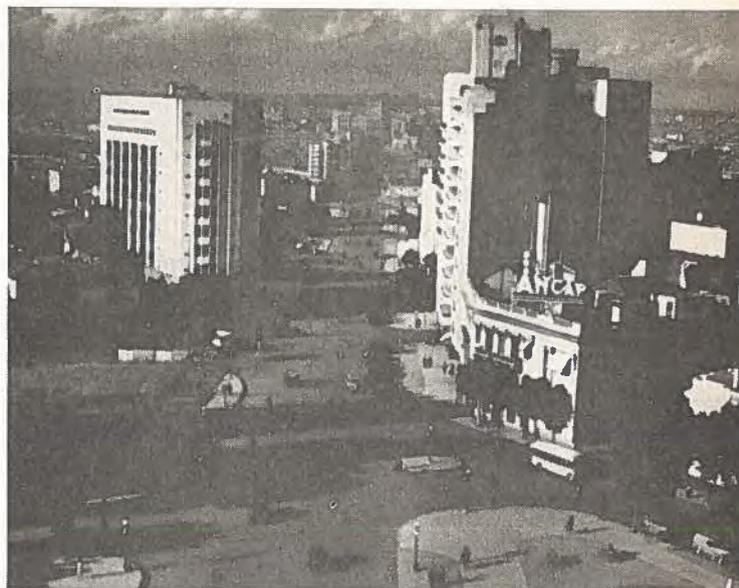
BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

EARLY IN AUGUST the Uruguayan Government introduced a new system of exchange rates, designed to stimulate exports and allow greater freedom for imports within limits to be established by foreign exchange earnings.

Imports of certain goods—including raw materials, veterinary products, fuels, building materials and essential foods—may now be negotiated at the rate of 2.10 pesos per dollar, without permit. Other products accorded the 2.10 rate but still regulated by quota are bananas, seeds, and sugar. All other first category goods may be freely imported at the rate of exchange ruling in the free commercial exchange market.

The import of second and third category goods continues under the quota system. However, payment must be from funds purchased at the free commercial market rate of exchange plus a surcharge, yet to be fixed, which will go to establish an Exchange Regulation Fund. The fund will be used mainly to pay a subsidy equivalent to the difference between the free market rate and the rate of 3.00 pesos per dollar, or its equivalent, on imports of agricultural machinery, antibiotics, cortisone, insulin and fertilizers.

The essence of the new scheme of control is that all goods imported will be paid for with foreign exchange



The Avenida Agraciada, in Montevideo, capital of Uruguay, leads to the marble House of Parliament seen in the distance. With a population of 850 thousand, Montevideo is one of South America's great cities and a tourist attraction.

accruing from the sales of Uruguayan goods and materials abroad. An escape clause in the decree authorizes the Bank of the Republic to supplement the supply of exchange if it deems it necessary.

Exports in Eleven Groups

All exports are now divided into eleven groups, with rates of exchange varying from 100 per cent at the free market rate to 100 per cent at the basic rate of 1.51 pesos per dollar. Details of the products in each group and the percentages that may be sold at the free rate may be obtained from the International Trade Relations Branch of the Department.

Exports of products manufactured from Uruguayan raw materials enjoy the same rate of exchange which applies to exports of these raw materials. Similarly, exports of products manufactured from imported raw materials are to be settled at the rate applying to imports of such raw materials at the date of export. The remainder of values of both exports will be negotiable at the free rate. Where the manufactured product contains less than 20 per cent by value of imported raw materials, it may be exported to any country and paid for in any currency. Where the amount exceeds 20 per cent, however, the exchange proceeds must be surrendered in the same currency as was used to pay for the imported raw materials, or in any other indicated by the Bank of the Republic.

The Bank will purchase the percentages of foreign exchange earnings that are to be delivered at the basic

rate. For the remainder a "free exchange certificate" will be issued, valid for eight days, which may be used only in payment for imports. Unnegotiated certificates will be redeemed by the Bank at the free exchange rate less a commission.

Importers Are Uncertain

Thus the system of import, export and exchange control has been revamped. Although on paper it appears a workable scheme, the complicated and multiple exchange rates remain and create doubt in the minds of the importers that they stand to benefit. At this time of the year wool shipments are practically at a standstill and exports are still very low. Exchange certificates for payment of imports are, therefore, in short supply, with the result that importers are seriously hampered.

It should be explained that the free commercial exchange market is quite apart from the financial free market. Trading in the commercial market is confined to dealings in exchange certificates—the proceeds of a percentage of export sales.

Importers are perplexed. They do not favour the complications of the new system and do not believe it is going to work. They have adopted a "wait and see" attitude. Meanwhile merchants of all descriptions are hoarding goods against an expected considerable rise in prices. To date this belief appears well founded, to judge by many increases during recent weeks.

Trade in 1955

Statistics recently published show that Uruguay's adverse balance of trade for 1955 was US\$41.4 million—not quite as large as preliminary figures indicated some months ago. This compares with a US\$25.5 million deficit for 1954 and a favourable balance of US\$74.6 million for 1953.

As in 1954, Uruguay's imports in order of importance were raw materials, machinery, petroleum products, building materials, motor vehicles, and foodstuffs. Of the total of US\$225 million, raw materials made up US\$72 million, illustrating the high degree of industrialization.

Exports were the traditional ones—wool, agricultural products, wool tops, hides and skins, etc. (Wool accounted for over \$74 million out of a total of \$183.5 million—a smaller value than for 1954 but still substantial.) Meat exports dropped from \$45.5 million in 1954 to only \$7.2 million in 1955.

The main suppliers of goods and materials continued to be the United States, Brazil, the United Kingdom, Germany, Venezuela and France—the only change was that Brazil replaced the United Kingdom in second position.

Exports went mainly to the Netherlands, Brazil, the United Kingdom, United States, France and Italy. As with imports, the United Kingdom dropped behind both the Netherlands and Brazil. The United States moved from third place to fourth as a market.

Trade Commissioners on Tour

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, began a tour of Canada in Vancouver and Victoria, September 4-14, and completes it in Saint John, October 30, and Ottawa, October 31-November 7.

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

Halifax—Oct. 29-30

Saint John—Nov. 2-3

Kentville—Oct. 31-Nov. 1

Ottawa—Nov. 5

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Halifax, Kentville, and Saint John, and the Department of Trade and Commerce in Ottawa.

Tours of Territory

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, intends to visit the Orange Free State (with calls at Bloemfontein, Welkom, Harmony, Virginia, and Odenaalsrust), in mid-November.

R. W. BLAKE, Commercial Secretary in Melbourne, Australia, is planning to visit Tasmania from December 10-19.

G. F. OSBALDESTON, Vice Consul and Assistant Trade Commissioner in São Paulo, Brazil, will visit Porto Alegre, Curitiba, Joinville, Blumenau, Florianópolis, and Paranaguá for three weeks, beginning November 16th.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Noble can be reached at his office in Johannesburg, Mr. Blake at Melbourne, and Mr. Osbaldeston at São Paulo.

general notes



Argentina

U.S. LOAN—The first tangible result of the Argentine Economic Mission to the United States is the announcement that the Export-Import Bank has agreed to lend Argentina \$100 million to buy U.S.-made transport material for the railways, merchant marine, roads, and commercial airlines. The loan is repayable over a period of 18 years at an interest rate of 5 per cent a year. Argentine officials are optimistic that this loan will generate another \$25 million from private sources in the United States. The new loan will help improve transportation, one of Argentina's three major economic problems; the other two are a lack of power and need for capital equipment—Buenos Aires, Oct. 12.

GENERATING PLANT—The provisional government reports plans to start construction shortly on a thermo-electric generating plant in the city of Buenos Aires; capacity will eventually reach 600 thousand kilowatts. Generating capacity in Greater Buenos Aires currently totals about 850 thousand kilowatts. The new plant is to be built in stages and it is expected that the Government will call for tenders soon from local and foreign firms. Construction of the first stage to generate 100 thousand to 150 thousand kilowatts will likely take two or three years—Buenos Aires, Oct. 12.

Australia

WHALING SEASON—The whaling season on the east coast of Australia has concluded successfully and on the west coast it is nearing completion. Four chasers on the east coast obtained their quota of 720 whales within 64 days of the season's opening; six chasers on the west coast have captured 720 whales out of a quota of 1,000. A new station nearing completion on Norfolk Island will operate soon. Whale meat is now exported to the United States for pet and mink food; whale oil is shipped to Europe—Sydney, Oct. 3.

Brazil

FOREIGN FISHING—The Government has authorized 30 Spanish, Japanese and Italian fishing vessels to operate in Brazilian waters on a contract basis.

This move was made to meet the increased demands for fish. The Ministries of the Navy and Agriculture will organize the business and grant subcontracts to private firms. One of the requirements is that each crew must include a marine biologist. Crews will be foreigners at first, but Brazilians will gradually replace them—São Paulo, Oct. 5.

Chile

WORLD BANK AID—A group of technical experts representing the World Bank has visited Chile to study plans to develop electrical facilities and improve the coal mining industry. The Minister of Finance and Economy recently announced that the World Bank had approved Chile's eight-year plan to improve agriculture and transportation. The Bank will grant assistance up to a maximum of US\$225 million, payable in annual quotas over the eight-year period. The first quota of US\$25 million is expected in Chile shortly. The Government will use part of this grant for the development of hydro power and electrification and the remainder to mechanize existing coal mines and open new ones. A second quota, also US\$25 million, is expected in the near future. This money will make possible electrification of the railway from Santiago to Chillan and will aid in building roads and improving port facilities—Santiago, Oct. 2.

Colombia

BAGASSE PAPER MILL—A Colombian company has announced that it will construct a mill in the sugar cane zone near Cali, to make paper from bagasse by the "peadco" process. The annual capacity is expected to reach 20,000 metric tons of various paper products, including kraft, light wrapping and printing paper, bond and toilet tissue. The mill will not produce newsprint, heavy wrapping paper, or cardboard for boxes—Bogotá, Oct. 12.

Gold Coast

VOLTA RIVER PROJECT—A vast hydro-electric project on the Volta River has won approval. According to reports, the scheme will cost more than

£230 million. The dam would create one of the largest reservoirs ever constructed for the production of aluminum. Work on the project will probably begin next year.

Original investigations for this project were undertaken by a South African mining syndicate. At first they set out to examine hydro-electric possibilities in various parts of Africa but the immense deposits of bauxite found in the Gold Coast sparked the idea for the large-scale development now envisaged—Leopoldville, Sept. 27.

Mainland China

EXPORTS—Peking reports indicate that exports from China of manufactured goods in the first half-year of 1956 increased by 29 per cent over the same period last year. Among the products exported were cotton, linens and ramie, textile fabrics, knitted wear, stationery, sanitary equipment, sewing machines, electric fans, toys and thermos flasks. Exports were made to 53 countries, including Britain, the Soviet Union, East European countries, India, Indonesia and Egypt—Hong Kong, Oct. 4.

Norway

FOREIGN AID—Since July 1st this year, Norway has received no aid from the United States International Cooperation Administration. Since 1953, Norway has received little economic aid under the U.S. aid program. From the time Marshall Aid was first introduced in 1948, Norway has been given direct assistance amounting to more than N.Kr.3,000 million. Military aid from the U.S. has totalled an additional N.Kr.4,272 million—Oslo, Oct. 3.

Spain

INTEREST RATE—The Bank of Spain recently raised the official discount rate on trade bills from 3.75 per cent to 4.25 per cent. This move to control credit and combat rising prices is the first change in the interest rate for two years. However, there is no change at present in the legal rates applicable to commercial bank overdrafts with the Bank of Spain. Large commercial loans will be relatively unaffected, but banks will charge a higher rate of interest on personal loans. How effectively this will curb price rises remains to be seen—Madrid, Oct. 7.

Sweden

EXPORTS, IMPORTS RISE—Volume of exports was 6 per cent higher during the first six months of 1956 compared with the first half of 1955. The largest increases were for iron and steel, up 40 per

cent; machines, instruments and vehicles, up 20 per cent; and iron ore, up 15 per cent. Exports of agricultural products decreased by 17 per cent, and timber declined 15 per cent from the high totals attained in the first half of 1955; there was a small reduction in the export of pulp. Import volume for the first half of 1956 was 4 per cent greater than during the first half of 1955. Machines and instruments showed an increase of 8 per cent, the same gain as textile imports. The amount of agricultural products and fuels brought in rose 16 per cent. Finished iron and steel goods purchased abroad dropped 32 per cent from 1955 half-year totals. Value of exports for the first half of 1956 totalled Sw. Kr. 4,527 million and value of imports Sw. Kr. 5,484 million—an import balance of Sw. Kr. 957 million. The excess of imports over exports for the corresponding period in 1955 was Sw. Kr. 984 million—Stockholm, Oct. 9.

Taiwan

EXPORTS INCREASE—Taiwan's total trade during the first six months of 1956 amounted to US\$130.7 million. Exports, valued at US\$69.7 million, rose by US\$7 million over the same period of 1955; imports were valued at US\$61 million, leaving a favourable balance of US\$8.6 million. These figures do not include the substantial imports under United States economic and military aid—Hong Kong, Oct. 2.

TO EXPAND TRADE—In an effort to compete with exports of light industrial goods by Mainland China, the Nationalists in Taiwan plan to expand their exports of similar products. The China Central Trust, a government agency, is asking producers to send samples of their goods for display to Thailand, Viet Nam, Cambodia and Singapore. The Agency has selected 20 types of products for promotion. These include rubber products, stationery, electric fans, canned food, soap, sewing machines, plastics, medicines, fluorescent lamps, camphor, wearing apparel, aluminum products and harmonicas—Hong Kong, Oct. 2.

United States

TUNA FACTORY—The first commercial tuna-fish canning factory in the South will start operating soon near Vancleave, Mississippi; Bluff Creek Canning Company, a subsidiary of John Morrell and Company, will operate it. Production is expected to reach 250 cases daily, or 12,000 cans of tuna for an eight-hour shift—New Orleans, Oct. 15.

foreign trade service abroad

* No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	7th Floor, Berger House, 82 Elizabeth Street, SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Tel.:</i> BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	<i>Mail:</i> Boîte Postale 373 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary J. R. Roy, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 11-33-88
Brazil	V. L. Chapin, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	<i>Mail:</i> Caixa Postal 2164 <i>Cable:</i> CANADIAN <i>Tel.:</i> 42-4140
Brazil	C. E. Butterworth, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-6301
*Ceylon	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> DOMCANADA <i>Tel.:</i> 91341
Chile	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	<i>Mail:</i> Casilla 771 <i>Cable:</i> CANADIAN <i>Tel.:</i> 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25 Office 613, BOGOTA	<i>Airmail:</i> Apartado Aereo 3562 <i>Surface Mail:</i> Apartado 1618 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30-065
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA	<i>Mail:</i> Apartado 1945 <i>Cable:</i> CANADIAN <i>Tel.:</i> UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursley, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	<i>Mail:</i> Apartado 451 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Tel.:</i> 23110
France Algeria, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Bonn 21971
Germany	E. H. Maguire, Consul of Canada	75 Ferdinandstrasse, HAMBURG	<i>Cable:</i> CANTRACOM
Greece Israel, Turkey	A. B. Brodie, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner J. R. Midwinter, Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	<i>Airmail:</i> P.O. Box 400 <i>Surface Mail:</i> P.O. Box 444 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5590
*Haiti	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	<i>Mail:</i> P.O. Box 826
Hong Kong Formosa, Cambodia Laos, Viet Nam, Macao	C. M. Forsyth-Smith, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Tel.:</i> 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Tel.:</i> 40191
India	T. F. Harris, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Tel.:</i> 32968
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemuliaan No. 6, DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via G. B. De Rossi 27 ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 846-824

Territory	Officer	City Address	Mail and Cables, Office Telephone
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Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	<i>Mail:</i> P.O. Box 225 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, Tokyo	<i>Mail:</i> Canadian Embassy <i>Cable:</i> CANADIAN <i>Tel.:</i> 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	<i>Mail:</i> P.O. Box 513 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	<i>Mail:</i> Boîte Postale 2300 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30794
Mexico	C. J. Van Tighem Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	<i>Mail:</i> Apartado 126-Bis <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-27-90
Netherlands	B. C. Butler, Commercial Counsellor W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor J. MacNaught, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Tel.:</i> 70-644
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	<i>Mail:</i> P. O. Box 1379—Vika <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Tel.:</i> 6826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Tel.:</i> 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-33-35
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8-4° D° LISBON	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	<i>Mail:</i> P.O. Box 2133 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building, SINGAPORE	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30631-2

Territory	Officer	City Address	Mail and Cables, Office Telephone
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South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	<i>Mail:</i> P.O. Box 715 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Tangier	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio España, Avenida de Jose Antonio 88, MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Tel.:</i> 47-54-00
Sweden Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Tel.:</i> 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	B. I. Rankin, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	<i>Mail:</i> P.O. Box 125 <i>Cable:</i> CANADIAN <i>Tel.:</i> 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	H. L. Brown, Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Counsellor (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada Canada House, Trafalgar Square, LONDON, S.W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Tel.:</i> Whitehall 8701 <i>Cable:</i> TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	<i>Mail:</i> (City Address) <i>Tel.:</i> 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Deputy Consul General (Commercial) C. R. Gallow, Consul and Trade Commissioner H. E. Lemieux, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Tel.:</i> JUDson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	<i>Mail:</i> (City Address) <i>Tel.:</i> HANcock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Street, CHICAGO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RANDolph 6-6033
United States (Michigan, Ohio)	M. J. Vechslar, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1139 Penobscot Building, DETROIT 26	<i>Mail:</i> (City Address) <i>Tel.:</i> WOODward 5-2811
*United States California (the ten south- ern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	<i>Mail:</i> (City Address) <i>Tel.:</i> VANDike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RAYmond 2136
*United States California, (except the ten southern counties), Wyom- ing, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	<i>Mail:</i> (City Address) <i>Tel.:</i> SUTter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	<i>Mail:</i> (City Address) <i>Tel.:</i> MUTual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7 ^o MONTEVIDEO	<i>Mail:</i> Casilla Postal 852 <i>Cable:</i> CANADIAN <i>Tel.:</i> 96096
Venezuela Netherlands Antilles	R. E. Gravel, Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary W. G. Brett, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urupal, CARACAS	<i>Mail:</i> Apartado 3306 <i>Cable:</i> CANADIAN <i>Tel.:</i> 54-3431

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 1.025969.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 11	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05415	18.46	(1)
		Free	.03129	31.96	
Austria	Schilling		.03749	26.67	
Australia	Pound		2.1715	.46	
Belgium, Belgian Empire and Luxembourg	Franc		.01956	51.12	
Bolivia	Boliviano	Official	.005130	194.93	
British West Indies	Dollar		.5655	1.77	(2)
	Pound		2.714357	.368	(3)
	Dollar	British Honduras	.6786	1.47	
Brazil	Cruzeiro	Effective selling*			*Sept. 28
		*Category I	.0140	71.63	(4)
		*Category II	.0109	92.15	
		*Category III	.0069	145.52	
		Official buying	.05321	18.79	(5)
Burma	Kyat		.2047	4.89	
Ceylon	Rupee		.2036	4.91	
Chile	Peso	Free	.001969	507.87	(15)
Colombia	Peso	Basic	.3899	2.56	(7)
		Free*	.2284	4.38	*Oct. 10
Costa Rica	Colon	Official	.1736	5.76	
		Controlled free	.1475	6.78	
Cuba	Peso		.9747	1.03	tax 2% (4)
Czechoslovakia	Koruna		.1354	7.39	
Denmark	Krone		.1411	7.09	
Dominican Republic	Peso		.9747	1.03	
Ecuador	Sucre	Official	.06498	15.39	
		Free	.05084	19.67	
Egypt	Pound	Official	2.7989	.36	(6)
El Salvador	Colon		.3899	2.56	
Fiji	Pound		2.4454	.41	
Finland	Markka		.004238	235.96	
France, Monaco and North Africa	Franc		.002785	359.06	(8)
French Colonies in Africa	Franc		.005570	179.53	(9)
French Pacific	Franc		.01532	65.27	(10)
Germany	D Mark		.2325	4.30	
Greece	Drachma		.03249	30.78	
Guatemala	Quetzal		.9747	1.03	
Haiti	Gourde		.1949	5.13	
Honduras	Lempira		.4873	2.05	
Hong Kong	Dollar	Free*	.1580	6.33	*Sept. 28
		Official	.1696	5.90	
Iceland	Krona	Official	.05985	16.71	
		Special selling	.3497	28.60	(11)
India	Rupee		.2036	4.91	
Indonesia	Rupiah	Basic	.08583	11.65	(12)
Iran	Rial	Certificate	.0129	77.72	
Iraq	Dinar		2.7291	.37	
Ireland	Pound		2.7144	.368	
Israel	Pound		.5415	1.85	
Italy	Lira		.001565	638.97	
Japan	Yen		.002708	369.27	

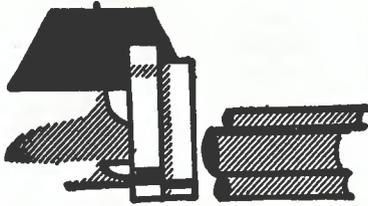
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 11	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3035	3.29	
Mexico	Peso		.07798	12.82	
Netherlands	Florin		.2548	3.92	
Netherlands Antilles	Florin		.2548	3.92	
New Zealand	Pound		2.7144	.368	
Nicaragua	Cordoba	Effective buying	.1477	6.77	
		Official selling	.1383	7.23	
Norway	Krone		.1365	7.33	
Pakistan	Rupee		.2036	4.91	
Panama	Balboa		.9747	1.03	
Paraguay	Guarani	Official	.01624	6.15	(6) (13)
Peru	Sol	Certificate	.05130	19.49	
Philippines	Peso		.4873	2.05	
Portugal & Colonies	Escudo		.03402	29.39	(14)
Singapore & Malaya	Straits dollar		.3167	3.16	
Spain & Dependencies	Peseta	Basic buying	.04451	22.47	(6)
		Basic commercial selling	.5934	16.85	
		Free	.02502	39.97	
Sweden	Krona		.1884	5.30	
Switzerland	Franc		.2275	4.40	
Syria	Pound	Free*	.2755	3.63	
Thailand	Baht	Free	.04715	21.05	(6)
Turkey	Lira		.3481	2.87	
Union of South Africa	Pound		2.7144	.368	
United Kingdom	Pound		2.714375	.368	
United States	Dollar		.9746875	1.026	
Uruguay	Peso	Free*	.2388	4.19	
		Basic buying	.6410	1.56	(6)
		Principal selling	.4651	2.15	(16)
Venezuela	Bolivar		.2910	3.44	
Yugoslavia	Dinar		.003249	307.78	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar. For additional information see article on page 25.



businessman's bookshelf

British Products and Canadian Distributors

Canadian Association of British Manufacturers and Agencies. 730 pages. Free.

EVERY CANADIAN is aware of the importance of the British market to Canada. He is also aware of the United Kingdom's trade deficit with Canada and the need to encourage larger purchases from Britain. The fourth edition of this annual volume, prepared by the Canadian Association of British Manufacturers and Agencies (CABMA), helps towards this end by providing information on sources of many types of British goods. Up-to-date data, both in English and French, include the name of British products and producers, Canadian distributors and representatives, trademarks, and proprietary names. This volume should prove of considerable value to Canadian businessmen currently engaged in British trade and to those whose interest is sparked by the goods which Great Britain offers.

Order from: The British Trade Centres in Toronto, Vancouver or Montreal.

Cyprus 1955

United Kingdom Colonial Office. 138 pages. 70 cents.

A STRIKING FACT brought out here is that business and trade in this Crown Colony carried on not only as usual but actually grew during troubled 1955.

To quote this report, "1955 was... an unhappy year for Cyprus, with peace and the promise of increasing prosperity and material progress giving place to violence and intimidation."

That very violence is, of course, chiefly responsible for making the name of Cyprus the familiar word it is today. And, in spite of it, advances were made in public works, industry and trade.

The half-million civilians on the island—147 to the square mile—carried their commerce to new highs. Both imports at £30.4 million and exports at £18.3 million were the largest in the island's history. That history, according to research findings, goes back to about 3700 B.C., making the story of Cyprus fascinating, quite apart from current issues.

Many of the newspaper reports on the situation in Cyprus, the report declares, were "exaggerated".

Certainly the reports were numerous. In addition to 1,879 press releases put out and the efforts of a Central News Room manned 16 hours a day and dealing solely with the release of information "about incidents and operations by the Security Forces," 170 foreign journalists visited the island.

Even a person who read all these news stories, however, will find much new and important information in *Cyprus 1955*.

Order from: United Kingdom Information Office, 119 Adelaide Street West, Toronto.

The Canadian Balance of International Payments—1955

Dominion Bureau of Statistics. 48 pages. 25 cents.

CANADA'S CURRENT ACCOUNT DEFICIT last year rose to a record level of \$692 million. What has this meant to the Canadian economy? A recent report prepared by the Dominion Bureau of Statistics answers this question concisely. It also points out that the growing deficit, marked towards the end of 1955, has carried on into the early part of the current year. The \$260 million increase in 1955 over 1954 resulted mainly from larger merchandise imports. However, a relatively small but encouraging note is sounded in the sections dealing with freight, shipping and miscellaneous receipts. Here greater earnings helped to offset the deficit in commodity trade to some extent.

Capital inflow movements in 1955 have been sufficient to offset the current account deficit. Though long-term capital movements actually declined last year by more than \$180 million, short-term capital movements made up the difference between the enlarged current account deficit and the reduced long-term capital inflow.

This and other information contained in this booklet can be of value to the Canadian businessman by providing him with a comprehensive picture of our current trading position. Other data should also help him to forecast future trends and give him a greater appreciation of some of the underlying factors in foreign trade.

Order from: Dominion Bureau of Statistics, Ottawa, Ontario.